

Labor

Labor

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,183,400	5,201,000	5,244,300	5,932,500	6,008,200
Budget Reduction-General Fund		-52,000	-268,700		
Total General Fund	5,183,400	5,149,000	4,975,600	5,932,500	6,008,200
Restricted Funds					
Balance Forward	9,941,120	19,224,591	23,785,900	11,433,600	7,825,700
Current Receipts	110,171,124	100,572,777	99,704,500	112,230,500	111,724,500
Non-Revenue Receipts	93,364,538	89,446,310	84,492,800	96,111,800	96,235,000
Total Restricted Funds	213,476,783	209,243,678	207,983,200	219,775,900	215,785,200
Federal Fund					
Balance Forward		1,813	127,900	1,500	
Current Receipts	3,681,156	3,884,939	3,545,900	3,907,300	3,907,300
Non-Revenue Receipts	-24,444	-30,731	-22,800	-22,800	-22,800
Total Federal Fund	3,656,712	3,856,021	3,651,000	3,886,000	3,884,500
TOTAL SOURCE OF FUNDS	222,316,895	218,248,700	216,609,800	229,594,400	225,677,900
EXPENDITURES BY CLASS					
Personnel Costs	133,051,328	126,650,954	142,658,600	158,481,500	158,555,100
Operating Expenses	6,174,240	6,264,845	7,796,300	6,842,200	6,803,300
Grants Loans Benefits	62,271,956	61,196,010	54,352,800	54,349,800	54,349,800
Capital Outlay	1,359,584	18,423	367,000	2,095,200	1,719,200
Construction		402			
TOTAL EXPENDITURES	202,857,107	194,130,634	205,174,700	221,768,700	221,427,400
EXPENDITURES BY FUND SOURCE					
General Fund	4,950,017	4,944,676	4,975,600	5,932,500	6,008,200
Restricted Funds	194,252,191	185,457,921	196,549,600	211,950,200	211,534,700
Federal Fund	3,654,898	3,728,037	3,649,500	3,886,000	3,884,500
TOTAL EXPENDITURES	202,857,107	194,130,634	205,174,700	221,768,700	221,427,400
EXPENDITURES BY UNIT					
Secretary	4,601,461	4,625,395	4,780,500	6,932,700	6,624,000
General Administration and Program Support	5,821,827	6,079,545	6,110,500	6,969,400	7,017,000
Workplace Standards	11,018,712	11,029,579	13,221,200	14,808,600	14,979,200
Workers' Claims	79,904,466	76,246,125	72,464,600	75,004,600	75,227,500
Occupational Safety and Health Review Commission	720,927	566,795	813,100	745,700	752,600
Workers' Compensation Funding Commission	100,789,715	95,583,195	107,783,700	117,306,600	116,826,000
Workers' Compensation Nominating Committee			1,100	1,100	1,100
TOTAL EXPENDITURES	202,857,107	194,130,634	205,174,700	221,768,700	221,427,400

The Labor Cabinet is created pursuant to KRS 336. The Cabinet consists of the Office of the Secretary, the Department of Workers' Claims, and the Department of Workplace Standards. The Office of the Secretary manages and administers the Cabinet. The Department of Workers' Claims administers workers' compensation claims and ensures that employers comply with the insurance, self-insurance and rehabilitation provisions in KRS Chapter 342. The Department of Workplace Standards regulates state and federal laws regarding prevailing wage, employment standards, occupational safety and health and child labor law. Workplace Standards also administers the payment of workers' compensation injury claims by the Special Fund. During the 2017 General Assembly, HB 377 directed the transfer of assets and liabilities of the Coal Workers Pneumoconiosis Fund were transferred to the Kentucky Employers' Mutual Insurance (KEMI) and the program was closed to new claims after July 1, 2017. The assessments are received by the Workers Compensation Funding Commission and are to be transferred annually to KEMI.

Attached to the Labor Cabinet for administrative purposes are the Kentucky Labor Management Advisory Council, the State Labor Relations Board, the Workers' Compensation Funding Commission, the Workers' Compensation Advisory Council, the Kentucky Occupational Safety and Health Review Commission, the Occupational Safety and Health Standards Board, the Prevailing Wage Review Board, the Apprenticeship and Training Council, the Employers' Mutual Insurance Authority, the Workers' Compensation Nominating Commission, and the Workers' Compensation Board.

In addition, the Office of General Administration and Program Support for Shared Services and the Office of Inspector General are attached to the Labor Cabinet for administrative purposes. These offices provide principal administrative, human resources, budget, auditing, and internal investigation activities for the Labor Cabinet, Energy and Environment Cabinet, and Public Protection Cabinet.

	Labor Secretary				
	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	283,939	392,080	336,200		
Current Receipts	2,921	3,715			
Non-Revenue Receipts	4,588,761	4,404,149	4,304,500	6,792,900	6,484,200
Total Restricted Funds	4,875,621	4,799,944	4,640,700	6,792,900	6,484,200
Federal Fund					
Current Receipts	117,921	159,949	139,800	139,800	139,800
Non-Revenue Receipts		1,630			
Total Federal Fund	117,921	161,579	139,800	139,800	139,800
TOTAL SOURCE OF FUNDS	4,993,541	4,961,524	4,780,500	6,932,700	6,624,000
EXPENDITURES BY CLASS					
Personnel Costs	4,079,973	4,088,584	4,119,400	4,864,800	4,931,900
Operating Expenses	521,488	536,810	661,100	649,900	650,100
Capital Outlay				1,418,000	1,042,000
TOTAL EXPENDITURES	4,601,461	4,625,395	4,780,500	6,932,700	6,624,000
EXPENDITURES BY FUND SOURCE					
Restricted Funds	4,483,540	4,463,815	4,640,700	6,792,900	6,484,200
Federal Fund	117,921	161,579	139,800	139,800	139,800
TOTAL EXPENDITURES	4,601,461	4,625,395	4,780,500	6,932,700	6,624,000
EXPENDITURES BY UNIT					
Secretary	4,601,461	4,625,395	4,780,500	6,932,700	6,624,000
TOTAL EXPENDITURES	4,601,461	4,625,395	4,780,500	6,932,700	6,624,000

The Secretary of Labor manages and administers the duties of the Cabinet. The primary responsibility of the Office of the Secretary is to ensure all areas within the Cabinet work to fulfill the mission to advance a well trained workforce, providing protections for the worker, compensating the injured, promoting employer excellence and work to ensure Kentucky as a workplace of innovation and distinction.

Funding for the Office of the Secretary is provided by the Kentucky Workers' Compensation Funding Commission's special assessments imposed upon workers' compensation premiums paid by employers and group self-insurers.

Labor					
General Administration and Program Support					
SOURCE OF FUNDS	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
General Fund					
Regular Appropriation	3,358,900	3,193,600	3,219,000	3,528,000	3,573,600
Budget Reduction-General Fund		-31,900	-164,900		
Total General Fund	3,358,900	3,161,700	3,054,100	3,528,000	3,573,600
Restricted Funds					
Balance Forward	1,263,711	1,288,470	772,700	467,100	217,200
Current Receipts	2,861	447			
Non-Revenue Receipts	2,579,084	2,337,716	2,677,400	3,116,600	3,152,800
Total Restricted Funds	3,845,656	3,626,632	3,450,100	3,583,700	3,370,000
Federal Fund					
Balance Forward			1,500	1,500	
Current Receipts	58,408	66,786	75,200	75,200	75,200
Non-Revenue Receipts	-1,384	-1,216	-1,800	-1,800	-1,800
Total Federal Fund	57,024	65,570	74,900	74,900	73,400
TOTAL SOURCE OF FUNDS	7,261,580	6,853,903	6,579,100	7,186,600	7,017,000
EXPENDITURES BY CLASS					
Personnel Costs	4,963,727	5,048,817	5,119,600	6,091,000	6,176,600
Operating Expenses	858,100	1,017,902	990,900	878,400	840,400
Capital Outlay		12,826			
TOTAL EXPENDITURES	5,821,827	6,079,545	6,110,500	6,969,400	7,017,000
EXPENDITURES BY FUND SOURCE					
General Fund	3,207,617	3,161,578	3,054,100	3,528,000	3,573,600
Restricted Funds	2,557,185	2,853,937	2,983,000	3,366,500	3,370,000
Federal Fund	57,024	64,030	73,400	74,900	73,400
TOTAL EXPENDITURES	5,821,827	6,079,545	6,110,500	6,969,400	7,017,000
EXPENDITURES BY UNIT					
Office of General Admin & Program Support Shared Services	5,403,010	5,617,295	5,565,200	6,274,400	6,314,600
Inspector General Shared Services	418,817	462,250	545,300	695,000	702,400
TOTAL EXPENDITURES	5,821,827	6,079,545	6,110,500	6,969,400	7,017,000

Attached to the Labor Cabinet for administrative purposes, General Administration and Program Support for Shared Services includes the Office of Administrative and Program Support for Shared Services and the Office of Inspector General for Shared Services. Both offices provide the Public Protection Cabinet, Labor Cabinet and Energy and Environment Cabinet agencies with the centralized administrative resources necessary to carry out their mission.

The Office of Administrative and Program Support for Shared Services serves as a central point of contact for fiscal, personnel, payroll, budget and operations for the three Cabinets. The Division of Information Services within the Office of Administrative and Program Support for Shared Services is a central point of contact for information technology services for the Public Protection Cabinet and Energy and Environment Cabinet.

The Office of Inspector General for Shared Services is the lead investigative agency for the three Cabinets.

**Labor
Workplace Standards**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,824,500	2,007,400	2,025,300	2,404,500	2,434,600
Budget Reduction-General Fund		-20,100	-103,800		
Total General Fund	1,824,500	1,987,300	1,921,500	2,404,500	2,434,600
Restricted Funds					
Balance Forward	127,386	398,401	375,600		
Current Receipts		39			
Non-Revenue Receipts	6,067,374	5,721,145	7,487,800	8,732,800	8,873,300
Total Restricted Funds	6,194,760	6,119,586	7,863,400	8,732,800	8,873,300
Federal Fund					
Balance Forward		1,813	126,400		
Current Receipts	3,504,827	3,658,203	3,330,900	3,692,300	3,692,300
Non-Revenue Receipts	-23,060	-31,145	-21,000	-21,000	-21,000
Total Federal Fund	3,481,767	3,628,872	3,436,300	3,671,300	3,671,300
TOTAL SOURCE OF FUNDS	11,501,027	11,735,757	13,221,200	14,808,600	14,979,200
EXPENDITURES BY CLASS					
Personnel Costs	8,997,823	9,128,567	10,557,000	12,531,900	12,703,600
Operating Expenses	1,743,746	1,686,513	2,422,400	2,034,900	2,033,800
Grants Loans Benefits	277,143	214,097	241,800	241,800	241,800
Construction		402			
TOTAL EXPENDITURES	11,018,712	11,029,579	13,221,200	14,808,600	14,979,200
EXPENDITURES BY FUND SOURCE					
General Fund	1,742,400	1,783,098	1,921,500	2,404,500	2,434,600
Restricted Funds	5,796,358	5,744,054	7,863,400	8,732,800	8,873,300
Federal Fund	3,479,954	3,502,428	3,436,300	3,671,300	3,671,300
TOTAL EXPENDITURES	11,018,712	11,029,579	13,221,200	14,808,600	14,979,200
EXPENDITURES BY UNIT					
Employment Standards					
Wages & Hours	1,742,400	1,630,774	1,428,700	1,831,300	1,856,400
Apprenticeship		256,301	581,900	897,300	902,300
Occupational Safety and Health	8,880,754	8,675,791	10,606,600	11,499,500	11,632,400
Commissioner's Office	395,558	466,713	604,000	580,500	588,100
TOTAL EXPENDITURES	11,018,712	11,029,579	13,221,200	14,808,600	14,979,200

The Department of Workplace Standards operates under the authority of KRS Chapters 336, 337, 338, 339, 342, 343, and 388.

The Department is comprised of the Division of Apprenticeship, Division of Wages and Hours, Division of Occupational Safety and Health Compliance, and the Division of Occupational Safety and Health Education and Training.

The Division of Apprenticeship administers the Commonwealth of Kentucky's Registered Apprenticeship program that encourages employers and employees to enter into voluntary agreements of apprenticeships while monitoring programs to ensure they provide quality training and instruction.

The Division of Occupational Safety and Health Compliance ensures that employers are preventing hazards to the safety and health of all employees arising from exposure to harmful conditions and practices in the work environment. Penalties collected by the Division are returned to the General Fund.

The Division of Occupational Safety and Health Education and Training promotes voluntary compliance with the Kentucky Occupational Safety and Health rules and regulations by providing training, on-site consultations, technical data, and technical and informational materials. The Division also gathers and monitors statistical data concerning job injuries and illnesses, and acts as a liaison between the Cabinet and the Kentucky Occupational Safety and Health Standards Board.

The Division of Wages and Hours is responsible for enforcing areas of Kentucky labor laws including Kentucky Right-to-Work Act, minimum wage, overtime, prevailing wage, child labor, wage discrimination based on sex.

The Department of Workplace Standards is funded with restricted agency receipts garnered through the Workers' Compensation Funding Commission under the authority of KRS 342; federal funding received from the U.S. Department of Labor, Occupational Safety and Health Administration; and General Fund dollars that support only the Division of Apprenticeship and Division on Wages and Hours.

Policy

The Budget of the Commonwealth provides \$171,500 General Fund appropriation in each fiscal year for the Apprenticeship program.

**Labor
Workers' Claims**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	5,084,357	5,023,820	4,402,600		
Current Receipts	1,579,329	778,927	204,000	204,000	204,000
Non-Revenue Receipts	78,264,600	74,846,000	67,858,000	74,800,600	75,023,500
Total Restricted Funds	84,928,285	80,648,747	72,464,600	75,004,600	75,227,500
TOTAL SOURCE OF FUNDS	84,928,285	80,648,747	72,464,600	75,004,600	75,227,500
EXPENDITURES BY CLASS					
Personnel Costs	13,743,008	12,489,633	14,792,100	17,244,300	17,467,200
Operating Expenses	2,812,247	2,768,982	3,194,500	2,975,100	2,975,100
Grants Loans Benefits	61,994,813	60,981,913	54,111,000	54,108,000	54,108,000
Capital Outlay	1,354,398	5,597	367,000	677,200	677,200
TOTAL EXPENDITURES	79,904,466	76,246,125	72,464,600	75,004,600	75,227,500
EXPENDITURES BY FUND SOURCE					
Restricted Funds	79,904,466	76,246,125	72,464,600	75,004,600	75,227,500
TOTAL EXPENDITURES	79,904,466	76,246,125	72,464,600	75,004,600	75,227,500
EXPENDITURES BY UNIT					
Workers' Claims	79,904,466	76,246,125	72,464,600	75,004,600	75,227,500
TOTAL EXPENDITURES	79,904,466	76,246,125	72,464,600	75,004,600	75,227,500

The Department of Workers' Claims operates under the authority of KRS Chapters 11, 336, and 342. The Department enforces statutes with regard to workers' compensation coverage for Kentucky's 2.1 million employees, administers workers' compensation claims and ensures that employers comply with the insurance, self-insurance, and rehabilitation provisions in KRS Chapter 342.

The Department of Workers' Claims is managed by the Commissioner's office. The Department is comprised of five divisions: Division of Information Services, the Division of Ombudsman and Workers' Compensation Specialist Services, the Division of Claims Processing, the Division of Security and Compliance and the Division of Workers' Compensation Funds. Office of Administrative Law Judges and the Workers' Compensation Board are also attached to the Department.

The Division of Information Services has the responsibility of collecting, filing, analyzing and disseminating all of the data for the department. Division of Claims processes all work-related injury claims filed under the workers compensation system and follows the statutory framework for how to handle and process injury claims, occupational disease claims, and hearing loss claims. The claims once processed are assigned to the Administrative Law Judges.

Division of Security and Compliance regulates individual entities that are approved to self-insure and ensure that sufficient coverage or assets are maintained to pay claims. The Division of Ombudsman and Workers Compensation Specialist is focused on constituent services providing services to employees, employers, insurance carriers, and medical provider to assist in claim filing.

Division of Workers' Compensation Funds is responsible for the administration and legal representation for the Special Fund and the maintenance of records regarding the payment of workers' compensation injury claims.

The Workers' Compensation Board is attached to the Department for administrative purposes. The Board rules on appeals of decisions rendered by administrative law judges in the Kentucky Workers Claims' and Compensation system pursuant to KRS 342.213 and KRS 342.285. The board consists of three members appointed by the Governor to four-year terms.

The Office of Administrative Law Judges conducts hearings; supervises the presentation of evidence and renders final decisions, orders or awards regarding workers' compensation claims.

The Workers' Compensation Advisory Council and the Workers' Compensation Nominating Commission established by KRS Chapter 342 are attached to the Department for administrative purposes.

Funding for the Department of Workers' Claims is provided by the Kentucky Workers' Compensation Funding Commission's special assessments imposed upon workers' compensation premiums paid by employers and self-insureds.

Labor
Occupational Safety and Health Review Commission

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	77,145	46,273	52,000		
Current Receipts	55				
Non-Revenue Receipts	690,000	572,500	761,100	745,700	752,600
Total Restricted Funds	767,200	618,773	813,100	745,700	752,600
TOTAL SOURCE OF FUNDS	767,200	618,773	813,100	745,700	752,600
EXPENDITURES BY CLASS					
Personnel Costs	670,400	522,834	733,800	666,400	673,300
Operating Expenses	45,341	43,960	79,300	79,300	79,300
Capital Outlay	5,186				
TOTAL EXPENDITURES	720,927	566,795	813,100	745,700	752,600
EXPENDITURES BY FUND SOURCE					
Restricted Funds	720,927	566,795	813,100	745,700	752,600
TOTAL EXPENDITURES	720,927	566,795	813,100	745,700	752,600
EXPENDITURES BY UNIT					
Occupational Safety and Health Review Commission	720,927	566,795	813,100	745,700	752,600
TOTAL EXPENDITURES	720,927	566,795	813,100	745,700	752,600

The Kentucky Occupational Safety and Health Review Commission is an independent quasi judicial administrative agency which hears and rules on appeals of citations, pursuant to KRS 338.071 and KRS 338.081, issued by the Labor Cabinet's Division of Occupational Safety and Health Compliance.

The Commission receives and processes over 200 cases per year and holds hearings throughout the state. Written findings of fact, conclusions of law, and the recommended decisions issued by the hearing officers may be appealed to the Commission and then to Franklin Circuit Court.

Funding for the Commission is provided by the Kentucky Workers' Compensation Funding Commission's special assessments imposed upon workers' compensation premiums paid by employers and self-insureds.

Labor					
Workers' Compensation Funding Commission					
SOURCE OF FUNDS	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
Restricted Funds					
Balance Forward	3,104,583	12,075,547	17,846,800	10,966,500	7,608,500
Current Receipts	108,585,959	99,789,649	99,500,500	112,026,500	111,520,500
Non-Revenue Receipts	1,174,720	1,564,800	1,402,900	1,922,100	1,947,500
Total Restricted Funds	112,865,262	113,429,996	118,750,200	124,915,100	121,076,500
TOTAL SOURCE OF FUNDS	112,865,262	113,429,996	118,750,200	124,915,100	121,076,500
EXPENDITURES BY CLASS					
Personnel Costs	100,596,397	95,372,519	107,336,300	117,082,700	116,602,100
Operating Expenses	193,318	210,676	447,400	223,900	223,900
TOTAL EXPENDITURES	100,789,715	95,583,195	107,783,700	117,306,600	116,826,000
EXPENDITURES BY FUND SOURCE					
Restricted Funds	100,789,715	95,583,195	107,783,700	117,306,600	116,826,000
TOTAL EXPENDITURES	100,789,715	95,583,195	107,783,700	117,306,600	116,826,000
EXPENDITURES BY UNIT					
Workers' Compensation Funding Commission	1,727,415	1,663,895	2,100,400	2,252,100	2,277,500
Benefit Reserve	91,227,300	84,398,300	96,123,300	100,054,500	99,548,500
KCWP Fund	7,835,000	9,521,000	9,560,000	15,000,000	15,000,000
TOTAL EXPENDITURES	100,789,715	95,583,195	107,783,700	117,306,600	116,826,000

The Workers' Compensation Funding Commission was created through the passage of House Bill 1 by the 1987 Extraordinary Session of the General Assembly. House Bill 928, passed by the 1994 General Assembly, transferred the Commission to the Labor Cabinet for administrative purposes. The agency has the public purpose of controlling, investing, and managing the funds collected pursuant to KRS Chapter 342.

The Commission is governed by a seven-member Board of Directors. Board members include the Secretaries of Labor, Economic Development, and Finance and Administration Cabinets. In addition, the Governor appoints four members who represent labor, insurance companies writing workers' compensation insurance, employers, and self-insured employers and groups.

The Commission collects two separate assessments as required by KRS Chapter 342. One assessment is imposed on Kentucky Workers' Compensation premiums received by all insurance carriers and group self-insurers, and on a calculation-based premium equivalent for employers carrying their own risk. A second assessment is imposed on such premiums received from employers engaged in the severance or processing of coal. Assessments received are to fund and pre-fund the liabilities of the Special Fund and the Coal Workers' Pneumoconiosis Fund; finance the administration and operations of the Special Fund and the Coal Workers' Pneumoconiosis Fund; finance the administration and operations of the Funding Commission; finance all programs in the Labor Cabinet except the Division of Apprenticeship and Division of Wages and Hours; and pay the liabilities and fund the operating budget for the Uninsured Employers' Fund in the Office of the Attorney General.

These assessments are credited to the Commission's Benefit Reserve Fund, and the excess of collections over Special Fund liabilities, the Coal Workers' Pneumoconiosis Fund liabilities, and budgeted expenditures are invested according to the Commission's policies and in compliance with KRS Chapter 386. The agency may perform or contract for audits of those entities subject to assessments, and may coordinate with other governmental agencies to ensure compliance with the statutes relating to Workers' Compensation funding. During the 2017 General Assembly, HB 377 directed the transfer of assets and liabilities of the Coal Workers' Pneumoconiosis Fund. The assets and liabilities of the Coal Workers' Pneumoconiosis Fund were transferred to the Kentucky Employers' Mutual Insurance (KEMI) and the program was closed to new claims after July 1, 2017. The assessments are received by the Workers' Compensation Funding Commission and are to be transferred annually to KEMI.

The Board is required to engage a certified public accountant to conduct an annual examination of the Commission's affairs and report the findings to the Governor and the Auditor of Public Accounts.

Included in the operating expenses are the fund transfers that represent the amounts the Commission will transfer to the Labor Cabinet and the Uninsured Employers' Fund for those programs statutorily supported by assessments.

The Commission maintains a diverse financial long-term investment portfolio and has an agreement with the Office of Financial Management, within the Finance and Administration Cabinet, for short-term overnight investment advantages.

		Labor				
		Workers' Compensation Nominating Committee				
		Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS						
Restricted Funds						
Non-Revenue Receipts				1,100	1,100	1,100
Total Restricted Funds				1,100	1,100	1,100
TOTAL SOURCE OF FUNDS				1,100	1,100	1,100
EXPENDITURES BY CLASS						
Personnel Costs				400	400	400
Operating Expenses				700	700	700
TOTAL EXPENDITURES				1,100	1,100	1,100
EXPENDITURES BY FUND SOURCE						
Restricted Funds				1,100	1,100	1,100
TOTAL EXPENDITURES				1,100	1,100	1,100
EXPENDITURES BY UNIT						
Workers' Compensation Nominating Committee				1,100	1,100	1,100
TOTAL EXPENDITURES				1,100	1,100	1,100

HB 299 of the 2017 Regular Session of the General Assembly established the Workers' Compensation Nominating Committee (WCNC) in KRS 342.213. The Workers' Compensation Nominating Committee is an agency of the Commonwealth and comprised of five members appointed by the Governor. The WCNC shall make recommendations to the Governor of three qualified individuals nominated to fill the Administrative Law Judge vacant seat and Workers' Compensation Board members 30 days prior to the end of their term or sixty days if the vacancy occurs for any reason except term expiration.

Personnel

Personnel

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	959,600	873,200	873,200		
Budget Reduction-General Fund		-1,500	-44,700		
Total General Fund	959,600	871,700	828,500		
Restricted Funds					
Balance Forward	18,332,148	19,459,384	21,054,700	18,161,700	12,388,600
Current Receipts	49,532,082	51,468,550	54,218,400	52,075,200	51,760,000
Non-Revenue Receipts	10,566,180	10,702,499	8,683,800	11,015,300	11,085,500
Fund Transfers	-2,456,880	-4,692,600	-2,692,600	-2,689,000	-2,693,800
Total Restricted Funds	75,973,529	76,937,833	81,264,300	78,563,200	72,540,300
TOTAL SOURCE OF FUNDS	76,933,129	77,809,533	82,092,800	78,563,200	72,540,300
EXPENDITURES BY CLASS					
Personnel Costs	50,939,609	49,118,512	55,220,400	58,645,300	58,957,400
Operating Expenses	5,389,592	6,687,964	7,866,600	7,529,300	7,529,400
Grants Loans Benefits	895,885	871,644	828,500		
Capital Outlay	184,644	76,722	15,600		
TOTAL EXPENDITURES	57,409,730	56,754,842	63,931,100	66,174,600	66,486,800
EXPENDITURES BY FUND SOURCE					
General Fund	895,585	871,644	828,500		
Restricted Funds	56,514,145	55,883,198	63,102,600	66,174,600	66,486,800
TOTAL EXPENDITURES	57,409,730	56,754,842	63,931,100	66,174,600	66,486,800
EXPENDITURES BY UNIT					
General Operations	26,721,541	26,966,049	28,936,500	31,449,800	31,707,400
Public Employees Deferred Compensation Authority	7,841,841	8,015,601	8,756,300	9,227,800	9,269,300
Workers' Compensation Benefits and Reserve	21,950,763	20,901,547	25,409,800	25,497,000	25,510,100
State Group Health Insurance Fund	895,585	871,644	828,500		
TOTAL EXPENDITURES	57,409,730	56,754,842	63,931,100	66,174,600	66,486,800

The Personnel Cabinet provides human resources management for Kentucky state government agencies. The Cabinet coordinates the personnel and payroll functions for most of state government. It coordinates state employee benefit packages, such as health and life insurance, workers' compensation, and deferred compensation programs. The Cabinet coordinates state government's employee application process, as well as recruiting and retention functions.

Currently, the Personnel Cabinet is comprised of five appropriation units: General Operations, Public Employees Deferred Compensation Authority, Workers' Compensation Benefits and Reserve, the State Group Health Insurance Fund, and the State Salary and Compensation Fund.

The Department of Personnel was created in 1960 under KRS 18.160. At the time of its inception, it was headed by a personnel board consisting of five members appointed by the Governor. The Board had the responsibility to forward to the Governor a list of qualified applicants for the position of Commissioner of Personnel. In 1972, the legislature made the Commissioner of Personnel a direct appointee of the Governor without nominations from the Personnel Board.

In 1982, KRS 18.160 was repealed and re-enacted under KRS chapter 18A.015. Legislation enacted that year also authorized the Department to charge other state agencies their pro rata share of costs associated with the administration of the Executive Branch's personnel-related functions. In 1998, the General Assembly elevated the Department to Cabinet status.

**Personnel
General Operations**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	1,081,648	2,647,801	3,340,300	2,824,800	2,106,500
Current Receipts	20,033,395	19,248,571	22,274,800	22,245,200	22,250,000
Non-Revenue Receipts	10,711,180	11,102,499	8,838,800	11,175,300	11,250,500
Fund Transfers	-2,456,880	-2,692,600	-2,692,600	-2,689,000	-2,693,800
Total Restricted Funds	29,369,342	30,306,271	31,761,300	33,556,300	32,913,200
TOTAL SOURCE OF FUNDS	29,369,342	30,306,271	31,761,300	33,556,300	32,913,200
EXPENDITURES BY CLASS					
Personnel Costs	21,636,564	20,665,781	21,532,500	24,405,300	24,662,900
Operating Expenses	4,900,033	6,231,586	7,388,400	7,044,500	7,044,500
Grants Loans Benefits	300				
Capital Outlay	184,644	68,682	15,600		
TOTAL EXPENDITURES	26,721,541	26,966,049	28,936,500	31,449,800	31,707,400
EXPENDITURES BY FUND SOURCE					
Restricted Funds	26,721,541	26,966,049	28,936,500	31,449,800	31,707,400
TOTAL EXPENDITURES	26,721,541	26,966,049	28,936,500	31,449,800	31,707,400
EXPENDITURES BY UNIT					
General Administration	10,670,148	10,448,297	11,934,300	12,934,800	13,040,700
Governmental Service Center	829,362	1,111,670	1,534,100	1,491,900	1,503,200
Employee Relations	825,390	717,778	835,100	963,100	974,200
Employee Insurance	10,115,490	9,492,818	10,187,200	10,991,500	11,065,500
Personnel Administration	4,281,151	5,195,488	4,445,800	5,068,500	5,123,800
TOTAL EXPENDITURES	26,721,541	26,966,049	28,936,500	31,449,800	31,707,400

The General Operations unit includes the Office of the Secretary, the Department of Human Resources Administration and the Department of Employee Insurance.

The Secretary of the Personnel Cabinet is the executive and administrative head of the cabinet and supervises all activities of the cabinet. The Office of the Secretary includes: the Office of Administrative Services, the Office of Legal Services, the Office for Employee Relations, the Office of Diversity and Equality, and Training, and the Office of Public Affairs.

The Office of Administrative Services' responsibilities include overseeing the internal operations of the Cabinet, including personnel related matters, budgeting, accounting, property management, coordinating information technology for the Cabinet and procurement functions.

The Office of Legal Services provides legal services relating to the enforcement and application of state and federal laws and regulations governing employment with both the Cabinet and other Executive Branch agencies.

The Office of Employee Relations administers the Kentucky Employee Assistance Program which provides assistance to troubled employees; the employee suggestion system; a mediation program to help resolve employment problems; the state safety program; and the self-insured Workers' Compensation program. The Workers' Compensation program provides benefits to workers injured on the job and manages a return-to-work program. The program provides coverage for state employees, Murray State University, the Kentucky Community Technical College System, volunteer firefighters, volunteer ambulance personnel, and various local government entities.

The Office of Diversity and Equality and Training is responsible for administering the Equal Employment Opportunity and Diversity Programs, the Minority Management Trainee Program, and the Commonwealth's affirmative action plan established in 18A.138. The Office is also responsible for government-wide training, consultation, and organizational development, including the coordination of the Commonwealth's strategic planning, performance measurement processes and is responsible for maintaining the employee performance management system.

The Office of Public Affairs is responsible for setting the strategic direction for the Cabinet, improving processes, developing services, and planning future service offerings.

The Department of Human Resources Administration consists of two divisions: the Division of Employee Management and the Division of Career Opportunities. The responsibilities of this department include recruiting, counseling, and certifying persons for employment with the Commonwealth; maintaining the classification and compensation system; auditing and certifying state payrolls; preparing and maintaining the official personnel and payroll records;. In addition, the development and implementation of the replacement personnel and payroll system is coordinated through the Department of Human Resources Administration.

The Department of Employee Insurance manages state government's self-insured health insurance program, the Kentucky Employees' Health Plan and the life insurance benefits for state employees. The Health Plan provides health insurance coverage for state employees, state and teacher retirees that are not yet Medicare eligible, local boards of education, local health departments, and other public and quasi-public agencies. The Department also provides administrative support to the Group Health Insurance Board under KRS 18A.226 and 18A.227.

Policy

Included in the above Restricted Fund appropriation is \$2,869,000 in fiscal year 2018-2019 and \$2,693,800 in fiscal year 2019-2020 for debt service on bonds previously issued for the Kentucky Human Resources Information System (KHRIS). The Cabinet is authorized to collect a pro rata assessment from all state agencies and other organizations that will use the new personnel and payroll system. The Cabinet shall retain the funds in a Special Project Account, the balance of which will be transferred to the General Fund to cover the debt service payment.

Personnel
Public Employees Deferred Compensation Authority

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	10,637,536	11,089,904	9,007,300	8,248,500	6,720,700
Current Receipts	8,366,709	6,007,972	8,075,000	7,780,000	7,460,000
Non-Revenue Receipts	-72,500	-75,000	-77,500	-80,000	-82,500
Total Restricted Funds	18,931,745	17,022,876	17,004,800	15,948,500	14,098,200
TOTAL SOURCE OF FUNDS	18,931,745	17,022,876	17,004,800	15,948,500	14,098,200
EXPENDITURES BY CLASS					
Personnel Costs	7,417,475	7,617,277	8,353,600	8,818,700	8,860,200
Operating Expenses	424,366	391,684	402,700	409,100	409,100
Capital Outlay		6,640			
TOTAL EXPENDITURES	7,841,841	8,015,601	8,756,300	9,227,800	9,269,300
EXPENDITURES BY FUND SOURCE					
Restricted Funds	7,841,841	8,015,601	8,756,300	9,227,800	9,269,300
TOTAL EXPENDITURES	7,841,841	8,015,601	8,756,300	9,227,800	9,269,300
EXPENDITURES BY UNIT					
Public Employees Deferred Compensation Authority	7,841,841	8,015,601	8,756,300	9,227,800	9,269,300
TOTAL EXPENDITURES	7,841,841	8,015,601	8,756,300	9,227,800	9,269,300

The Kentucky Public Employees Deferred Compensation Authority administers tax sheltered, supplemental retirement savings programs as established in the U.S. Internal Revenue Code Sections 457, 401(k), Roth 401(k), and 403(b) and in accordance with KRS 18A.230-18A.350. These programs are an optional benefit for Kentucky's public employees

	Personnel				
	Workers' Compensation Benefits and Reserve				
	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	6,612,965	5,721,679	8,707,100	7,088,400	3,561,400
Current Receipts	21,131,977	26,212,007	23,868,600	22,050,000	22,050,000
Non-Revenue Receipts	-72,500	-325,000	-77,500	-80,000	-82,500
Fund Transfers		-2,000,000			
Total Restricted Funds	27,672,442	29,608,686	32,498,200	29,058,400	25,528,900
TOTAL SOURCE OF FUNDS	27,672,442	29,608,686	32,498,200	29,058,400	25,528,900
EXPENDITURES BY CLASS					
Personnel Costs	21,885,569	20,835,453	25,334,300	25,421,300	25,434,300
Operating Expenses	65,194	64,694	75,500	75,700	75,800
Capital Outlay		1,400			
TOTAL EXPENDITURES	21,950,763	20,901,547	25,409,800	25,497,000	25,510,100
EXPENDITURES BY FUND SOURCE					
Restricted Funds	21,950,763	20,901,547	25,409,800	25,497,000	25,510,100
TOTAL EXPENDITURES	21,950,763	20,901,547	25,409,800	25,497,000	25,510,100
EXPENDITURES BY UNIT					
Workers' Compensation Benefits and Reserve	21,950,763	20,901,547	25,409,800	25,497,000	25,510,100
TOTAL EXPENDITURES	21,950,763	20,901,547	25,409,800	25,497,000	25,510,100

Created in 1990, the Workers' Compensation Benefits and Reserve is state government's self-insured Workers' Compensation program. The program provides coverage to the executive, legislative, and judicial branches of government, but excludes the Transportation Cabinet and all state universities except Murray State University. The program also covers the Kentucky Community and Technical College System, volunteer firefighters, volunteer ambulance personnel, and employees of some county clerk's or sheriff's offices when the county's population is 70,000 or more. Workers' Compensation includes a return-to-work program for injured employees, managed care, and a statewide safety program.

The revenue accruing to the program is derived from participating agencies based upon the claims history of the agency and the number of covered employees. Claims history is calculated based upon a three year running average.

Personnel

State Group Health Insurance Fund

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	959,600	873,200	873,200		
Budget Reduction-General Fund		-1,500	-44,700		
Total General Fund	959,600	871,700	828,500		
TOTAL SOURCE OF FUNDS	959,600	871,700	828,500		
EXPENDITURES BY CLASS					
Grants Loans Benefits	895,585	871,644	828,500		
TOTAL EXPENDITURES	895,585	871,644	828,500		
EXPENDITURES BY FUND SOURCE					
General Fund	895,585	871,644	828,500		
TOTAL EXPENDITURES	895,585	871,644	828,500		
EXPENDITURES BY UNIT					
State Group Health Insurance Fund	895,585	871,644	828,500		
TOTAL EXPENDITURES	895,585	871,644	828,500		

The State Group Health Insurance Fund provides funding to support a dependent subsidy for quasi-governmental employers participating in the Kentucky Employees' Health Plan.

Policy

The Budget of the Commonwealth provides no funding for the State Group Health Insurance Fund.

Postsecondary Education

Postsecondary Education

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,195,384,200	1,164,186,855	1,173,458,600	1,129,941,300	1,137,704,500
Special Appropriation			298,000		
Current Year Appropriation	1,400,000				
Continuing Approp-General Fund	9,725,028	5,037,060	18,158,500		
Budget Reduction-General Fund		-2,721,300	-10,983,600		
Other		5,627,129	2,000,000		
Total General Fund	1,206,509,228	1,172,129,744	1,182,931,500	1,129,941,300	1,137,704,500
Tobacco Fund					
Tobacco Settlement - Phase I	4,707,500	5,806,100	6,276,100	7,000,000	6,686,500
Special Appropriation	1,365,000				
Continuing Approp-Tob Settlement	536,958	733,674	862,100		
Total Tobacco Fund	6,609,458	6,539,774	7,138,200	7,000,000	6,686,500
Restricted Funds					
Balance Forward	6,519,483	5,936,696	7,323,800	5,043,200	1,431,800
Current Receipts	4,326,269,910	4,792,234,314	5,516,796,600	5,839,990,500	6,161,859,700
Non-Revenue Receipts	11,276,009	11,937,927	12,497,500	16,081,300	17,266,200
Total Restricted Funds	4,344,065,401	4,810,108,937	5,536,617,900	5,861,115,000	6,180,557,700
Federal Fund					
Balance Forward	199,683			28,400	28,400
Current Receipts	731,721,971	731,806,852	834,876,800	870,820,700	896,449,300
Non-Revenue Receipts	-130,061	-13,688	28,400		
Total Federal Fund	731,791,593	731,793,164	834,905,200	870,849,100	896,477,700
TOTAL SOURCE OF FUNDS	6,288,975,680	6,720,571,619	7,561,592,800	7,868,905,400	8,221,426,400
EXPENDITURES BY CLASS					
Personnel Costs	3,546,081,558	3,798,672,537	3,771,338,500	3,945,705,500	4,110,186,400
Operating Expenses	1,502,252,545	1,755,712,123	2,253,211,100	2,417,623,200	2,568,551,700
Grants Loans Benefits	699,439,289	740,466,824	1,199,576,600	1,183,087,300	1,202,755,700
Debt Service	166,322,859	143,822,752	156,514,600	152,548,200	156,109,500
Capital Outlay	212,359,698	162,362,291	175,880,400	168,481,000	183,524,000
TOTAL EXPENDITURES	6,126,455,949	6,601,036,526	7,556,521,200	7,867,445,200	8,221,127,300
EXPENDITURES BY FUND SOURCE					
General Fund	1,201,469,168	1,144,571,176	1,182,931,500	1,129,941,300	1,137,704,500
Tobacco Fund	5,875,784	5,677,653	7,138,200	7,000,000	6,686,500
Restricted Funds	4,187,365,405	4,718,986,633	5,531,574,700	5,859,683,200	6,180,287,000
Federal Fund	731,745,593	731,800,964	834,876,800	870,820,700	896,449,300
TOTAL EXPENDITURES	6,126,455,949	6,601,036,426	7,556,521,200	7,867,445,200	8,221,127,300
EXPENDITURES BY UNIT					
Council on Postsecondary Education	92,608,778	62,652,008	70,079,400	60,777,500	59,985,500
Kentucky Higher Education Assistance Authority	239,100,475	251,546,048	296,867,400	265,625,900	273,890,300
Postsecondary Education Institutions	5,794,746,696	6,286,838,370	7,189,574,400	7,541,041,800	7,887,251,500
TOTAL EXPENDITURES	6,126,455,949	6,601,036,426	7,556,521,200	7,867,445,200	8,221,127,300

Postsecondary Education
Council on Postsecondary Education

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	71,405,000	41,226,200	41,268,000	35,637,500	35,703,700
Special Appropriation			298,000		
Continuing Approp-General Fund	1,196,515	2,945,685	2,403,400		
Budget Reduction-General Fund		-412,300	-2,114,100		
Total General Fund	72,601,515	43,759,585	41,855,300	35,637,500	35,703,700
Tobacco Fund					
Tobacco Settlement - Phase I	3,607,500	4,706,100	5,176,100	7,000,000	6,686,500
Special Appropriation	1,365,000				
Total Tobacco Fund	4,972,500	4,706,100	5,176,100	7,000,000	6,686,500
Restricted Funds					
Balance Forward	1,381,598	1,665,633	1,895,800	1,791,300	873,300
Current Receipts	1,074,665	660,647	732,000	341,000	291,000
Non-Revenue Receipts	3,850,166	3,813,588	4,109,000	4,109,000	4,109,000
Total Restricted Funds	6,306,429	6,139,868	6,736,800	6,241,300	5,273,300
Federal Fund					
Balance Forward	27,114				
Current Receipts	13,297,650	12,360,539	18,102,500	12,772,000	12,322,000
Total Federal Fund	13,324,765	12,360,539	18,102,500	12,772,000	12,322,000
TOTAL SOURCE OF FUNDS	97,220,096	66,951,206	71,870,700	61,650,800	59,985,500
EXPENDITURES BY CLASS					
Personnel Costs	16,465,760	16,514,533	17,170,200	16,092,300	15,752,900
Operating Expenses	2,713,052	2,403,637	3,111,000	2,473,000	2,469,800
Grants Loans Benefits	44,938,467	43,733,837	49,798,200	42,212,200	41,762,800
Debt Service	28,491,500				
TOTAL EXPENDITURES	92,608,778	62,652,008	70,079,400	60,777,500	59,985,500
EXPENDITURES BY FUND SOURCE					
General Fund	69,655,830	41,356,202	41,855,300	35,637,500	35,703,700
Tobacco Fund	4,972,500	4,706,100	5,176,100	7,000,000	6,686,500
Restricted Funds	4,640,797	4,244,054	4,945,500	5,368,000	5,273,300
Federal Fund	13,339,652	12,345,652	18,102,500	12,772,000	12,322,000
TOTAL EXPENDITURES	92,608,778	62,652,008	70,079,400	60,777,500	59,985,500
EXPENDITURES BY UNIT					
Agency Operations	7,492,805	7,072,221	7,468,300	8,572,400	8,535,800
Licensure	309,641	251,050	285,500	312,000	314,400
Pass Through Programs	10,200,050	10,130,183	10,301,000	10,091,400	10,092,000
Federal Programs	4,200,521	4,998,039	5,780,500	450,000	
Strategic Investment and Incentive Funding Program	70,405,760	40,200,514	46,244,100	41,351,700	41,043,300
TOTAL EXPENDITURES	92,608,778	62,652,008	70,079,400	60,777,500	59,985,500

The Council on Postsecondary Education coordinates public postsecondary education, bringing a statewide perspective to budget and policy issues and planning. The Council both guides the system and serves as an advocate for the postsecondary education sector of the state's education enterprise. The Council licenses private non-profit and proprietary bachelor's degree-granting institutions and operates Kentucky's adult education system, bringing all of Kentucky's postsecondary and adult education providers under one agency.

The Council's statutory responsibilities include:

- development of a strategic plan for an efficient and effective system of postsecondary education that provides statewide access without unnecessary competition and duplication, recognizing both public and independent institutions;

- implementation of the strategic plan through public accountability, including reporting and evaluation of institutional performance; approval of the creation, modification, and elimination of programs and degrees and transferability of credits earned;
- approval of tuition rates and admission requirements;
- approval of capital projects and real property acquisitions by institutions;
- training and orientation of new members of institutional governing boards;
- liaison between postsecondary education institutions and the Kentucky Department of Education, the Education Professional Standards Board, the Education and Workforce Development Cabinet, and the Cabinet for Economic Development;
- operation of the Kentucky Virtual High School and the Kentucky Virtual Library;
- coordination and acquisition of technology resources for broadest access and cost efficiency;
- collection of data and research and analysis concerning the overall needs of postsecondary and adult education;
- administration of the statewide adult education and literacy program; and
- assistance in the development of the postsecondary institutions' biennial budget requests and recommendations concerning operating and capital appropriations to the Governor and the General Assembly.

Policy

House Bill 471 from the 2017 Regular Session of the General Assembly appropriated an additional \$298,000 from the General Fund to the Council on Postsecondary Education in the current fiscal year.

**Postsecondary Education
Council on Postsecondary Education
Agency Operations**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,012,000	6,893,400	6,935,200	7,626,400	7,686,900
Special Appropriation			197,100		
Budget Reduction-General Fund			-214,000		
Total General Fund	7,012,000	6,893,400	6,918,300	7,626,400	7,686,900
Restricted Funds					
Balance Forward	194,068	336,744	462,000	452,000	202,400
Current Receipts	623,471	305,052	540,000	190,000	140,000
Non-Revenue Receipts	10			506,400	506,500
Total Restricted Funds	817,549	641,796	1,002,000	1,148,400	848,900
TOTAL SOURCE OF FUNDS	7,829,549	7,535,196	7,920,300	8,774,800	8,535,800
EXPENDITURES BY CLASS					
Personnel Costs	5,762,976	6,077,850	5,940,300	6,739,700	6,703,100
Operating Expenses	1,729,829	994,371	1,528,000	1,832,700	1,832,700
TOTAL EXPENDITURES	7,492,805	7,072,221	7,468,300	8,572,400	8,535,800
EXPENDITURES BY FUND SOURCE					
General Fund	7,012,000	6,893,400	6,918,300	7,626,400	7,686,900
Restricted Funds	480,805	178,821	550,000	946,000	848,900
TOTAL EXPENDITURES	7,492,805	7,072,221	7,468,300	8,572,400	8,535,800

The Agency Operations program includes all of the staff and operating expenses necessary to manage the agency and programs of the Council except those funded with Federal grants. Activities of the professional staff include review of academic programs, admission standards, tuition rates, credit transfer procedures, adult education, technology resources and on-line learning; funding for science and technology initiatives; minority outreach; research and data analysis; and licensing of private postsecondary educational institutions. Also included in this budget are the business functions of the agency such as human resources, communications, budget, accounting, and purchasing, as well as board relations.

**Postsecondary Education
Council on Postsecondary Education**

Licensure

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	1,187,530	1,328,889	1,433,800	1,339,300	670,900
Current Receipts			191,000	150,000	150,000
Non-Revenue Receipts				-506,400	-506,500
Total Restricted Funds	1,187,530	1,328,889	1,624,800	982,900	314,400
TOTAL SOURCE OF FUNDS	1,187,530	1,328,889	1,624,800	982,900	314,400
EXPENDITURES BY CLASS					
Personnel Costs			261,500	288,000	290,400
Operating Expenses			24,000	24,000	24,000
TOTAL EXPENDITURES			285,500	312,000	314,400
EXPENDITURES BY FUND SOURCE					
Restricted Funds			285,500	312,000	314,400
TOTAL EXPENDITURES			285,500	312,000	314,400

This unit manages the licensure of both independent non-profit and for-profit postsecondary institutions that grant baccalaureate degrees and higher in the Commonwealth of Kentucky. It also approves new degree programs offered by these institutions. Initial licensing and renewal fees are based on the total number of students and the years licensed in the state.

**Postsecondary Education
Council on Postsecondary Education
Pass Through Programs**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,349,700	6,316,000	6,316,000	5,981,400	5,982,000
Special Appropriation			100,900		
Budget Reduction-General Fund			-225,900		
Total General Fund	6,349,700	6,316,000	6,191,000	5,981,400	5,982,000
Restricted Funds					
Balance Forward					
Current Receipts	194	595	1,000	1,000	1,000
Non-Revenue Receipts	3,850,156	3,813,588	4,109,000	4,109,000	4,109,000
Total Restricted Funds	3,850,350	3,814,183	4,110,000	4,110,000	4,110,000
TOTAL SOURCE OF FUNDS	10,200,050	10,130,183	10,301,000	10,091,400	10,092,000
EXPENDITURES BY CLASS					
Operating Expenses	2,860				
Grants Loans Benefits	10,197,190	10,130,183	10,301,000	10,091,400	10,092,000
TOTAL EXPENDITURES	10,200,050	10,130,183	10,301,000	10,091,400	10,092,000
EXPENDITURES BY FUND SOURCE					
General Fund	6,349,700	6,316,000	6,191,000	5,981,400	5,982,000
Restricted Funds	3,850,350	3,814,183	4,110,000	4,110,000	4,110,000
TOTAL EXPENDITURES	10,200,050	10,130,183	10,301,000	10,091,400	10,092,000
EXPENDITURES BY UNIT					
Contract Spaces	5,680,100	5,680,100	5,781,000	5,981,400	5,982,000
Professional Education Preparation Program	251,900	239,200	119,600		
Minority Student College Prep Program	176,000	167,100	83,600		
State Autism Training Center	125,800	119,500	119,500		
SREB Doctoral Scholars Program	67,900	64,500	64,500		
Pass Through - Other	48,000	45,600	22,800		
Cancer Research Instns Mtchg Fd	3,850,350	3,814,183	4,110,000	4,110,000	4,110,000
TOTAL EXPENDITURES	10,200,050	10,130,183	10,301,000	10,091,400	10,092,000

Funds are appropriated to the Council on Postsecondary Education and subsequently "passed through" to other agencies or entities. The Council monitors the implementation of the programs but is not responsible for actual day to day operations.

The **Contract Spaces Program** provides Kentucky students with access to professional programs in veterinary medicine and optometry through contracts administered by the Southern Regional Education Board and Indiana University. In veterinary medicine, Kentucky contracts for spaces at Auburn University and Tuskegee Institute. For optometry students spaces are available at the Southern College of Optometry, University of Alabama, Indiana University, and the Kentucky College of Optometry. Contract fees guarantee a fixed number of spaces in the out-of-state academic programs for qualified Kentucky residents. Enrolled students are required to pay only the equivalent of the in-state tuition at the host institution. Students are supported for four years. To reserve these spaces and to help defray cost, the Commonwealth pays a contract fee per space to each participating institution.

The **Cancer Research Institutions Matching Fund** is administered by the Council on Postsecondary Education to support cancer-related research that will ultimately reduce the morbidity and mortality from these diseases. The program is funded by a one cent per pack cigarette surtax, and the two research institutions – UK and U of L - provide a dollar for dollar match from external sources.

The **Professional Education Preparation Program (PEPP)** was established in 1980 pursuant to KRS 164.028 through 164.0282. The program assists students and prospective students from rural and inner-city areas experiencing medical and dental workforce shortages to gain admission to and graduate from medical and dental school. All funds appropriated to the Council for the PEPP program are allocated to the University of Kentucky, the University of

Louisville, and the University of Pikeville to conduct pre-freshman workshops, undergraduate workshops, student assessment conferences, and MCAT/DAT test assistance with tutoring and summer job placement.

The **Governor's Minority Student College Preparation Program** was established in 1988 to provide academic enrichment activities for middle school students, encourage them to stay in school and to enter college, to make young African-American students aware of the benefits and value of college and make them more likely to consider college as an achievable option, and to prepare these students to be successful in college-level work. The program places emphasis on early intervention in an attempt to overcome problems at the high school level that tend to reduce the pool of minorities interested in attending and prepared to do well in college. Approximately 550 middle and junior high school students will be enrolled in this program each year.

The **Kentucky State Autism Training Center** contracts with the University of Louisville to provide coordinated services for training individuals to deliver services to children diagnosed with autism spectrum disorders.

The **Southern Regional Education Board Doctoral Scholars Program** supports and encourages minority students to pursue doctoral degrees. The program seeks to increase the number of minority faculty members employed as college faculty and executives by increasing the available pool of minority candidates. Students are provided scholarships and other financial support to attend institutions throughout the southern region and in some Midwest states. Kentucky has 35 students currently in the program, including 8 at U of L and 9 at UK. Of the 81 students who have already graduated, 22 are currently employed in Kentucky.

The **Washington Internship Program** provides scholarships for students who spend a semester in Washington, DC in work-study programs in international relations, journalism, law, medicine, public relations, business, the arts, science and technology, education or counseling.

Policy

Funding for the State Autism Training Center is appropriated directly to the University of Louisville in the 2018-2020 biennium.

**Postsecondary Education
Council on Postsecondary Education
Federal Programs**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
Federal Fund					
Balance Forward	4,288	4,288			
Current Receipts	4,200,521	4,998,039	5,780,500	450,000	
Non-Revenue Receipts		-14,887			
Total Federal Fund	4,204,810	4,987,441	5,780,500	450,000	
TOTAL SOURCE OF FUNDS	4,204,810	4,987,441	5,780,500	450,000	
EXPENDITURES BY CLASS					
Personnel Costs	2,639,797	2,739,936	2,974,100		
Operating Expenses	565,707	811,149	906,400		
Grants Loans Benefits	995,017	1,446,955	1,900,000	450,000	
TOTAL EXPENDITURES	4,200,521	4,998,039	5,780,500	450,000	
EXPENDITURES BY FUND SOURCE					
Federal Fund	4,200,521	4,998,039	5,780,500	450,000	
TOTAL EXPENDITURES	4,200,521	4,998,039	5,780,500	450,000	

The Council on Postsecondary Education administers two federal programs in addition to the Adult Education related grants: Improving Educator Quality State Grant Program and Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) Kentucky.

The Improving Educator Quality State Grant program focuses on preparing, training, and recruiting high-quality teachers. The Council on Postsecondary Education provides competitive grants to partnerships comprised of schools of education and arts and sciences, along with one or more high-need local school districts.

The Gaining Early Awareness and Readiness program is a federal initiative that encourages young people to stay in school, study hard and take courses that prepare them to succeed in college. The program provides a range of services to low-income students by supporting new or expanded activities that strengthen schools. GEAR UP grants are awarded to states as well as partnerships comprising schools, postsecondary institutions and non-school partners. GEAR UP state grants stress early intervention and provide scholarships. Each grant dollar must be matched through a combination of state, local, and private funds.

**Postsecondary Education
Council on Postsecondary Education
Strategic Investment and Incentive Funding Program**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	58,043,300	28,016,800	28,016,800	22,029,700	22,034,800
Continuing Approp-General Fund	1,196,515	2,945,685	2,403,400		
Budget Reduction-General Fund		-412,300	-1,674,200		
Total General Fund	59,239,815	30,550,185	28,746,000	22,029,700	22,034,800
Tobacco Fund					
Tobacco Settlement - Phase I	3,607,500	4,706,100	5,176,100	7,000,000	6,686,500
Special Appropriation	1,365,000				
Total Tobacco Fund	4,972,500	4,706,100	5,176,100	7,000,000	6,686,500
Federal Fund					
Balance Forward	22,826	-4,288			
Current Receipts	9,097,129	7,362,500	12,322,000	12,322,000	12,322,000
Non-Revenue Receipts	14,887				
Total Federal Fund	9,134,842	7,358,211	12,322,000	12,322,000	12,322,000
TOTAL SOURCE OF FUNDS	73,347,157	42,614,496	46,244,100	41,351,700	41,043,300
EXPENDITURES BY CLASS					
Personnel Costs	7,755,851	7,447,420	7,994,300	9,064,600	8,759,400
Operating Expenses	412,150	596,395	652,600	616,300	613,100
Grants Loans Benefits	33,746,259	32,156,699	37,597,200	31,670,800	31,670,800
Debt Service	28,491,500				
TOTAL EXPENDITURES	70,405,760	40,200,514	46,244,100	41,351,700	41,043,300
EXPENDITURES BY FUND SOURCE					
General Fund	56,294,130	28,146,802	28,746,000	22,029,700	22,034,800
Tobacco Fund	4,972,500	4,706,100	5,176,100	7,000,000	6,686,500
Federal Fund	9,139,130	7,347,613	12,322,000	12,322,000	12,322,000
TOTAL EXPENDITURES	70,405,760	40,200,514	46,244,100	41,351,700	41,043,300
EXPENDITURES BY UNIT					
Research Challenge Trust Fund	4,972,500	4,706,100	5,176,100	7,500,000	7,186,500
Technology Initiative Trust Fund	4,075,300	3,870,200	3,638,000	3,628,300	3,628,300
Physical Facilities Trust Fund	28,491,500				
Adult Education and Literacy Funding Program	26,110,460	25,255,814	31,356,300	28,872,100	28,873,200
Science and Technology Funding Program	5,288,300	4,974,600	4,721,700		
Special Initiatives Funding Program	1,467,700	1,393,800	1,352,000	1,351,300	1,355,300
TOTAL EXPENDITURES	70,405,760	40,200,514	46,244,100	41,351,700	41,043,300

The **Strategic Investment and Incentive Funding Program** was created in the Kentucky Postsecondary Education Improvement Act of 1997, codified as KRS 164.7911. This program consists of appropriations for the Research Challenge Trust Fund and the Technology Initiative Trust Fund, as well as three programs established by the Council through the budget process: the Adult Education and Literacy Funding Program, the Science and Technology Funding Program, and the Special Initiatives Funding Program. These appropriations are made to the Council, which is responsible for establishing criteria and distributing these funds to postsecondary institutions in a manner that will allow the Commonwealth to accomplish the goals established in KRS 164.003(2).

Adult Education and Literacy Funding Program

Adult Education and Literacy aims to improve the educational status of adult Kentuckians who do not have a high school diploma, who function at low levels of literacy or who want to learn the English language. Kentucky Adult Education contracts with local boards of education, community and technical colleges, community-based organizations, education consortia, public and private non-profit organizations, and correctional institutions to provide adult education and literacy services in a variety of settings and locations. Every Kentucky county has a comprehensive adult education provider that

offers all levels of adult education instruction, family literacy, and employability and life skills instruction. Many providers also offer English as a Second Language classes and workplace education. By statute, funds are allocated using a formula based on the number of adults in each county functioning at low literacy levels.

Research Challenge Trust Fund

Tobacco Settlement – Phase I funds support competitive grants to researchers at the Brown Cancer Center at U of L and the Markey Cancer Center at UK. Funds are granted by the lung cancer research governance board established in KRS 164.476 to fund research into the causes, detection, and treatment of lung cancer.

Science and Technology Funding Program

The Science and Technology Funding program supports the initiatives established by the Kentucky Innovation Act in KRS 164.6011 through 164.6043. The **Experimental Program to Stimulate Competitive Research (EPSCoR)** program, a highly collaborative and successful federal research and development program initiated by the National Science Foundation in 1978, leverages state matching funds to bring additional federal research dollars to Kentucky. The Science and Technology Funding Program also provides funding for the **Science and Engineering Foundation**. The Science and Engineering Foundation, modeled on the National Science Foundation, makes investments in peer-reviewed science and engineering research. The **Knowledge-Based Economy Academic Program** supports postsecondary education programs in engineering and information technology. The Council on Postsecondary Education directed the public universities and colleges to work together to design a statewide strategy to educate more engineers, to integrate engineering education more closely into the technology-driven New Economy, and to recruit more women and minorities into engineering. Students at Western Kentucky University, Murray State University, the University of Louisville, and the University of Kentucky are enrolled in joint engineering classes.

Special Initiatives Funding Program

The Council on Postsecondary Education allocates funds to institutions for activities that support the goals of Senate Bill 1 from the 2009 session of the General Assembly. These include professional development of faculty and revision of the pedagogic curriculum and assessment standards of colleges of education.

Technology Initiative Trust Fund

This program includes funding for the Kentucky Postsecondary Education Network (KPEN), the Kentucky Virtual Campus and Virtual Library, the College Level Learning Assessment, the College Access Initiative, and faculty development activities that improve teaching and develop best practices, particularly for distance learning situations.

Policy

Included in the above General Fund appropriation is an additional \$500,000 in each fiscal year for the Ovarian Cancer Screening Outreach Program at the University of Kentucky.

Tobacco Funds in the amount of \$7,000,000 in fiscal year 2019 and \$6,686,500 in fiscal year 2020 are provided for the Cancer Research and Screening program, with the funds being equally shared between the University of Kentucky and the University of Louisville.

Funding for the Science and Technology Funding program is transferred to the Cabinet for Economic Development in fiscal years 2019 and 2020.

Postsecondary Education
Kentucky Higher Education Assistance Authority

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	205,302,000	240,244,000	245,244,000	232,100,000	239,100,000
Current Year Appropriation	1,400,000				
Continuing Approp-General Fund	8,528,513	2,091,375	15,755,100		
Budget Reduction-General Fund		-2,309,000			
Other		5,627,129	2,000,000		
Total General Fund	215,230,513	245,653,504	262,999,100	232,100,000	239,100,000
Tobacco Fund					
Tobacco Settlement - Phase I	1,100,000	1,100,000	1,100,000		
Continuing Approp-Tob Settlement	536,958	733,674	862,100		
Total Tobacco Fund	1,636,958	1,833,674	1,962,100		
Restricted Funds					
Balance Forward	5,137,884	4,271,063	5,428,000	3,251,900	558,500
Current Receipts	16,706,145	23,074,843	21,307,800	18,826,400	21,311,500
Non-Revenue Receipts	7,425,843	8,124,339	8,388,500	11,972,300	13,157,200
Total Restricted Funds	29,269,872	35,470,246	35,124,300	34,050,600	35,027,200
Federal Fund					
Balance Forward	172,568			28,400	28,400
Current Receipts	31,624	32,521	33,800	33,800	33,800
Non-Revenue Receipts	-144,948	1,199	28,400		
Total Federal Fund	59,245	33,720	62,200	62,200	62,200
TOTAL SOURCE OF FUNDS	246,196,588	282,991,144	300,147,700	266,212,800	274,189,400
EXPENDITURES BY CLASS					
Personnel Costs	13,751,737	18,744,161	17,433,700	17,729,200	17,758,400
Operating Expenses	1,931,691	1,910,930	1,855,500	1,858,600	1,855,800
Grants Loans Benefits	222,250,332	229,939,582	276,609,500	245,071,100	253,303,800
Debt Service	744,593	745,268	743,700	742,000	747,300
Capital Outlay	422,122	206,109	225,000	225,000	225,000
TOTAL EXPENDITURES	239,100,475	251,546,048	296,867,400	265,625,900	273,890,300
EXPENDITURES BY FUND SOURCE					
General Fund	213,139,138	220,498,419	262,999,100	232,100,000	239,100,000
Tobacco Fund	903,284	971,553	1,962,100		
Restricted Funds	24,998,808	30,042,356	31,872,400	33,492,100	34,756,500
Federal Fund	59,245	33,720	33,800	33,800	33,800
TOTAL EXPENDITURES	239,100,475	251,546,048	296,867,400	265,625,900	273,890,300
EXPENDITURES BY UNIT					
General Administration and Support	16,466,385	21,221,110	19,807,900	20,154,800	20,186,500
College Access Program	69,951,308	70,341,078	77,266,700	72,342,800	76,514,500
Kentucky Coal County College Completion Program	1,640,619	3,018,025	5,463,000		
Work Study Program	337,037	362,445	400,000		
Kentucky Tuition Grant	28,942,566	28,266,022	36,722,900	39,074,400	40,864,400
Teacher Scholarships	1,709,306	1,922,623	2,119,800		
Ky National Guard Tuition	6,031,167	5,957,141	8,782,100	7,448,100	7,448,100
Osteopathic Medicine Scholarship	600,000	300,000	898,400		
Ky Educational Excellence Scholarships	110,698,977	113,286,602	113,652,900	118,052,000	120,323,000
Early Childhood Development Scholarships	956,684	971,553	2,984,100		

EXPENDITURES BY UNIT

Kentucky's Affordable Prepaid Tuition (KAPT)	383,758	385,357	450,000	400,000	400,000
Coal County Scholarship for Pharmacy Students	533,600	562,030	725,000	45,000	45,000
Early Graduation Scholarship Certificate	159,200	189,640	575,000	575,000	575,000
Work Ready Scholarship			15,900,000	2,500,000	2,500,000
Dual Credit Scholarship		4,535,746	10,464,300	5,000,000	5,000,000
Other Programs	689,868	226,677	655,300	33,800	33,800
TOTAL EXPENDITURES	239,100,475	251,546,048	296,867,400	265,625,900	273,890,300

The mission of the Kentucky Higher Education Assistance Authority (KHEAA) is to increase educational attainment by providing student financial aid and other assistance to Kentuckians preparing for and attending college. KHEAA administers state grants, scholarships, work study and college savings programs for postsecondary students. The agency is the designated guarantor of insured student loans and disseminates college planning and financial aid information.

The Kentucky Higher Education Assistance Authority administers the following student aid programs:

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

The Kentucky Tuition Grant program provides need-based grants to qualified Kentucky students who choose to attend one of the Commonwealth's 26 participating independent colleges and is designed to assist full-time students with tuition charges at these schools.

The Kentucky Educational Excellence Scholarships (KEES) program provides merit-based scholarships to eligible high school students based on their yearly grade point average and supplemental awards based on their highest ACT (or equivalent SAT) score attained by their high school graduation date. The scholarships can be used to pay the expenses of each year of college or technical training.

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

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

The Osteopathic Medicine Scholarship program provides tuition equalization awards to eligible students who attend the University of Pikeville College of Osteopathic Medicine. Recipients must agree to provide medical services in Kentucky one year for each year they receive a scholarship, or repay their tuition grants.

The Coal County Pharmacy Scholarship Program provides tuition awards to eligible students at Kentucky colleges who agree to provide pharmacy services in a coal-producing county of Kentucky for one year for each year they receive the scholarship, or repay their tuition grants.

The Early Childhood Development Scholarship program provides tuition assistance to Kentucky residents pursuing a credential, certificate, or degree in early childhood education. It was established to upgrade the professional development of child-care workers and trainers who do not have access to state or federal professional development funds.

The Go Higher Grant program provides a financial incentive for non-traditional students who are enrolled on a less than full time basis and are therefore ineligible for most aid programs.

The John R. Justice program, supported by a Federal grant, provides student loan repayment assistance for public defenders and prosecutors who commit to continued employment for at least three years after graduation from law school.

The Kentucky Coal County College Completion Scholarship is awarded to coal county residents who have earned at least 60 credit hours toward a bachelor's degree and are enrolled at least half-time at a postsecondary institution located in a coal-producing county.

The Early Graduation Scholarship is awarded to students who graduate high school in three years. It can be used at any public or non-profit, independent institution the academic year immediately following graduation and is equal to one-half

of the state portion of the average statewide per pupil guaranteed base funding level (SEEK allowance).

The Dual Credit Scholarship is awarded to Kentucky high school juniors and seniors who enroll in an approved dual credit course at a participating institution.

The Work Ready Scholarship is awarded to Kentuckians with a high school credential but who have not earned an associate's degree and are enrolled in an industry-recognized certificate or diploma program in high-demand workforce sector.

Policy

The Budget of the Commonwealth suspends the provisions of KRS 154A.130(4) and provides General Fund in the amount of \$106,684,700 in fiscal year 2018-2019 and \$107,723,000 in fiscal year 2019-2020 for the Kentucky Educational Excellence Scholarships (KEES). Included in the restricted funds appropriation is \$11,367,300 in fiscal year 2018-2019 and \$12,600,000 in fiscal year 2019-2020 for KEES.

The Budget of the Commonwealth provides that lottery receipts received by the Commonwealth in any fiscal year in excess of the official estimate of the Consensus Forecasting Group, other than unclaimed prizes, will be transferred to the Kentucky Higher Education Assistance Authority and appropriated for the College Access Program and the Kentucky Tuition Grant Program.

Postsecondary Education
Postsecondary Education Institutions

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	918,677,200	882,716,655	886,946,600	862,203,800	862,900,800
Budget Reduction-General Fund			-8,869,500		
Total General Fund	918,677,200	882,716,655	878,077,100	862,203,800	862,900,800
Restricted Funds					
Current Receipts	4,308,489,100	4,768,498,823	5,494,756,800	5,820,823,100	6,140,257,200
Total Restricted Funds	4,308,489,100	4,768,498,823	5,494,756,800	5,820,823,100	6,140,257,200
Federal Fund					
Current Receipts	718,392,696	719,413,792	816,740,500	858,014,900	884,093,500
Total Federal Fund	718,392,696	719,413,792	816,740,500	858,014,900	884,093,500
TOTAL SOURCE OF FUNDS	5,945,558,996	6,370,629,270	7,189,574,400	7,541,041,800	7,887,251,500
EXPENDITURES BY CLASS					
Personnel Costs	3,515,864,062	3,763,413,843	3,736,734,600	3,911,884,000	4,076,675,100
Operating Expenses	1,497,607,802	1,751,397,556	2,248,244,600	2,413,291,600	2,564,226,100
Grants Loans Benefits	432,250,490	466,793,405	873,168,900	895,804,000	907,689,100
Debt Service	137,086,766	143,077,484	155,770,900	151,806,200	155,362,200
Capital Outlay	211,937,576	162,156,182	175,655,400	168,256,000	183,299,000
TOTAL EXPENDITURES	5,794,746,696	6,286,838,470	7,189,574,400	7,541,041,800	7,887,251,500
EXPENDITURES BY FUND SOURCE					
General Fund	918,674,200	882,716,555	878,077,100	862,203,800	862,900,800
Restricted Funds	4,157,725,800	4,684,700,223	5,494,756,800	5,820,823,100	6,140,257,200
Federal Fund	718,346,696	719,421,592	816,740,500	858,014,900	884,093,500
TOTAL EXPENDITURES	5,794,746,696	6,286,838,370	7,189,574,400	7,541,041,800	7,887,251,500
EXPENDITURES BY UNIT					
Eastern Kentucky University	310,184,219	335,201,899	352,469,600	395,302,900	402,990,200
Kentucky State University	61,324,877	70,034,471	64,682,300	63,679,000	63,479,100
Morehead State University	189,182,200	179,184,600	198,500,400	202,269,500	204,957,200
Murray State University	190,375,800	201,860,700	194,022,500	193,903,100	193,903,100
Northern Kentucky University	231,068,300	230,244,000	240,235,700	244,015,300	250,431,800
University of Kentucky	2,914,404,200	3,106,503,400	3,658,056,500	3,916,585,100	4,217,996,800
University of Louisville	961,805,300	1,133,018,800	1,229,507,500	1,241,245,800	1,258,988,000
Western Kentucky University	335,645,400	364,257,900	401,063,900	414,065,000	418,558,400
Kentucky Community and Technical College System	600,756,400	666,532,600	851,036,000	838,976,100	837,281,100
Postsecondary Education Performance Fund				31,000,000	38,665,800
TOTAL EXPENDITURES	5,794,746,696	6,286,838,370	7,189,574,400	7,541,041,800	7,887,251,500

**Postsecondary Education
Eastern Kentucky University**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	68,033,800	64,972,279	61,723,700	60,801,700	60,175,200
Postsecondary Ed Performance			3,321,500		
Budget Reduction-General Fund			-650,500		
Total General Fund	68,033,800	64,972,279	64,394,700	60,801,700	60,175,200
Restricted Funds					
Current Receipts	143,052,833	165,745,120	182,574,900	207,001,200	207,314,400
Total Restricted Funds	143,052,833	165,745,120	182,574,900	207,001,200	207,314,400
Federal Fund					
Current Receipts	99,100,586	104,484,500	105,500,000	127,500,000	135,500,600
Total Federal Fund	99,100,586	104,484,500	105,500,000	127,500,000	135,500,600
TOTAL SOURCE OF FUNDS	310,187,219	335,201,899	352,469,600	395,302,900	402,990,200
EXPENDITURES BY CLASS					
Personnel Costs	190,591,722	188,622,440	204,000,000	225,939,500	227,939,500
Operating Expenses	66,254,065	63,975,076	66,143,700	69,214,500	70,787,800
Grants Loans Benefits	45,620,544	74,617,932	72,472,900	90,052,900	94,052,900
Debt Service	7,717,888	7,986,451	9,853,000	10,096,000	10,210,000
TOTAL EXPENDITURES	310,184,219	335,201,899	352,469,600	395,302,900	402,990,200
EXPENDITURES BY FUND SOURCE					
General Fund	68,030,800	64,972,279	64,394,700	60,801,700	60,175,200
Restricted Funds	143,052,833	165,745,120	182,574,900	207,001,200	207,314,400
Federal Fund	99,100,586	104,484,500	105,500,000	127,500,000	135,500,600
TOTAL EXPENDITURES	310,184,219	335,201,899	352,469,600	395,302,900	402,990,200
EXPENDITURES BY UNIT					
Instruction	101,890,432	113,874,706	126,845,200	132,069,100	131,442,000
Research	896,071	1,077,058	1,040,000	1,040,000	1,040,000
Public Service	46,469,176	50,277,980	49,300,000	56,300,000	59,000,000
Libraries	4,693,720	5,163,160	6,000,000	6,000,000	6,000,000
Academic Support	22,910,056	24,905,662	25,950,000	30,215,000	30,215,000
Student Services	22,168,794	24,827,466	25,450,000	24,800,400	25,114,200
Institutional Support	33,775,445	29,391,295	30,000,000	30,000,000	30,000,000
Operation and Maintenance of Plant	37,192,809	42,699,821	44,349,500	45,378,400	45,378,400
Scholarships and Fellowships	14,631,410	16,426,748	18,000,000	23,000,000	20,300,600
Non-Mandatory Transfers				20,000,000	28,000,000
Auxilliary Enterprises	25,556,306	26,558,003	25,534,900	26,500,000	26,500,000
TOTAL EXPENDITURES	310,184,219	335,201,899	352,469,600	395,302,900	402,990,200

Eastern Kentucky University, originally founded as a training school for teachers, has grown into a comprehensive postsecondary institution with approximately 17,000 students. In addition to the main campus in Richmond, ECU operates regional campuses at Corbin, Danville, Manchester and Somerset.

Baccalaureate degree programs are offered in liberal arts and sciences, business and technology, education, health sciences, and the university's program of distinction, justice and public safety. Each academic program requires students to demonstrate effective communication, creativity and critical thinking skills.

Advanced degrees are offered in education, psychology and technology, and doctoral programs in educational leadership, nursing practice and occupational therapy.

Policy

The Budget of the Commonwealth provides no funding for the Community Operations Board in fiscal years 2019 and 2020.

**Postsecondary Education
Kentucky State University**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	23,429,600	26,732,876	26,729,600	25,459,000	25,259,100
Budget Reduction-General Fund			-267,300		
Total General Fund	23,429,600	26,732,876	26,462,300	25,459,000	25,259,100
Restricted Funds					
Current Receipts	18,849,867	22,519,203	19,220,000	19,220,000	19,220,000
Total Restricted Funds	18,849,867	22,519,203	19,220,000	19,220,000	19,220,000
Federal Fund					
Current Receipts	19,045,410	20,782,392	19,000,000	19,000,000	19,000,000
Total Federal Fund	19,045,410	20,782,392	19,000,000	19,000,000	19,000,000
TOTAL SOURCE OF FUNDS	61,324,877	70,034,471	64,682,300	63,679,000	63,479,100
EXPENDITURES BY CLASS					
Personnel Costs	33,015,440	35,555,103	39,542,700	39,431,200	40,937,100
Operating Expenses	18,219,837	27,240,880	16,988,200	15,602,600	16,195,900
Grants Loans Benefits	5,987,246	4,688,273	6,907,400	6,976,500	5,046,200
Debt Service	781,978	812,933	700,000	700,000	700,000
Capital Outlay	3,320,376	1,737,282	544,000	968,700	599,900
TOTAL EXPENDITURES	61,324,877	70,034,471	64,682,300	63,679,000	63,479,100
EXPENDITURES BY FUND SOURCE					
General Fund	23,429,600	26,732,876	26,462,300	25,459,000	25,259,100
Restricted Funds	18,849,867	22,519,203	19,220,000	19,220,000	19,220,000
Federal Fund	19,045,410	20,782,392	19,000,000	19,000,000	19,000,000
TOTAL EXPENDITURES	61,324,877	70,034,471	64,682,300	63,679,000	63,479,100
EXPENDITURES BY UNIT					
Instruction	10,148,002	10,140,720	11,266,600	12,655,400	13,160,300
Research	6,930,245	10,401,316	10,105,300	10,048,900	10,686,400
Public Service	8,060,500	10,317,333	8,623,700	9,006,800	9,276,600
Academic Support	3,066,743	2,984,355	4,307,200	4,437,200	4,534,400
Student Services	5,703,842	6,157,314	6,195,200	6,151,300	6,688,300
Institutional Support	11,530,451	13,194,939	9,992,400	7,378,700	5,014,200
Operation and Maintenance of Plant	4,963,813	5,096,452	5,284,900	4,980,500	5,091,900
Scholarships and Fellowships	6,422,071	6,772,148	6,778,900	6,785,700	6,792,500
Auxilliary Enterprises	4,499,210	4,969,894	2,128,100	2,234,500	2,234,500
TOTAL EXPENDITURES	61,324,877	70,034,471	64,682,300	63,679,000	63,479,100

Like other comprehensive universities, Kentucky State University was founded as a training school for teachers. An historically black university, it is also a land grant institution charged with educating and improving the lives of Kentucky's rural residents. The Cooperative Extension Program complements the research activities of the divisions of agriculture and natural resources, aquaculture, environmental studies and sustainable systems, food and animal science and family and consumer science and provides an avenue for technology transfer of research findings that are relevant to Kentuckians, especially those with limited resources living in rural areas.

In addition to its teaching and agriculture departments, KSU offers traditional liberal arts courses, business, computer science, public administration, nursing and pre-professional education for medicine, dentistry, law, engineering and other fields. Kentucky State provides an opportunity for students, including non-traditional students, who otherwise would not have access to college education.

Policy

The Budget of the Commonwealth includes additional General Fund in the amount of \$400,000 in each year to fund the state match required for the federal land grant program.

**Postsecondary Education
Morehead State University**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	43,339,500	41,969,200	39,899,700	38,852,400	38,466,800
Postsecondary Ed Performance			1,742,900		
Budget Reduction-General Fund			-416,400		
Total General Fund	43,339,500	41,969,200	41,226,200	38,852,400	38,466,800
Restricted Funds					
Current Receipts	100,528,100	98,464,700	110,592,400	113,211,900	114,991,300
Total Restricted Funds	100,528,100	98,464,700	110,592,400	113,211,900	114,991,300
Federal Fund					
Current Receipts	40,178,600	38,729,000	46,681,800	50,205,200	51,499,100
Total Federal Fund	40,178,600	38,729,000	46,681,800	50,205,200	51,499,100
TOTAL SOURCE OF FUNDS	184,046,200	179,162,900	198,500,400	202,269,500	204,957,200
EXPENDITURES BY CLASS					
Personnel Costs	91,316,300	87,958,600	94,280,800	96,472,400	97,400,800
Operating Expenses	32,165,100	31,955,800	35,939,800	35,252,400	35,052,100
Grants Loans Benefits	47,325,700	44,404,100	48,385,600	50,650,500	52,610,100
Debt Service	8,200,100	8,761,600	9,611,500	9,611,500	9,611,500
Capital Outlay	10,175,000	6,104,500	10,282,700	10,282,700	10,282,700
TOTAL EXPENDITURES	189,182,200	179,184,600	198,500,400	202,269,500	204,957,200
EXPENDITURES BY FUND SOURCE					
General Fund	43,339,500	41,969,200	41,226,200	38,852,400	38,466,800
Restricted Funds	105,710,100	98,478,600	110,592,400	113,211,900	114,991,300
Federal Fund	40,132,600	38,736,800	46,681,800	50,205,200	51,499,100
TOTAL EXPENDITURES	189,182,200	179,184,600	198,500,400	202,269,500	204,957,200
EXPENDITURES BY UNIT					
Instruction	45,164,300	42,542,600	42,141,300	42,547,600	42,873,000
Research	2,045,000	3,386,200	5,192,700	7,534,200	7,534,200
Public Service	8,551,600	9,142,700	12,003,800	12,213,500	12,252,300
Libraries	3,420,400	3,297,100	3,072,600	3,058,800	3,085,000
Academic Support	10,301,400	9,003,600	11,119,800	10,580,000	10,642,100
Student Services	18,053,400	19,828,600	20,090,000	19,869,200	19,991,200
Institutional Support	16,774,500	16,221,300	17,384,600	17,400,500	17,146,800
Operation and Maintenance of Plant	11,498,900	12,095,900	10,354,300	10,631,500	10,962,900
Scholarships and Fellowships	47,325,700	42,464,200	46,575,100	47,995,800	49,955,400
Mandatory Transfers	3,279,100	3,750,000	4,216,700	4,127,600	4,127,600
Non-Mandatory Transfers	4,581,600	-935,600	6,175,000	6,044,500	6,044,500
Auxilliary Enterprises	18,186,300	18,388,000	20,174,500	20,266,300	20,342,200
TOTAL EXPENDITURES	189,182,200	179,184,600	198,500,400	202,269,500	204,957,200

Morehead State University has an enrollment of nearly 11,000 students, including its enrollment of high school juniors at the Craft Academy for Excellence in Science and Mathematics.

Morehead's in-state undergraduate tuition is low compared to state peer institutions, and it enrolls the largest percentage of Pell-eligible students. The University strives to provide high quality education while increasing efficiency and productivity. Morehead was the first Kentucky institution to offer a complete degree program on-line.

Morehead's program of distinction is space science. Morehead faculty and undergraduate students have collaborated with students and scientists from around the world to build and launch satellites to explore and carry on important investigations in space. A 21-meter tracking antenna is located on the campus.

Policy

The Budget of the Commonwealth provides no funding for the Kentucky Folk Art Center in fiscal years 2019 and 2020.

Postsecondary Education
Murray State University

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	47,064,600	46,824,500	43,570,800	45,014,500	44,581,400
Postsecondary Ed Performance			2,231,300		
Budget Reduction-General Fund			-458,000		
Total General Fund	47,064,600	46,824,500	45,344,100	45,014,500	44,581,400
Restricted Funds					
Current Receipts	126,296,600	137,934,400	129,986,300	129,986,300	130,419,400
Total Restricted Funds	126,296,600	137,934,400	129,986,300	129,986,300	130,419,400
Federal Fund					
Current Receipts	17,014,600	17,101,800	18,692,100	18,902,300	18,902,300
Total Federal Fund	17,014,600	17,101,800	18,692,100	18,902,300	18,902,300
TOTAL SOURCE OF FUNDS	190,375,800	201,860,700	194,022,500	193,903,100	193,903,100
EXPENDITURES BY CLASS					
Personnel Costs	124,242,900	133,053,300	116,267,000	116,267,000	116,267,000
Operating Expenses	46,852,000	48,812,700	52,119,600	53,319,600	53,319,600
Grants Loans Benefits	13,000,400	12,219,500	17,310,600	15,991,200	15,991,200
Debt Service	4,970,500	6,287,200	6,657,500	6,657,500	6,657,500
Capital Outlay	1,310,000	1,488,000	1,667,800	1,667,800	1,667,800
TOTAL EXPENDITURES	190,375,800	201,860,700	194,022,500	193,903,100	193,903,100
EXPENDITURES BY FUND SOURCE					
General Fund	47,064,600	46,824,500	45,344,100	45,014,500	44,581,400
Restricted Funds	126,296,600	137,934,400	129,986,300	129,986,300	130,419,400
Federal Fund	17,014,600	17,101,800	18,692,100	18,902,300	18,902,300
TOTAL EXPENDITURES	190,375,800	201,860,700	194,022,500	193,903,100	193,903,100
EXPENDITURES BY UNIT					
Instruction	68,688,800	74,414,900	62,840,000	64,335,700	64,335,700
Research	1,995,100	2,288,300	2,052,500	2,032,000	2,032,000
Public Service	7,738,000	8,601,400	6,302,800	6,086,200	6,086,200
Libraries	3,833,500	3,743,800	3,895,800	3,785,700	3,785,700
Academic Support	7,374,000	7,674,300	5,507,400	5,353,700	5,353,700
Student Services	16,678,300	16,336,100	15,952,300	15,505,000	15,505,000
Institutional Support	22,369,600	22,340,400	25,202,500	24,935,100	24,935,100
Operation and Maintenance of Plant	23,863,400	27,433,400	21,569,400	20,959,700	20,959,700
Scholarships and Fellowships	12,753,400	12,553,500	13,815,000	14,025,200	14,025,200
Mandatory Transfers	4,970,500	6,287,200	6,657,500	6,657,500	6,657,500
Non-Mandatory Transfers	2,992,600	2,930,900	1,280,800	1,280,800	1,280,800
Auxilliary Enterprises	17,118,600	17,256,500	28,946,500	28,946,500	28,946,500
TOTAL EXPENDITURES	190,375,800	201,860,700	194,022,500	193,903,100	193,903,100

Murray State University's total enrollment is approximately 10,000 students. In addition to the main campus in Calloway County, Murray operates regional campuses at Paducah, Madisonville, Hopkinsville, Henderson and Fort Campbell. Cooperation agreements with local community and technical colleges make it possible for students in those locations to earn a four-year degree in education, business, social work or nursing. MSU faculty also provide instructional support for the University of Kentucky's engineering program in Paducah.

In addition to teacher education programs, Murray State University also offers baccalaureate and masters degrees in business, health sciences, agriculture, liberal arts, sciences, engineering and technology. The program of distinction is telecommunications systems management (TSM) and is available at the main campus as well as on-line. About 60% of the students in the TSM Masters degree program are studying on-line. MSU also has an acclaimed on-line MBA program, the largest in the Commonwealth.

Policy

The Budget of the Commonwealth provides an additional \$2,000,000 in fiscal years 2019 and 2020 for the Breathitt Veterinary Center.

**Postsecondary Education
Northern Kentucky University**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	48,537,600	46,353,400	48,875,200	48,477,500	47,974,500
Postsecondary Ed Performance			2,745,900		
Budget Reduction-General Fund			-516,200		
Total General Fund	48,537,600	46,353,400	51,104,900	48,477,500	47,974,500
Restricted Funds					
Current Receipts	169,026,100	170,815,100	176,055,200	182,462,200	189,381,700
Total Restricted Funds	169,026,100	170,815,100	176,055,200	182,462,200	189,381,700
Federal Fund					
Current Receipts	13,504,600	13,075,600	13,075,600	13,075,600	13,075,600
Total Federal Fund	13,504,600	13,075,600	13,075,600	13,075,600	13,075,600
TOTAL SOURCE OF FUNDS	231,068,300	230,244,100	240,235,700	244,015,300	250,431,800
EXPENDITURES BY CLASS					
Personnel Costs	155,120,000	166,223,200	150,375,300	153,744,900	156,139,200
Operating Expenses	37,551,300	29,850,300	38,918,600	38,563,400	39,365,000
Grants Loans Benefits	14,663,700	15,125,500	35,468,800	36,234,000	38,394,600
Debt Service	11,525,500	11,035,800	6,113,500	6,113,500	6,113,500
Capital Outlay	12,207,800	8,009,300	9,359,500	9,359,500	10,419,500
TOTAL EXPENDITURES	231,068,300	230,244,100	240,235,700	244,015,300	250,431,800
EXPENDITURES BY FUND SOURCE					
General Fund	48,537,600	46,353,300	51,104,900	48,477,500	47,974,500
Restricted Funds	169,026,100	170,815,100	176,055,200	182,462,200	189,381,700
Federal Fund	13,504,600	13,075,600	13,075,600	13,075,600	13,075,600
TOTAL EXPENDITURES	231,068,300	230,244,000	240,235,700	244,015,300	250,431,800
EXPENDITURES BY UNIT					
Instruction	72,653,600	70,633,200	71,001,800	72,253,200	73,848,700
Research	1,573,900	1,393,300	1,169,800	1,166,700	1,286,400
Public Service	13,706,200	14,133,000	10,052,400	9,932,500	10,070,600
Libraries	6,005,500	6,101,500	6,123,100	6,203,900	6,447,400
Academic Support	18,143,100	19,353,700	21,092,600	21,268,600	21,523,100
Student Services	26,489,400	27,250,100	22,351,800	22,532,400	22,644,500
Institutional Support	29,003,200	31,448,900	28,819,100	29,027,500	29,269,600
Operation and Maintenance of Plant	18,648,800	19,905,300	19,805,700	20,678,900	21,708,400
Scholarships and Fellowships	14,064,200	14,543,700	35,045,700	35,577,200	37,737,800
Mandatory Transfers	6,157,900	6,031,500	6,113,500	6,113,500	6,113,500
Non-Mandatory Transfers	7,905,700	3,093,200	1,881,200	1,881,200	1,881,200
Auxilliary Enterprises	16,716,800	16,356,600	16,779,000	17,379,700	17,900,600
TOTAL EXPENDITURES	231,068,300	230,244,000	240,235,700	244,015,300	250,431,800

Northern Kentucky University is the only one of Kentucky's comprehensive universities that did not start as an institution for training teachers. NKU began as a community college under the University of Kentucky and became an autonomous institution by an act of the General Assembly in 1968. Upper division courses were offered beginning in 1971, the same year that Salmon P. Chase College of Law merged with what was then known as Northern Kentucky State College. Today there are over 14,000 students enrolled. Although about one-third are non-residents, the Kentuckians among them come from 106 of the state's 120 counties. Boone, Kenton and Campbell counties in northern Kentucky account for 7,107 students. Due to limited dormitory space, 86% of undergraduates commute.

Between 45% and 50% of NKU's first time, full-time students are first generation college-goers. The university seeks to provide support services that make it possible for all members of its diverse student body to succeed. Academic advisors use a web-based system to proactively identify students who are "off path" for timely degree completion and suggest changes to guide students to a degree. Another particular focus is on transfer students, reflecting NKU's continuing

connection with Gateway Community and Technical College. Gateway2NKU maintains 39 program pathways for seamless transfer between the institutions. Social work pathway participants, for example, graduate in three semesters after transfer to NKU.

**Postsecondary Education
University of Kentucky**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	279,611,300	267,028,800	253,677,400	250,224,300	249,109,400
Postsecondary Ed Performance			13,411,800		
Budget Reduction-General Fund			-2,670,900		
Total General Fund	279,611,300	267,028,800	264,418,300	250,224,300	249,109,400
Restricted Funds					
Current Receipts	2,576,584,700	2,700,044,900	3,155,198,700	3,412,380,500	3,698,123,000
Total Restricted Funds	2,576,584,700	2,700,044,900	3,155,198,700	3,412,380,500	3,698,123,000
Federal Fund					
Current Receipts	214,153,500	223,242,200	238,439,500	253,980,300	270,764,400
Total Federal Fund	214,153,500	223,242,200	238,439,500	253,980,300	270,764,400
TOTAL SOURCE OF FUNDS	3,070,349,500	3,190,315,900	3,658,056,500	3,916,585,100	4,217,996,800
EXPENDITURES BY CLASS					
Personnel Costs	1,736,611,500	1,854,412,000	1,776,161,100	1,909,535,500	2,054,072,700
Operating Expenses	926,754,400	1,032,088,300	1,453,478,100	1,583,938,500	1,718,542,800
Grants Loans Benefits	36,795,400	39,423,500	209,432,300	216,172,900	220,654,000
Debt Service	73,035,200	78,406,800	86,842,400	82,634,700	86,076,700
Capital Outlay	141,207,700	102,172,800	132,142,600	124,303,500	138,650,600
TOTAL EXPENDITURES	2,914,404,200	3,106,503,400	3,658,056,500	3,916,585,100	4,217,996,800
EXPENDITURES BY FUND SOURCE					
General Fund	279,611,300	267,028,800	264,418,300	250,224,300	249,109,400
Restricted Funds	2,420,639,400	2,616,232,400	3,155,198,700	3,412,380,500	3,698,123,000
Federal Fund	214,153,500	223,242,200	238,439,500	253,980,300	270,764,400
TOTAL EXPENDITURES	2,914,404,200	3,106,503,400	3,658,056,500	3,916,585,100	4,217,996,800
EXPENDITURES BY UNIT					
Instruction	301,999,700	315,394,000	424,170,600	417,396,200	425,884,400
Research	261,912,800	283,066,500	351,867,800	368,558,700	386,352,100
Public Service	465,210,700	572,208,400	428,885,500	451,248,500	474,928,100
Libraries	23,906,700	24,092,400	27,889,400	28,332,100	29,799,600
Academic Support	75,314,400	84,032,700	100,444,600	103,193,500	106,107,100
Student Services	44,410,300	39,772,400	46,564,300	47,424,100	48,326,300
Institutional Support	59,097,100	63,413,500	145,065,700	146,948,700	147,126,800
Operation and Maintenance of Plant	64,400,500	64,143,800	96,854,600	99,746,300	106,186,400
Scholarships and Fellowships	36,795,400	39,423,600	209,432,300	216,172,900	220,654,000
Mandatory Transfers	20,700,800	20,280,200	19,788,800	14,732,600	16,477,600
Non-Mandatory Transfers	16,928,100	-12,753,000			
Auxilliary Enterprises	250,502,400	240,377,600	227,066,700	248,355,300	267,642,800
Hospitals	1,293,225,300	1,373,051,300	1,580,026,200	1,774,476,200	1,988,511,600
TOTAL EXPENDITURES	2,914,404,200	3,106,503,400	3,658,056,500	3,916,585,100	4,217,996,800

The University of Kentucky is Commonwealth's flagship institution of higher education. It is one of the nation's top research universities and also has an important land grant mission for a state where agriculture is a major economic sector. UK is one of only seven universities in the United States with schools of agriculture, engineering, law, medicine and pharmacy on a single campus. It also maintains professional programs in dentistry, architecture, business, economics, education and social professions.

In fall 2017 UK enrolled 30,474 students, including 83.4% of last year's freshman class who returned as sophomores, the highest retention rate ever.

The University campus is undergoing dramatic physical change. In the past six years, UK has completed, initiated, or approved more than \$2.4 billion in capital investment focused on living, learning, health care, research, and dining spaces.

University researchers employ 8,114 Kentuckians who generate over \$21 million in state and local taxes annually. Currently on-going investigations include problems of aging, cancer, cardiovascular and neuro-generative diseases; renewable fuels and plant-based alternatives for industrial manufacturing; drug development and delivery system design; plant bio-tech; equine health; and materials for medical devices and implants.

Policy

The Budget of the Commonwealth provides no funding in fiscal years 2019 and 2020 for the Hospital Direct Support program and the University Press.

The Budget of the Commonwealth includes General Fund in the amount of \$848,500 in fiscal year 2019 and \$2,545,500 in fiscal year 2020 for new debt service to support bonds included in the Capital Budget.

**Postsecondary Education
University of Louisville**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	143,849,100	135,190,400	126,177,500	124,610,600	123,290,400
Postsecondary Ed Performance			6,580,500		
Budget Reduction-General Fund			-1,327,600		
Total General Fund	143,849,100	135,190,400	131,430,400	124,610,600	123,290,400
Restricted Funds					
Current Receipts	728,500,600	910,516,700	999,620,600	1,018,178,700	1,037,241,100
Total Restricted Funds	728,500,600	910,516,700	999,620,600	1,018,178,700	1,037,241,100
Federal Fund					
Current Receipts	89,455,600	87,311,700	98,456,500	98,456,500	98,456,500
Total Federal Fund	89,455,600	87,311,700	98,456,500	98,456,500	98,456,500
TOTAL SOURCE OF FUNDS	961,805,300	1,133,018,800	1,229,507,500	1,241,245,800	1,258,988,000
EXPENDITURES BY CLASS					
Personnel Costs	682,399,700	724,783,100	751,302,700	762,630,500	774,291,000
Operating Expenses	222,416,400	351,885,700	332,577,600	332,988,100	339,069,800
Grants Loans Benefits	32,875,300	34,505,300	114,035,900	114,035,900	114,035,900
Debt Service	14,690,000	13,687,400	19,308,500	19,308,500	19,308,500
Capital Outlay	9,423,900	8,157,300	12,282,800	12,282,800	12,282,800
TOTAL EXPENDITURES	961,805,300	1,133,018,800	1,229,507,500	1,241,245,800	1,258,988,000
EXPENDITURES BY FUND SOURCE					
General Fund	143,849,100	135,190,400	131,430,400	124,610,600	123,290,400
Restricted Funds	728,500,600	910,516,700	999,620,600	1,018,178,700	1,037,241,100
Federal Fund	89,455,600	87,311,700	98,456,500	98,456,500	98,456,500
TOTAL EXPENDITURES	961,805,300	1,133,018,800	1,229,507,500	1,241,245,800	1,258,988,000
EXPENDITURES BY UNIT					
Instruction	319,648,600	318,256,000	531,205,700	528,943,300	528,372,100
Research	160,772,600	153,183,800	64,863,400	64,426,100	64,356,500
Public Service	135,712,100	152,148,200	56,848,400	56,615,200	56,554,200
Libraries	18,406,000	18,748,200	18,852,800	18,725,700	18,705,400
Academic Support	131,936,300	135,604,900	137,604,900	136,677,300	136,529,700
Student Services	34,144,900	34,658,700	33,014,000	32,791,400	32,756,000
Institutional Support	77,734,100	102,177,300	80,592,700	80,049,400	79,963,000
Operation and Maintenance of Plant	53,233,800	55,776,400	54,352,700	72,544,400	91,548,500
Scholarships and Fellowships	34,392,400	35,029,200	117,580,500	116,787,900	116,661,800
Mandatory Transfers	13,774,200	13,853,500	19,332,800	19,202,500	19,181,800
Non-Mandatory Transfers	-136,905,100	-4,982,000			
Auxilliary Enterprises	117,131,000	117,824,200	113,547,800	112,782,300	112,660,500
Hospitals	1,824,400	740,400	1,711,800	1,700,300	1,698,500
TOTAL EXPENDITURES	961,805,300	1,133,018,800	1,229,507,500	1,241,245,800	1,258,988,000

The University of Louisville is Kentucky's metropolitan research university, with missions of teaching, research and service. Located in the state's largest city, U of L operates on three campuses: the historic Belknap Campus, the Health Sciences Campus in downtown Louisville's medical complex, and the Shelby Campus in suburban Jefferson County. U of L enrolled 22,640 students in the fall of 2016, with 79.7 percent of the previous fall's freshman class returning. The six-year graduation rate is now 52.8 percent.

U of L researchers received almost \$135 million in grant funding in 2016. The University focuses on translational research, new knowledge and discoveries that can improve people's lives now. The Nucleus facility downtown was developed with innovative tax-increment financing to incubate and accelerate business entities that provide the bridges from the academy into the larger world. The FirstBuild micro-factory on the Belknap campus designs and builds the next generation of home appliances in collaboration with GE Appliances and Local Motors. Medical research focuses on

treatment of pediatric spinal cord injuries, biodefense and emerging infectious diseases, and cancer. Development continues at the Shelby Campus where a conference center and hotel are planned.

Policy

General Fund in the amount of \$150,000 in each year of the biennium is appropriated directly to the University of Louisville to support the State Autism Training Center. This program was previously funded via a pass-through in the Council on Postsecondary Education's budget.

**Postsecondary Education
Western Kentucky University**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	74,649,400	72,040,200	70,823,600	70,034,800	69,344,200
Postsecondary Ed Performance			3,830,200		
Budget Reduction-General Fund			-746,500		
Total General Fund	74,649,400	72,040,200	73,907,300	70,034,800	69,344,200
Restricted Funds					
Current Receipts	226,421,600	258,828,600	294,816,600	311,690,200	316,874,200
Total Restricted Funds	226,421,600	258,828,600	294,816,600	311,690,200	316,874,200
Federal Fund					
Current Receipts	34,574,400	33,389,100	32,340,000	32,340,000	32,340,000
Total Federal Fund	34,574,400	33,389,100	32,340,000	32,340,000	32,340,000
TOTAL SOURCE OF FUNDS	335,645,400	364,257,900	401,063,900	414,065,000	418,558,400
EXPENDITURES BY CLASS					
Personnel Costs	213,498,500	241,230,900	190,983,000	194,041,000	196,971,200
Operating Expenses	53,015,200	56,308,800	113,036,800	114,370,300	114,502,500
Grants Loans Benefits	22,285,400	20,202,300	76,164,100	84,758,700	86,173,700
Debt Service	16,165,600	16,099,300	16,684,500	16,684,500	16,684,500
Capital Outlay	30,680,700	30,416,600	4,195,500	4,210,500	4,226,500
TOTAL EXPENDITURES	335,645,400	364,257,900	401,063,900	414,065,000	418,558,400
EXPENDITURES BY FUND SOURCE					
General Fund	74,649,400	72,040,200	73,907,300	70,034,800	69,344,200
Restricted Funds	226,421,600	258,828,600	294,816,600	311,690,200	316,874,200
Federal Fund	34,574,400	33,389,100	32,340,000	32,340,000	32,340,000
TOTAL EXPENDITURES	335,645,400	364,257,900	401,063,900	414,065,000	418,558,400
EXPENDITURES BY UNIT					
Instruction	110,706,100	112,658,100	124,071,800	124,245,200	125,839,300
Research	7,299,200	8,113,700	5,940,800	5,913,200	5,931,300
Public Service	14,774,700	15,007,300	10,422,400	10,341,100	10,352,300
Libraries	5,894,100	6,216,300	8,693,200	8,711,800	8,923,200
Academic Support	19,024,600	20,265,200	24,275,200	24,344,500	24,731,200
Student Services	33,231,200	33,232,800	38,762,000	38,792,800	39,190,500
Institutional Support	43,041,500	69,195,200	54,772,200	55,205,100	55,533,400
Operation and Maintenance of Plant	26,808,500	27,550,600	35,491,500	35,170,600	35,485,800
Scholarships and Fellowships	22,722,000	20,469,900	64,076,300	76,782,200	78,012,900
Non-Mandatory Transfers	26,363,100	25,413,900	11,726,500	11,726,500	11,726,500
Auxilliary Enterprises	25,780,400	26,134,900	22,832,000	22,832,000	22,832,000
TOTAL EXPENDITURES	335,645,400	364,257,900	401,063,900	414,065,000	418,558,400

Western Kentucky University is the largest of Kentucky's six comprehensive postsecondary institutions with over 20,000 students on the main campus in Bowling Green and at regional campuses in Glasgow, Owensboro and Elizabethtown. In addition to its traditional mission to train teachers and education leaders for the schools in its service area, WKU provides academic programs in liberal arts and sciences, business, engineering, health sciences and agriculture.

WKU offers 1,700 courses on-line in 80 complete academic programs at the undergraduate and graduate level.

WKU is the home of the Gatton Academy of Mathematics and Science for exceptional Kentucky high school juniors and seniors. The Academy was named the number one high school in the United States in 2012 and 2013 by Newsweek.

Last year 1,460 WKU students participated in study abroad in 32 countries. WKU students also enjoy a global experience through the presence of faculty and fellow students recruited from around the world. The Confucius Institute expands knowledge and strengthens ties with China through language education and arts and cultural programming.

Policy

The Budget of the Commonwealth includes General Fund in the amount of \$750,000 in each fiscal year for the Kentucky Mesonet.

Postsecondary Education
Kentucky Community and Technical College System

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	190,162,300	181,605,000	172,524,700	167,729,000	166,034,000
Postsecondary Ed Performance			9,080,300		
Budget Reduction-General Fund			-1,816,100		
Total General Fund	190,162,300	181,605,000	179,788,900	167,729,000	166,034,000
Restricted Funds					
Current Receipts	219,228,700	303,630,100	426,692,100	426,692,100	426,692,100
Total Restricted Funds	219,228,700	303,630,100	426,692,100	426,692,100	426,692,100
Federal Fund					
Current Receipts	191,365,400	181,297,500	244,555,000	244,555,000	244,555,000
Total Federal Fund	191,365,400	181,297,500	244,555,000	244,555,000	244,555,000
TOTAL SOURCE OF FUNDS	600,756,400	666,532,600	851,036,000	838,976,100	837,281,100
EXPENDITURES BY CLASS					
Personnel Costs	289,068,000	331,575,200	413,822,000	413,822,000	412,656,600
Operating Expenses	94,379,500	109,280,000	139,042,200	139,042,200	138,724,800
Grants Loans Benefits	213,696,800	221,607,000	292,991,300	280,931,400	280,730,500
Capital Outlay	3,612,100	4,070,400	5,180,500	5,180,500	5,169,200
TOTAL EXPENDITURES	600,756,400	666,532,600	851,036,000	838,976,100	837,281,100
EXPENDITURES BY FUND SOURCE					
General Fund	190,162,300	181,605,000	179,788,900	167,729,000	166,034,000
Restricted Funds	219,228,700	303,630,100	426,692,100	426,692,100	426,692,100
Federal Fund	191,365,400	181,297,500	244,555,000	244,555,000	244,555,000
TOTAL EXPENDITURES	600,756,400	666,532,600	851,036,000	838,976,100	837,281,100
EXPENDITURES BY UNIT					
Instruction	167,681,300	196,690,700	250,897,900	249,121,200	248,597,900
Public Service	38,023,600	44,710,900	56,077,200	54,724,700	54,570,600
Libraries	6,664,900	8,022,800	9,815,800	9,576,100	9,548,800
Academic Support	24,755,100	28,450,700	35,959,400	35,185,400	35,097,200
Student Services	52,868,200	58,952,800	75,141,700	73,747,500	73,588,600
Institutional Support	36,463,200	36,182,100	38,527,800	36,056,100	35,774,500
Operation and Maintenance of Plant	62,523,900	73,734,700	92,263,200	89,975,100	89,714,400
Scholarships and Fellowships	211,776,200	219,787,900	292,353,000	290,590,000	290,389,100
TOTAL EXPENDITURES	600,756,400	666,532,600	851,036,000	838,976,100	837,281,100

The Kentucky Community and Technical College System (KCTCS) was created in 1997 by the merger of the technical college system in the Cabinet for Workforce Development and the community college system then under the direction of the University of Kentucky. There are 16 community and technical colleges operating at more than 70 locations across the state, with more than 107,000 students enrolled.

The mission of KCTCS is to be a gateway to affordable, high quality postsecondary education. The system maintains an open admissions policy and a robust menu of developmental courses. In addition to industry-specific training leading to portable credentials, the colleges offer a two year academic curriculum designed to transfer to all of Kentucky's four-year institutions.

KCTCS operates more than 140 on-line programs leading to associate degrees and certificates. The system is Kentucky's largest provider of workforce training, reaching nearly 42,000 employees annually.

KCTCS administers the Kentucky Board of Emergency Medical Services and the Kentucky Fire Commission.

Policy

The Budget of the Commonwealth provides no funding in fiscal years 2019 and 2020 for the Kentucky Coal Academy.

Postsecondary Education
Postsecondary Education Performance Fund

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation			42,944,400	31,000,000	38,665,800
Postsecondary Ed Performance			-42,944,400		
Total General Fund				31,000,000	38,665,800
TOTAL SOURCE OF FUNDS				31,000,000	38,665,800
EXPENDITURES BY CLASS					
Operating Expenses				31,000,000	38,665,800
TOTAL EXPENDITURES				31,000,000	38,665,800
EXPENDITURES BY FUND SOURCE					
General Fund				31,000,000	38,665,800
TOTAL EXPENDITURES				31,000,000	38,665,800
EXPENDITURES BY UNIT					
Postsecondary Education Performance Fund				31,000,000	38,665,800
TOTAL EXPENDITURES				31,000,000	38,665,800

In the Kentucky Postsecondary Education Improvement Act of 1997, the General Assembly declared that the welfare and well-being of the citizens of the Commonwealth depend on the development of a well-educated and highly trained workforce, and that such education and training is necessary to allow the citizens to achieve a standard of living above the national average. The General Assembly went on to describe an integrated system of postsecondary education that would provide that education and training by the year 2020.

Since then the public postsecondary institutions have improved in raising the level of educational attainment of Kentucky's citizens, although not yet to the level of the national average. Education outcomes are not sufficiently aligned with current and future employer needs. To achieve that stated goal, Kentucky must educate and train more of its people, including more of those from low-income families, more members of minority groups, more rural residents, and more working adults who left school prematurely.

The 2017 Regular Session of the General Assembly enacted Senate Bill 153, now codified in KRS 164.092. The bill established a comprehensive funding model for Kentucky's public postsecondary education system to distribute resources based on rational criteria, including student success, course completion, and operational support components. The first allocation from the Postsecondary Education Performance Fund was made in fiscal year 2018.

Policy

KRS 164.092(9)(a)1 includes a hold-harmless provision for fiscal year 2019, preventing a reduction in an institution's funding amount based solely on the performance formula calculation. Thus, none of the institutions' base funding is reallocated via the Postsecondary Education Performance Fund in fiscal year 2018-2019. KRS 164.092(9)(a)2 includes a stop-loss provision for fiscal year 2019-2020, limiting the performance-based reduction in funding to any institution to one percent (1%) of that institution's base amount. The Budget of the Commonwealth includes General Fund in the amount of \$7,665,800 in fiscal year 2019-2020 for the Postsecondary Education Performance Fund, which represents one percent (1%) of the institutions' base allocable resources that shall be allocated according to the comprehensive funding model established in KRS 164.092.

The Budget of the Commonwealth includes additional General Fund of \$31,000,000 in each year of the biennium to be distributed to public postsecondary institutions via the comprehensive performance funding model.

Public Protection

Public Protection

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,322,000	7,102,700	7,172,300	7,074,100	7,178,100
Budget Reduction-General Fund		-142,100	-367,400		
Total General Fund	7,322,000	6,960,600	6,804,900	7,074,100	7,178,100
Restricted Funds					
Balance Forward	73,971,024	85,144,782	81,852,800	68,313,500	53,337,000
Current Receipts	100,497,388	100,776,529	99,441,300	99,616,800	100,536,000
Non-Revenue Receipts	22,210,604	26,277,114	22,228,500	24,195,300	24,384,600
Fund Transfers	-28,600,000	-45,518,649	-30,850,000	-23,000,000	-23,000,000
Total Restricted Funds	168,079,016	166,679,776	172,672,600	169,125,600	155,257,600
Federal Fund					
Balance Forward	1,285		3,500	3,500	
Current Receipts	668,723	341,790	1,295,700	857,200	157,200
Total Federal Fund	670,008	341,790	1,299,200	860,700	157,200
TOTAL SOURCE OF FUNDS	176,071,024	173,982,165	180,776,700	177,060,400	162,592,900
EXPENDITURES BY CLASS					
Personnel Costs	57,382,446	58,248,648	71,787,800	81,799,100	82,015,000
Operating Expenses	10,861,340	10,398,807	12,771,100	12,680,300	12,680,300
Grants Loans Benefits	21,864,124	22,742,868	25,829,800	25,772,300	25,772,300
Capital Outlay	458,942	736,026	2,071,000	3,471,700	1,805,500
Construction	3,635				
TOTAL EXPENDITURES	90,570,487	92,126,349	112,459,700	123,723,400	122,273,100
EXPENDITURES BY FUND SOURCE					
General Fund	6,966,246	6,960,600	6,804,900	7,074,100	7,178,100
Restricted Funds	82,934,233	84,827,447	104,359,100	115,788,600	114,937,800
Federal Fund	670,008	338,302	1,295,700	860,700	157,200
TOTAL EXPENDITURES	90,570,487	92,126,349	112,459,700	123,723,400	122,273,100
EXPENDITURES BY UNIT					
Secretary	4,187,962	4,323,191	5,907,000	6,494,100	6,581,000
Professional Licensing	4,426,010	4,196,346	5,193,200	5,768,800	5,819,200
Kentucky Claims Commission	2,326,855	2,243,211	2,364,300	2,496,200	2,515,200
Boxing and Wrestling Commission	132,557	65,689	161,800	178,100	179,600
Alcoholic Beverage Control	6,098,844	6,201,450	7,678,500	8,198,500	8,257,500
Charitable Gaming	2,964,319	3,109,157	3,742,200	4,292,800	4,333,900
Financial Institutions	10,204,414	10,367,553	12,678,500	14,523,000	14,688,700
Horse Racing Commission	26,621,684	27,302,234	32,026,000	32,828,300	32,893,100
Housing, Buildings and Construction	19,095,000	19,790,584	23,197,500	28,094,200	26,704,100
Insurance	14,512,843	14,526,933	19,510,700	20,849,400	20,300,800
TOTAL EXPENDITURES	90,570,487	92,126,349	112,459,700	123,723,400	122,273,100

The Public Protection Cabinet is charged with the supervision and regulation of industries. The mission of the Cabinet is to provide for public safety, consumer protection and financial integrity through enforcement and administration of laws and regulations throughout the Commonwealth. The Cabinet has six departments: Alcoholic Beverage Control, Charitable Gaming, Financial Institutions, Housing, Buildings and Construction, Insurance and Professional Licensing. The Cabinet has commissions attached for administrative purposes only: Kentucky Horse Racing Commission, Boxing & Wrestling Commission and Kentucky Claims Commission. The Office of the Secretary also includes the Office of Communications and Public Outreach and the Office of Legal Services.

**Public Protection
Secretary**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	283,100	276,400	279,700		
Budget Reduction-General Fund		-5,500	-32,100		
Total General Fund	283,100	270,900	247,600		
Restricted Funds					
Balance Forward	1,075,827	931,574	1,710,000	2,075,800	791,200
Current Receipts	10	333			
Non-Revenue Receipts	3,773,300	4,830,423	6,025,200	5,209,500	6,028,900
Total Restricted Funds	4,849,136	5,762,331	7,735,200	7,285,300	6,820,100
TOTAL SOURCE OF FUNDS	5,132,236	6,033,231	7,982,800	7,285,300	6,820,100
EXPENDITURES BY CLASS					
Personnel Costs	3,944,604	4,121,329	5,664,200	6,184,100	6,271,000
Operating Expenses	243,358	198,245	242,800	310,000	310,000
Capital Outlay		3,618			
TOTAL EXPENDITURES	4,187,962	4,323,191	5,907,000	6,494,100	6,581,000
EXPENDITURES BY FUND SOURCE					
General Fund	270,400	270,900	247,600		
Restricted Funds	3,917,562	4,052,291	5,659,400	6,494,100	6,581,000
TOTAL EXPENDITURES	4,187,962	4,323,191	5,907,000	6,494,100	6,581,000
EXPENDITURES BY UNIT					
Office of the Secretary - Comm - Legal	4,187,962	4,323,191	5,907,000	6,494,100	6,581,000
TOTAL EXPENDITURES	4,187,962	4,323,191	5,907,000	6,494,100	6,581,000

A Secretary appointed by the Governor heads the Cabinet. The Secretary is responsible for guiding Departmental agencies in policy and program implementation and is responsible for operating each agency in the most efficient and cost effective manner possible while maintaining a high quality of service to the general public as well as the businesses, trades, and professionals it licenses and regulates.

**Public Protection
Kentucky Claims Commission**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,180,700	1,223,400	1,239,200	1,371,000	1,390,000
Other		297,000			
Total General Fund	1,180,700	1,520,400	1,239,200	1,371,000	1,390,000
Restricted Funds					
Balance Forward	364,606	464,537	641,400	517,900	349,700
Current Receipts	1,023,421	848,905	844,400	799,800	771,100
Non-Revenue Receipts		17			
Total Restricted Funds	1,388,027	1,313,459	1,485,800	1,317,700	1,120,800
Federal Fund					
Current Receipts	302,119	50,763	157,200	157,200	157,200
Total Federal Fund	302,119	50,763	157,200	157,200	157,200
TOTAL SOURCE OF FUNDS	2,870,847	2,884,622	2,882,200	2,845,900	2,668,000
EXPENDITURES BY CLASS					
Personnel Costs	1,584,361	1,232,905	1,410,500	1,523,700	1,542,700
Operating Expenses	491,011	731,589	678,800	697,500	697,500
Grants Loans Benefits	251,482	278,717	275,000	275,000	275,000
TOTAL EXPENDITURES	2,326,855	2,243,211	2,364,300	2,496,200	2,515,200
EXPENDITURES BY FUND SOURCE					
General Fund	1,101,246	1,520,400	1,239,200	1,371,000	1,390,000
Restricted Funds	923,490	672,047	967,900	968,000	968,000
Federal Fund	302,119	50,763	157,200	157,200	157,200
TOTAL EXPENDITURES	2,326,855	2,243,211	2,364,300	2,496,200	2,515,200
EXPENDITURES BY UNIT					
Kentucky Claims Commission	967,831	748,461	808,000	819,400	826,800
Kentucky Claims Commission Reparations	1,359,024	1,494,749	1,556,300	1,676,800	1,688,400
TOTAL EXPENDITURES	2,326,855	2,243,211	2,364,300	2,496,200	2,515,200

The Kentucky Claims Commission was created by Executive Order 2016-576 and codified in KRS 49 and combined the former Board of Claims, the Crime Victims Compensation Board and the Kentucky Board of Tax Appeals. The Claims-Administration Section (formerly Board of Claims), Tax Appeals and Crime Victims Compensation share the same Commission members appointed by the Governor.

The Claims Commission is the only forum through which a citizen may sue the state for alleged negligence. Payments to claimants of less than \$5,000 are from funds of the state agency determined to be at fault, awards over \$5,000 are paid from appropriations from the General Fund (ANOC), and awards against the Transportation Cabinet are paid from the Road Fund. The maximum award on a single claim is \$250,000 and there is a cap of \$400,000 on multiple claims arising from the same incident.

The Claims Commission as a payer of last resort is able to reimburse innocent crime victims up to \$25,000 for their medical expenses, lost wages that are not paid by any other source, and include funeral expenses up to \$5,000. The amount of time that a claimant has to submit a claim is five years. The Commission receives an allocation of 3.4 percent of the state court cost fees and pursuant to KRS 186.574 receives 5.7% of the \$30 fee from county attorney's traffic safety programs.

Pursuant to KRS 216B.400 and KRS 49, the Claims Commission is responsible for paying health care providers and facilities for sexual assault examinations. The Commission receives federal funding from the Victims of Crime Act (VOCA) matching grant at 60% based on prior year claims from General and Restricted Funds.

The Claims Commission has exclusive jurisdiction to hear and resolve appeals arising from final rulings, orders, and determinations of any agency of state or county government relating to revenue and taxation.

**Public Protection
Professional Licensing**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	4,384,178	4,420,288	5,109,300	4,535,100	3,674,600
Current Receipts	4,630,510	4,808,185	4,745,700	5,017,100	5,024,100
Non-Revenue Receipts	-18,390	77,140	-126,700	-108,800	-138,100
Fund Transfers	-150,000				
Total Restricted Funds	8,846,298	9,305,613	9,728,300	9,443,400	8,560,600
TOTAL SOURCE OF FUNDS	8,846,298	9,305,613	9,728,300	9,443,400	8,560,600
EXPENDITURES BY CLASS					
Personnel Costs	3,364,884	3,447,072	3,945,200	4,693,100	4,743,500
Operating Expenses	964,286	664,677	1,090,500	970,700	970,700
Grants Loans Benefits	73,445	84,598	142,500	105,000	105,000
Capital Outlay	19,760		15,000		
Construction	3,635				
TOTAL EXPENDITURES	4,426,010	4,196,346	5,193,200	5,768,800	5,819,200
EXPENDITURES BY FUND SOURCE					
Restricted Funds	4,426,010	4,196,346	5,193,200	5,768,800	5,819,200
TOTAL EXPENDITURES	4,426,010	4,196,346	5,193,200	5,768,800	5,819,200
EXPENDITURES BY UNIT					
Occupations, Professions, and Licensing	1,192,843	1,250,630	1,479,700	1,704,600	1,724,100
Kentucky Real Estate Authority	3,233,167	2,945,716	3,713,500	4,064,200	4,095,100
TOTAL EXPENDITURES	4,426,010	4,196,346	5,193,200	5,768,800	5,819,200

The 2017 General Assembly codified Executive Order 2017-325 in HB443 to establish the Department of Professional Licensing that altered the Office of Occupations and Professions. The Department provides oversight, administrative and fiscal management, technical support and advice to the professional licensing boards.

Executive Order 2016-859 was codified in KRS 324B.020 to establish the Kentucky Real Estate Authority within the Department in order to provide oversight of the over four professional licensing boards that serve functions in the real estate industry. The four boards were abolished and the Board of Real Estate Professionals, Kentucky Board of Real Estate Appraisers, Board of Home Inspectors and Kentucky Board of Auctioneers were recreated under the Authority. Each board under the Authority has five voting members and an Executive Director. The Real Estate Authority utilizes the administrative support services provided by the Department of Professional Licensing.

Public Protection
Boxing and Wrestling Commission

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	239,783	194,437	258,500	214,700	171,900
Current Receipts	87,212	168,466	118,000	135,300	138,600
Non-Revenue Receipts		-38,723			
Total Restricted Funds	326,994	324,180	376,500	350,000	310,500
TOTAL SOURCE OF FUNDS	326,994	324,180	376,500	350,000	310,500
EXPENDITURES BY CLASS					
Personnel Costs	111,803	47,683	140,200	165,400	166,900
Operating Expenses	20,755	18,006	21,600	12,700	12,700
TOTAL EXPENDITURES	132,557	65,689	161,800	178,100	179,600
EXPENDITURES BY FUND SOURCE					
Restricted Funds	132,557	65,689	161,800	178,100	179,600
TOTAL EXPENDITURES	132,557	65,689	161,800	178,100	179,600
EXPENDITURES BY UNIT					
Boxing and Wrestling Commission	132,557	65,689	161,800	178,100	179,600
TOTAL EXPENDITURES	132,557	65,689	161,800	178,100	179,600

The Boxing and Wrestling Commission, pursuant to KRS Chapter 229, is the sole authority over professional boxing, wrestling, and amateur and professional mixed martial arts (MMA) shows or exhibitions in Kentucky. The five Commission board members are appointed by the Governor and recommend statutory and regulatory changes, review applications for licensure and review recommendations from the Kentucky Boxing and Wrestling Commission Medical Advisory Panel. The Commission is responsible for enforcement of KRS Chapter 229 and 201 KAR Chapter 27 including investigation of complaints and issuance of violations, processing licenses for all parties involved including: professional and amateur MMA contestants, professional boxers, professional wrestlers, managers, trainers, referees, judges, timekeepers, physicians, promoters, and event staff. Requested show dates and participants are subject to the Commission review and approval. All wrestling events undergo inspection on a random basis and a Commission Inspector supervises all boxing and MMA events.

**Public Protection
Alcoholic Beverage Control**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	618,100	587,100	591,700		
Budget Reduction-General Fund		-5,800	-67,900		
Other		-297,000			
Total General Fund	618,100	284,300	523,800		
Restricted Funds					
Balance Forward	3,473,050	3,987,084	2,939,500	2,891,300	1,947,400
Current Receipts	7,104,858	7,668,264	7,888,100	7,924,100	7,949,100
Non-Revenue Receipts	-382,280	-498,682	-481,600	-669,500	-507,100
Fund Transfers	-700,000	-2,300,000	-300,000		
Total Restricted Funds	9,495,628	8,856,667	10,046,000	10,145,900	9,389,400
TOTAL SOURCE OF FUNDS	10,113,728	9,140,967	10,569,800	10,145,900	9,389,400
EXPENDITURES BY CLASS					
Personnel Costs	4,947,748	5,219,922	6,075,100	6,587,700	6,646,700
Operating Expenses	999,779	981,528	1,123,400	1,145,800	1,145,800
Capital Outlay	151,317		480,000	465,000	465,000
TOTAL EXPENDITURES	6,098,844	6,201,450	7,678,500	8,198,500	8,257,500
EXPENDITURES BY FUND SOURCE					
General Fund	590,300	284,300	523,800		
Restricted Funds	5,508,544	5,917,150	7,154,700	8,198,500	8,257,500
TOTAL EXPENDITURES	6,098,844	6,201,450	7,678,500	8,198,500	8,257,500
EXPENDITURES BY UNIT					
Administration, Enforcement and License	5,737,944	5,826,953	7,290,900	7,922,200	7,979,700
Tobacco Enforcement	360,899	374,497	387,600	276,300	277,800
TOTAL EXPENDITURES	6,098,844	6,201,450	7,678,500	8,198,500	8,257,500

The Department of Alcoholic Beverage Control (ABC), pursuant to KRS Chapters 241-244, enforces laws relating to the manufacture, sale, transportation, storage, and advertising of alcoholic beverages.

The Commissioner of the Department serves as both the agency's administrative officer and the Chairman of the Alcoholic Beverage Control Board, which also includes the directors of the Malt Beverage and Distilled Spirits divisions. The Secretary of the Public Protection Cabinet, with the approval of the Governor, appoints all three board members.

In exercising its quasi-judicial authority, the ABC Board may suspend, revoke, or cancel for cause, after hearing, any license issued due to violation of alcoholic beverage laws. The ABC Board also conducts hearings for and appeals from an applicant whose license is refused by city or county administrators.

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

The Department also implements laws, pursuant to KRS 438.300 – 438.330, relating to the use, display, sell or distribution of tobacco products with an emphasis on persons under the age of 18.

**Public Protection
Charitable Gaming**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	1,391,853	1,988,705	2,955,800	2,972,100	2,453,000
Current Receipts	3,561,170	4,054,246	3,732,300	3,747,500	3,748,400
Non-Revenue Receipts		22,033	26,200	26,200	26,200
Total Restricted Funds	4,953,023	6,064,984	6,714,300	6,745,800	6,227,600
TOTAL SOURCE OF FUNDS	4,953,023	6,064,984	6,714,300	6,745,800	6,227,600
EXPENDITURES BY CLASS					
Personnel Costs	2,519,212	2,698,146	3,096,400	3,574,600	3,615,700
Operating Expenses	417,626	366,619	521,700	615,700	615,700
Grants Loans Benefits	2,500	2,500	2,500	2,500	2,500
Capital Outlay	24,980	41,892	121,600	100,000	100,000
TOTAL EXPENDITURES	2,964,319	3,109,157	3,742,200	4,292,800	4,333,900
EXPENDITURES BY FUND SOURCE					
Restricted Funds	2,964,319	3,109,157	3,742,200	4,292,800	4,333,900
TOTAL EXPENDITURES	2,964,319	3,109,157	3,742,200	4,292,800	4,333,900
EXPENDITURES BY UNIT					
Charitable Gaming	2,964,319	3,109,157	3,742,200	4,292,800	4,333,900
TOTAL EXPENDITURES	2,964,319	3,109,157	3,742,200	4,292,800	4,333,900

The Department of Charitable Gaming, pursuant to KRS Chapter 238, is responsible for the licensure and regulation of charitable organizations, facilities, distributors, and manufacturers involved with charitable gaming in the Commonwealth. The agency performs inspections, issues licenses, conducts audits and criminal investigations of charitable gaming establishments.

**Public Protection
Financial Institutions**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	7,347,467	8,087,083	6,835,700	4,576,500	2,872,100
Current Receipts	18,110,130	17,535,770	17,598,000	17,351,000	17,376,000
Non-Revenue Receipts	-1,166,100	-1,419,700	-1,678,700	-1,532,400	-1,668,000
Fund Transfers	-6,000,000	-7,000,000	-5,500,000	-3,000,000	-3,000,000
Total Restricted Funds	18,291,497	17,203,153	17,255,000	17,395,100	15,580,100
TOTAL SOURCE OF FUNDS	18,291,497	17,203,153	17,255,000	17,395,100	15,580,100
EXPENDITURES BY CLASS					
Personnel Costs	8,378,624	8,717,082	10,907,000	12,588,100	12,753,800
Operating Expenses	1,825,790	1,649,224	1,771,500	1,934,900	1,934,900
Grants Loans Benefits		1,247			
TOTAL EXPENDITURES	10,204,414	10,367,553	12,678,500	14,523,000	14,688,700
EXPENDITURES BY FUND SOURCE					
Restricted Funds	10,204,414	10,367,553	12,678,500	14,523,000	14,688,700
TOTAL EXPENDITURES	10,204,414	10,367,553	12,678,500	14,523,000	14,688,700
EXPENDITURES BY UNIT					
Administrative Services	1,624,056	1,473,576	1,690,400	1,925,800	1,947,000
Securities	1,490,237	1,567,025	1,944,700	2,236,400	2,262,600
Depository Institutions	4,447,085	4,626,344	5,919,100	6,751,400	6,826,200
Non-Depository Institutions	2,643,036	2,700,608	3,124,300	3,609,400	3,652,900
TOTAL EXPENDITURES	10,204,414	10,367,553	12,678,500	14,523,000	14,688,700

The Department of Financial Institutions, pursuant to KRS Chapter 286, licenses and regulates banks, bank holding companies, trust companies, credit unions, savings and loan associations, consumer loan companies, industrial loan companies, mortgage loan companies, mortgage loan brokers, check cashing licensees, sale of check licensees, securities issuers, broker-dealers, agents, and investment advisors. A Commissioner appointed by the Governor heads the Department.

The Commissioner's Office is responsible for the overall management of the agency. The Public Information Officer is part of the Commissioner's office and is responsible for all communications with the media and handling the department's public relations efforts through coordination of educational seminars, brochures, and newsletters.

The Division of Securities carries out the registration of securities issuances in the state. The Division registers broker-dealers, their agents, investment advisers, and investment adviser representatives, and conducts on-site examinations of these regulated entities. The Division investigates allegations of securities fraud or other illegal conduct entities involved in the securities industry that is operating within Kentucky.

The Division of Depository Institutions licenses/charters, examines and regulates depository financial institutions within the Bank Branch and Credit Union Branch. The Bank Branch is responsible for the examination and supervision of commercial banks, bank holding companies, and independent trust companies. The Credit Union Branch is responsible for examination and supervision of all state chartered credit unions.

The Division of Non-Depository Institutions includes both the Compliance Branch and Consumer Protection Branch. The Compliance branch is responsible for the examination and supervision of consumer loan companies, industrial loan companies, mortgage loan companies, mortgage loan brokers, check cashing licensees, and money transmitters. The Consumer Protection Branch is responsible for the investigation of complaints and provides outreach and education to protect consumers from financial frauds.

**Public Protection
Horse Racing Commission**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,738,600	2,623,000	2,647,200	3,092,300	3,147,700
Budget Reduction-General Fund		-52,500	-267,400		
Total General Fund	2,738,600	2,570,500	2,379,800	3,092,300	3,147,700
Restricted Funds					
Balance Forward	27,077,225	29,162,487	33,248,400	31,114,000	29,186,000
Current Receipts	4,070,523	4,863,476	4,094,400	4,586,500	4,884,200
Non-Revenue Receipts	22,021,024	25,954,015	23,417,400	23,221,500	23,310,700
Fund Transfers		-2,000,000			
Total Restricted Funds	53,168,772	57,979,978	60,760,200	58,922,000	57,380,900
TOTAL SOURCE OF FUNDS	55,907,372	60,550,478	63,140,000	62,014,300	60,528,600
EXPENDITURES BY CLASS					
Personnel Costs	4,129,135	3,930,306	5,337,800	6,219,700	6,284,500
Operating Expenses	940,655	912,440	1,200,400	1,140,800	1,140,800
Grants Loans Benefits	21,536,697	22,375,806	25,409,800	25,389,800	25,389,800
Capital Outlay	15,197	83,683	78,000	78,000	78,000
TOTAL EXPENDITURES	26,621,684	27,302,234	32,026,000	32,828,300	32,893,100
EXPENDITURES BY FUND SOURCE					
General Fund	2,615,400	2,570,500	2,379,800	3,092,300	3,147,700
Restricted Funds	24,006,284	24,731,734	29,646,200	29,736,000	29,745,400
TOTAL EXPENDITURES	26,621,684	27,302,234	32,026,000	32,828,300	32,893,100
EXPENDITURES BY UNIT					
Administration and Regulation of Racing	4,000,954	4,108,002	4,948,500	5,706,900	5,765,900
Equine Drug Research Fund	386,533	320,673	1,000,000	1,000,000	1,000,000
Thoroughbred Development Fund	8,091,880	8,751,900	8,451,900	8,451,900	8,451,900
Standardbred Development Fund	213,093	96,110	1,550,000	1,550,000	1,550,000
Standardbred Horsemen Fees	400,000	180,000	395,000	395,000	395,000
Ky Quarter Horse, Appaloosa & Arabian Development Fund			20,000	20,000	20,000
County Fair Purse Fund	57,359	67,074	89,300	89,300	89,300
Thoroughbred Owners and Breeders	2,210				
Backside Improvement Commission	509,109	341,248	300,400	300,400	300,400
Ky Thoroughbred Breeder Incentive Fund	11,148,489	11,166,584	12,285,900	12,349,800	12,355,600
Ky Standardbred Breeder Incentive Fund	905,262	1,313,302	1,715,000	1,715,000	1,715,000
Ky Horse Breeders Incentive Fund	906,797	957,342	1,250,000	1,250,000	1,250,000
KY Quarter Horse, Appaloosa & Arabian Purse Fund			20,000		
TOTAL EXPENDITURES	26,621,684	27,302,234	32,026,000	32,828,300	32,893,100

The Kentucky Horse Racing Commission, pursuant to KRS 230.225, is responsible for the regulation of horse racing, pari-mutuel wagering on horse racing and related activities in the Commonwealth. The Commission is also charged with fostering and encouraging the equine breeding industry within the Commonwealth. The Commission prescribes the rules, regulations, and conditions under which all Thoroughbred, Standardbred, Quarter Horse, Appaloosa, and Arabian racing and pari-mutuel wagering thereon may be conducted in the Commonwealth.

The Commission's charge is to:

- Recommend tax incentives and other options to promote the strength and growth of the equine industry and to preserve the economic viability of Kentucky's horse farms;
- Design and implement programs that strengthen the ties between Kentucky's horse industry and the state's universities, with the goal of increasing the horse industry's impact on the state's economy;
- Developing and supporting programs which ensure that Kentucky remains a national leader in equine research;
- Develop programs and procedures which will aggressively fulfill its oversight on such matters as race day medications and other medication issues;
- Develop and implement programs designed to ensure the safety of all participants in horse racing including jockeys, drivers and horses; and
- Develop and implement programs and procedures that protect the integrity of pari-mutuel horse racing.

The Commission is an independent agency that is attached to the Public Protection Cabinet for administrative purposes only.

The Administration and Regulation of Racing program performs the administrative and oversight functions of the Commission. The Division of Veterinary Services oversees the state veterinarians and support staff. The Division of Racing & Security supervises drug testing and interdiction at racetracks. The Division of Licensing is responsible for licensing all individuals who participate in horse racing. The Division of Incentives and Development including the Kentucky Thoroughbred, Standardbred, and Horse Breeders' Incentive Funds provide rewards to breeders of horses bred and foaled in Kentucky. Incentive funds are derived from sales taxes paid on stud fees.

The Equine Drug Research Council, KRS 230.265, advises the Commission on research and on the regulation of therapeutic medications and prohibited substances. One-tenth of one percent of the thoroughbred pari-mutuel handle supports the Council. Funds are used to support drug research and testing, equine medical research, equine health research or any regulatory or administrative activity of the Commission that is related to such research.

The Thoroughbred Development Fund, KRS 230.400, was created in 1978 to encourage breeders from other states to send their breeding stock to Kentucky to improve the caliber of breeding and racing stock in the Commonwealth. The program is funded by three-fourth of one percent of the total pari-mutuel handle and the funds are distributed as purse supplements to the owner of the horse.

The Standardbred Development Fund, KRS 230.770, supports efforts to encourage breeders from other states to send their breeding stock to Kentucky, to increase the number of owners in Kentucky, and to increase the number of horses bred in Kentucky. It receives one percent of the pari-mutuel handle and the funds are distributed as purses for the Kentucky Sire Stakes.

The Kentucky Quarter Horse, Appaloosa and Arabian Development Fund was established during the 2010 General Assembly to promote races and provide purses for races for horses bred and foaled in the Commonwealth. The Kentucky Horse Racing Commission is responsible for distributing the funds to persons, corporations or associations operating licensed tracks within Kentucky conducting Quarter Horse, Appaloosa or Arabian horse racing.

The County Fair Purse Fund, KRS 230.398, receives funding from pari-mutuel standardbred racing tickets not redeemed and four percent of the commissions on wagers at simulcast facilities and redistributes the funds in the form of purse supplements for standardbred racing events to county fairs.

The Backside Improvement Fund, KRS 230.218, is charged with promoting, enhancing, and improving the backsides of eligible thoroughbred racing associations with an average pari-mutuel handle of \$1,200,000 or less per racing day. Associations conducting thoroughbred racing, with an average pari-mutuel handle of \$1,200,000 or less per live racing day, are required to pay one-half of one percent of on-track wagers to the Backside Improvement Fund.

The Thoroughbred Owners and Breeders Fund, KRS 230.380, receives six percent of the commissions on wagers at simulcast facilities to fund capital improvements and promote off-track betting. It also supports marketing and promotion of the Kentucky thoroughbred industry.

Public Protection
Housing, Buildings and Construction

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,501,500	2,392,800	2,414,500	2,610,800	2,640,400
Budget Reduction-General Fund		-78,300			
Total General Fund	2,501,500	2,314,500	2,414,500	2,610,800	2,640,400
Restricted Funds					
Balance Forward	8,263,912	12,598,165	13,462,400	13,284,300	8,569,900
Current Receipts	21,062,253	19,960,172	20,746,100	20,863,000	20,938,000
Non-Revenue Receipts	-21,900	-120,000	-141,200	-94,000	-102,300
Fund Transfers		-1,500,000			
Total Restricted Funds	29,304,264	30,938,337	34,067,300	34,053,300	29,405,600
TOTAL SOURCE OF FUNDS	31,805,764	33,252,837	36,481,800	36,664,100	32,046,000
EXPENDITURES BY CLASS					
Personnel Costs	15,537,034	16,195,648	17,744,300	21,460,300	21,736,400
Operating Expenses	3,310,278	2,988,102	4,076,800	3,805,200	3,805,200
Capital Outlay	247,688	606,834	1,376,400	2,828,700	1,162,500
TOTAL EXPENDITURES	19,095,000	19,790,584	23,197,500	28,094,200	26,704,100
EXPENDITURES BY FUND SOURCE					
General Fund	2,388,900	2,314,500	2,414,500	2,610,800	2,640,400
Restricted Funds	16,706,100	17,476,084	20,783,000	25,483,400	24,063,700
TOTAL EXPENDITURES	19,095,000	19,790,584	23,197,500	28,094,200	26,704,100
EXPENDITURES BY UNIT					
General Administration and Management	1,233,966	1,350,622	1,916,900	3,688,100	2,044,200
Fire Prevention	919,635	1,214,316	1,460,300	1,678,300	1,693,300
Boiler Inspections	712,660	642,873	984,500	1,215,600	1,226,800
Hazardous Materials Inspections	895,830	823,312	896,000	986,200	996,300
Manufactured Housing Inspections	620,291	535,319	632,300	722,600	730,300
General Inspections	1,773,300	1,725,600	1,741,200	1,881,800	1,902,400
Sprinkler/Alarm Inspections	92,099	90,538	95,800	108,600	109,700
Elevator Inspections	1,060,297	1,056,950	1,231,700	1,400,800	1,415,000
Plumbing	5,712,137	5,768,150	6,330,900	7,268,600	7,347,900
Safe Cigarette Program	3,718	6,000	6,000	6,000	6,000
HVAC	2,274,646	2,516,063	2,791,700	3,159,200	3,191,700
Building Codes Enforcement	2,474,652	2,754,705	3,381,700	3,846,200	3,886,500
Electrical	1,321,769	1,306,136	1,728,500	2,132,200	2,154,000
TOTAL EXPENDITURES	19,095,000	19,790,584	23,197,500	28,094,200	26,704,100

The Department of Housing, Buildings and Construction, pursuant to KRS Chapter 198B, regulates all construction of buildings through enforcement of building and fire codes, including: elevators, boilers, manufactured housing, hazardous materials, HVAC and electrical, sprinkler and plumbing installation. The agency enforces a uniform building code for the Commonwealth with a building inspection program that is designed to prevent fire- and life-safety hazards.

The Division of Fire Prevention enforces the Kentucky Standards of Safety (815 KAR 10:060) in addition to state and federal laws and regulations by performing property inspections, reviewing plans and issuing permits for the underground storage tanks, and educating the public about fire safety. The State Fire Marshal's Office implements a Sprinkler Inspection Program for all state owned properties under a memorandum of agreement. The Administrative Section of the Fire Prevention Division supports the activities of the General Inspection Section, the Hazardous Materials Section, the Sprinklers and Alarms Certification Section, the Safe Cigarette Program and expanded Fireworks Program.

The Division of Plumbing, a fee-supported program, enforces the Kentucky State Plumbing code (KRS 318.130; 815 KAR Chapter 20). Duties of the Division include: installation inspections of all plumbing systems throughout the state; approval of plumbing plans for all public buildings; testing of applicants for licensure; issuing renewal licenses to master and

journeyman plumbers, and assisting the State Plumbing Code Committee in its review of plumbing code administrative regulations. The Plumbing Code Committee, among other duties, reviews and recommends new materials and techniques to be included in the approved parts and materials lists of the Kentucky State Plumbing Code. The Division may pursue sanctions and penalties against both licensed and unlicensed individuals performing plumbing.

The Division of Heating, Ventilation, and Air Conditioning (HVAC) is responsible for annual licensing and oversight of the heating, ventilation, and air conditioning contractors, journeymen, and apprentices. The HVAC Board promulgates administrative regulations relating to all aspects of the HVAC industry, conducts examinations, maintains all licensure information, registers apprentices and may pursue sanctions against licensees and criminal penalties against unlicensed persons engaging in activities requiring an HVAC license. The Board approves continuing education providers, programs and scheduling for HVAC masters and journeymen. On January 1, 2011, the Division began the Statewide Permitting and Inspection Program under the provisions of KRS 198B.6678 and is mandated to make the inspections within a specified timeframe as set out in KRS 198B.6672 for both residential and commercial HVAC installations.

The Division of Building Codes Enforcement provides overall coordination and enforcement of the Kentucky Building Code (815 KAR 7:120) and the Kentucky Residential Code (815 KAR 7:125). The division includes plan review and field inspection and manufactured housing sections. Among the duties of this division are inspection, plan review, licensing, investigation, and technical consulting services to the construction industry. The Division is funded primarily from plan review fees.

The Division of Electrical is composed of the Electrical Licensing and Electrical Inspection Sections. The Electrical Division enforces the mandates contained within KRS Chapter 227A and KRS 224.450-530 to protect the public through regulation, licensure and inspection of the electrical industry.

**Public Protection
Insurance**

	Actual FY 2016	Actual FY 2017	Revised FY 2018	Enacted FY 2019	Enacted FY 2020
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	20,353,125	23,310,422	14,691,800	6,131,800	3,321,200
Current Receipts	40,847,301	40,868,710	39,674,300	39,192,500	39,706,500
Non-Revenue Receipts	-1,995,050	-2,529,409	-4,812,100	-1,857,200	-2,565,700
Fund Transfers	-21,750,000	-32,718,649	-25,050,000	-20,000,000	-20,000,000
Total Restricted Funds	37,455,376	28,931,074	24,504,000	23,467,100	20,462,000
Federal Fund					
Balance Forward	1,285		3,500	3,500	
Current Receipts	366,604	291,026	1,138,500	700,000	
Total Federal Fund	367,889	291,026	1,142,000	703,500	
TOTAL SOURCE OF FUNDS	37,823,264	29,222,100	25,646,000	24,170,600	20,462,000
EXPENDITURES BY CLASS					
Personnel Costs	12,865,040	12,638,556	17,467,100	18,802,400	18,253,800
Operating Expenses	1,647,803	1,888,377	2,043,600	2,047,000	2,047,000
TOTAL EXPENDITURES	14,512,843	14,526,933	19,510,700	20,849,400	20,300,800
EXPENDITURES BY FUND SOURCE					
Restricted Funds	14,144,954	14,239,394	18,372,200	20,145,900	20,300,800
Federal Fund	367,889	287,539	1,138,500	703,500	
TOTAL EXPENDITURES	14,512,843	14,526,933	19,510,700	20,849,400	20,300,800
EXPENDITURES BY UNIT					
Executive Director and Administration	1,285,460	1,207,334	1,523,400	1,725,500	1,744,000
Administrative Services	1,849,808	1,737,383	2,193,200	2,445,000	2,466,700
Financial Standards and Examination	2,294,597	2,320,536	3,843,000	3,981,400	3,742,300
Agent Licensing	1,293,685	1,528,890	1,877,700	2,055,800	2,070,700
Consumer Protection	2,424,190	2,340,394	3,212,500	3,550,000	3,330,100
Insurance Fraud Investigation	1,224,591	1,447,760	1,688,300	1,872,000	1,887,500
Medicaid Prompt Payment Compliance	359,304	79,254			
Mine Subsidence Program	156,241	128,793	197,600	208,400	209,400
Insurance Product Regulation	3,624,967	3,736,591	4,975,000	5,011,300	4,850,100
TOTAL EXPENDITURES	14,512,843	14,526,933	19,510,700	20,849,400	20,300,800

The Department of Insurance, pursuant to KRS Chapter 304, has the authority to license, supervise, and regulate insurance companies doing business in Kentucky.

The Commissioner is responsible for the overall policy, planning, direction, and management of all divisions within the Department. It is the responsibility of the Commissioner to oversee the manner in which the business of insurance is conducted in Kentucky. The Commissioner is charged with protecting the public interest, promoting viable markets, and assuring fair treatment of insurance consumers. An ombudsman provides additional assistance to consumers.

In 2017 General Assembly, HB242 established new divisions within the Department of Insurance.

The Division of Product Regulation was created by combining the previous Health and Life Division and Property and Casualty Division. The Health and Life Branch regulates insurance companies selling health, life and disability products. The Health and Life Branch approves policies, certificates, provider networks, quality improvement programs, and rate filings. The branch reviews promotional literature and activities for the protection of the public while assisting with inquiries about Medicare and long-term care insurance. The Property and Casualty Branch regulates coverage and marketing practices of property and casualty insurers. Through its annual review of property and casualty insurance rate and form filings, the Property and Casualty Branch ensures that companies comply with the standards set forth in the Kentucky Insurance Code and regulation of surplus lines insurance. The branch is responsible for reporting medical malpractice claims, recording of no-fault rejections (tort liability), and verifying such rejection.

The Financial Standards and Examination Division protects consumers by ensuring the financial solvency of insurers authorized to do business in Kentucky. The Division is responsible for conducting financial examinations, financial analyses, and providing administrative oversight of the insurance industry.

The Insurance Fraud Investigation Division is the Department's enforcement unit empowered to conduct criminal investigations of suspected fraudulent insurance acts. Insurance-related fraud may be committed by applicants for insurance, policyholders, third party claimants, agents, and providers of services who are paid through insurance.

The Agent Licensing Division makes certain that only knowledgeable and qualified insurance representatives sell insurance products to Kentucky consumers. The Division administers examinations, monitors continuing education courses, and licenses agents.

The Consumer Protection Division is the main link between the Department and the citizens of the Commonwealth. The Division also administers the emergency response program, which provides on-site assistance to citizens or communities affected by insured disasters within the Commonwealth. The Market Conduct unit of Consumer Protection observes and analyzes the business practices of insurers.

The Division of Administrative Services provides administrative and technological support to the Department through accounting, budgeting, purchasing, human resource, telecommunications, property management and mail center operations.