

Tourism, Arts and Heritage

Tourism, Arts and Heritage

Tourism, Arts and Heritage

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	59,236,000	68,068,600	68,477,100	69,696,200
Current Year Appropriation	8,831,600		2,700,000	
Budget Reduction-General Fund	-936,900			
Total General Fund	67,130,700	68,068,600	71,177,100	69,696,200
Restricted Funds				
Balance Forward	109,675,986	132,598,528	190,652,000	226,734,500
Current Receipts	182,025,144	200,524,813	201,066,400	204,068,300
Non-Revenue Receipts	880,154	24,676,611	4,318,000	7,521,700
Fund Transfers				-1,000,000
Total Restricted Funds	292,581,284	357,799,952	396,036,400	437,324,500
Federal Fund				
Balance Forward	11,725,266	11,682,710	6,400,300	11,230,500
Current Receipts	18,010,336	24,765,619	25,530,500	25,233,100
Non-Revenue Receipts	-1,292,034	-12,857,812	133,900	-210,000
Total Federal Fund	28,443,567	23,590,517	32,064,700	36,253,600
Road Fund				
Regular Appropriation	445,200	544,000	553,000	573,800
Total Road Fund	445,200	544,000	553,000	573,800
TOTAL SOURCE OF FUNDS	388,600,751	450,003,069	499,831,200	543,848,100
EXPENDITURES BY CLASS				
Personnel Costs	145,269,351	156,223,033	163,863,700	164,753,200
Operating Expenses	84,025,628	80,150,606	82,843,000	87,285,700
Grants Loans Benefits	7,582,896	6,714,093	8,100,500	7,860,500
Debt Service	3,652,542	2,986,674	2,395,600	3,096,100
Capital Outlay	3,737,629	6,759,883	4,663,400	9,914,500
Construction	31,602	90,740		
TOTAL EXPENDITURES	244,299,648	252,925,028	261,866,200	272,910,000
EXPENDITURES BY FUND SOURCE				
General Fund	67,110,836	68,042,923	71,177,100	69,696,200
Restricted Funds	159,982,756	167,147,827	169,301,900	181,510,400
Federal Fund	16,760,857	17,190,278	20,834,200	21,129,600
Road Fund	445,200	544,000	553,000	573,800
TOTAL EXPENDITURES	244,299,648	252,925,028	261,866,200	272,910,000
EXPENDITURES BY UNIT				
Secretary	15,964,354	16,240,325	17,916,800	18,539,500
Artisans Center	2,409,607	2,617,627	2,641,200	2,665,400
Kentucky Department of Tourism	2,821,085	3,062,483	3,187,000	3,205,000
Parks	100,353,731	99,339,555	100,315,400	99,833,800
Horse Park Commission	13,082,573	12,886,761	12,792,500	13,019,000
State Fair Board	45,534,998	49,788,185	51,321,000	54,060,200
Fish and Wildlife Resources	51,789,874	57,446,460	61,630,300	68,521,300
Historical Society	6,513,006	6,745,045	7,016,700	7,521,000
Arts Council	3,374,661	2,492,585	2,589,000	2,599,000
Heritage Council	1,574,270	1,747,703	1,898,000	2,387,500
Kentucky Center for the Arts	881,490	558,300	558,300	558,300
TOTAL EXPENDITURES	244,299,648	252,925,028	261,866,200	272,910,000

The Tourism, Arts and Heritage Cabinet's mission (KRS 148.522) is to capitalize on the natural assets of the Commonwealth and draw from resources in business development, tourism, outdoor attractions, arts, and cultural heritage. Through unified efforts of its agencies, the Cabinet will continually strive to improve the quality of life of the people of Kentucky by creating new wealth and generating jobs.

The Tourism, Arts and Heritage Cabinet is comprised of the following agencies:

- Kentucky State Fair Board
- Kentucky Heritage Council
- Kentucky Arts Council
- Kentucky Historical Society
- Kentucky Center for the Arts
- Governor's School for the Arts
- Department of Fish and Wildlife Resources
- Kentucky Horse Park
- Kentucky Department of Parks
- Kentucky Artisan Center at Berea
- Department of Tourism
- Office of the Secretary
- The Kentucky Humanities Council

Tourism, Arts and Heritage

Secretary

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	2,561,000	3,158,700	3,213,700	3,276,300
Budget Reduction-General Fund	-341,000			
Reorganization Adjustment	162,000			
Other		-313,000		
Total General Fund	2,382,000	2,845,700	3,213,700	3,276,300
Restricted Funds				
Balance Forward	3,690,103	3,663,419	5,410,400	5,764,900
Current Receipts	322,113	168,062	157,600	157,600
Non-Revenue Receipts	13,233,557	14,975,399	14,900,000	15,000,000
Fund Transfers				-1,000,000
Total Restricted Funds	17,245,773	18,806,881	20,468,000	19,922,500
TOTAL SOURCE OF FUNDS	19,627,773	21,652,581	23,681,700	23,198,800
EXPENDITURES BY CLASS				
Personnel Costs	3,931,912	2,868,403	3,547,200	3,587,500
Operating Expenses	9,094,072	10,705,643	11,659,200	12,241,600
Grants Loans Benefits	2,938,370	2,666,279	2,710,400	2,710,400
TOTAL EXPENDITURES	15,964,354	16,240,325	17,916,800	18,539,500
EXPENDITURES BY FUND SOURCE				
General Fund	2,382,000	2,843,874	3,213,700	3,276,300
Restricted Funds	13,582,354	13,396,450	14,703,100	15,263,200
TOTAL EXPENDITURES	15,964,354	16,240,325	17,916,800	18,539,500
EXPENDITURES BY UNIT				
Executive Policy and Management	2,811,055	2,843,874	3,244,800	3,296,300
Tourism Meeting & Convention Marketing	13,153,299	13,396,450	14,672,000	15,243,200
TOTAL EXPENDITURES	15,964,354	16,240,325	17,916,800	18,539,500

The Office of the Secretary's appropriation unit comprises of:

Executive Policy and Management - The Executive Policy and Management unit directs planning and management of the agencies within the Cabinet. This program develops plans to assure orderly growth and improved management, recommends executive actions and legislative measures, and evaluates agency budget requests.

Tourism, Meeting, and Convention Marketing Fund – This fund is established by KRS 142.406 with revenues from a one percent transient room tax dedicated for the sole purpose of marketing and promoting tourism in the Commonwealth, including expenditures to market and promote events and venues related to meetings, conventions, trade shows, cultural activities, historical sites, recreation, entertainment, natural phenomena, areas of scenic beauty, craft marketing, and any other economic activity that brings tourists and visitors to the Commonwealth.

Tourism, Arts and Heritage

Artisans Center

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	404,400	477,900	486,900	290,300
Budget Reduction-General Fund	-11,700			
Total General Fund	392,700	477,900	486,900	290,300
Restricted Funds				
Balance Forward	312,771	363,975	356,400	340,500
Current Receipts	1,622,911	1,588,184	1,585,400	1,585,400
Total Restricted Funds	1,935,682	1,952,159	1,941,800	1,925,900
Road Fund				
Regular Appropriation	445,200	544,000	553,000	573,800
Total Road Fund	445,200	544,000	553,000	573,800
TOTAL SOURCE OF FUNDS	2,773,582	2,974,059	2,981,700	2,790,000
EXPENDITURES BY CLASS				
Personnel Costs	1,257,712	1,325,832	1,297,100	1,308,400
Operating Expenses	1,151,895	1,271,841	1,344,100	1,357,000
Capital Outlay		16,056		
Construction		3,898		
TOTAL EXPENDITURES	2,409,607	2,617,627	2,641,200	2,665,400
EXPENDITURES BY FUND SOURCE				
General Fund	392,700	477,900	486,900	290,300
Restricted Funds	1,571,707	1,595,727	1,601,300	1,801,300
Road Fund	445,200	544,000	553,000	573,800
TOTAL EXPENDITURES	2,409,607	2,617,627	2,641,200	2,665,400
EXPENDITURES BY UNIT				
Berea Artisans Center	2,409,607	2,617,627	2,641,200	2,665,400
TOTAL EXPENDITURES	2,409,607	2,617,627	2,641,200	2,665,400

The Kentucky Artisan Center at Berea is established to promote Kentucky arts and craft products and serve as a unique gateway for travelers, offering quality Kentucky arts, crafts, music, and other artisan products, along with authentic heritage experiences. The Artisan Center purchases for resale over 4,000 different artisan products from over 800 vendors in 100 counties statewide. Hospitality, café food service, KY travel information assistance, and rest stop services are also provided by the Center for over 250,000 visitors annually. The Center currently serves as the only mid-state rest area on I-75.

The Appalachian/Kentucky Artisans Gateway Center Authority (KRS 148.560-569) has an appointed, thirteen member board to direct operations of the Center and is attached to the Tourism Arts and Heritage Cabinet for administrative purposes.

Tourism, Arts and Heritage
Kentucky Department of Tourism

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	3,036,600	3,118,000	3,157,900	3,145,000
Budget Reduction-General Fund	-36,200			
Reorganization Adjustment	-162,000			
Other		-50,000		
Total General Fund	2,838,400	3,068,000	3,157,900	3,145,000
Restricted Funds				
Balance Forward	49,280	62,714	60,500	46,700
Current Receipts	13,874	15,256	15,300	18,000
Total Restricted Funds	63,154	77,969	75,800	64,700
TOTAL SOURCE OF FUNDS	2,901,554	3,145,969	3,233,700	3,209,700
EXPENDITURES BY CLASS				
Personnel Costs	2,407,120	2,577,418	2,588,700	2,579,000
Operating Expenses	413,966	485,065	598,300	626,000
TOTAL EXPENDITURES	2,821,085	3,062,483	3,187,000	3,205,000
EXPENDITURES BY FUND SOURCE				
General Fund	2,820,645	3,045,042	3,157,900	3,145,000
Restricted Funds	440	17,441	29,100	60,000
TOTAL EXPENDITURES	2,821,085	3,062,483	3,187,000	3,205,000
EXPENDITURES BY UNIT				
Executive Policy and Management	1,078,820	1,106,584	1,128,100	1,098,200
Tourism Services	553,281	586,500	509,200	529,500
Marketing and Advertising	1,076,739	1,193,399	1,331,900	1,349,800
Communications and Promotions	112,246	176,000	217,800	227,500
TOTAL EXPENDITURES	2,821,085	3,062,483	3,187,000	3,205,000

The Department of Tourism was created to promote, develop, and provide support services for the tourism industry within the Commonwealth.

Executive Policy and Management - The Executive Policy and Management program establishes the policies and goals; coordinates the overall planning, management, and direction for the agency; and provides for the efficient administration of the Department and its programs.

Tourism Services - The Division of Tourism Services provides technical and design support to the overall marketing and promotions activities of the department. These activities provide graphic design support for development of both print and website promotions as well as technical support for website maintenance. Additionally, the division disseminates tourism information to tourists and potential visitors via a telephone system and fulfills visitor information through direct mail. Tourism Services provides assistance to travel planners calling the toll-free phone line requesting information as well as fulfilling requests for the Official Visitors Guide.

Marketing and Administration - The Division of Marketing and Administration is responsible for motivating travel to and within Kentucky. The Division maintains a database of all of the tourism related attractions, destinations and events throughout the state. These tourism assets are promoted through advertising via broadcast, print, and online media. Additionally, the Division participates in trade shows, events and conferences to showcase the state. The Division also collaborates with industry partners within the state and throughout the region to leverage marketing efforts.

The Tourism Marketing Incentive Program is a collaborative effort to utilize the one percent transient room tax funds, dedicated for the sole purpose of marketing and promoting tourism in the Commonwealth, efficiently and effectively.

The Division of Marketing and Administration staffs eight Welcome Centers throughout the state. The travel hosts at the Centers, located in Florence, Franklin, Grayson, Hopkinsville, Paducah, Simpsonville, Shepherdsville and Williamsburg offer helpful travel information and a positive image of Kentucky to tourists seeking assistance when they visit the state.

Communications and Promotions - The Division of Communications and Promotions works to complement the activities of the Department's advertising programs by engaging media and employing other strategies that publicize Kentucky's attractions and events as tourism destinations. These efforts primarily focus on generating earned broadcast and print media to support the marketing efforts of the department. This Division serves as the liaison with media sources, maintaining constant contact through e-newsletters, and a web-based media resource site. Assistance is provided to individual media representatives and travel writers in a variety of ways including, but not limited to, creating story ideas, making travel arrangements, providing photographs, video and fact verification. Regular press releases are prepared for the Department of Travel and Tourism and the Department of Parks to keep the public abreast of attractions and events in Kentucky. The goal of the division is to provide comprehensive support for projects and promotions developed through the department on behalf of the tourism industry in Kentucky.

Tourism, Arts and Heritage

Parks

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	36,044,800	46,549,700	46,838,000	47,547,900
Current Year Appropriation	8,831,600		2,700,000	
Total General Fund	44,876,400	46,549,700	49,538,000	47,547,900
Restricted Funds				
Balance Forward	612,761	-2,646,612	1,849,100	153,300
Current Receipts	54,424,107	52,369,611	51,557,600	51,996,500
Non-Revenue Receipts	-2,206,150	4,916,799	-2,476,000	230,000
Total Restricted Funds	52,830,718	54,639,798	50,930,700	52,379,800
TOTAL SOURCE OF FUNDS	97,707,118	101,189,498	100,468,700	99,927,700
EXPENDITURES BY CLASS				
Personnel Costs	60,906,944	63,580,524	65,335,000	63,521,100
Operating Expenses	35,850,539	32,763,375	31,310,000	32,244,300
Debt Service	3,279,542	2,844,174	2,395,600	2,793,600
Capital Outlay	316,998	151,595	1,274,800	1,274,800
Construction	-292	-112		
TOTAL EXPENDITURES	100,353,731	99,339,555	100,315,400	99,833,800
EXPENDITURES BY FUND SOURCE				
General Fund	44,876,400	46,548,807	49,538,000	47,547,900
Restricted Funds	55,477,331	52,790,748	50,777,400	52,285,900
TOTAL EXPENDITURES	100,353,731	99,339,555	100,315,400	99,833,800
EXPENDITURES BY UNIT				
General Administration and Support	15,370,908	15,801,239	16,025,400	17,002,000
Resort Parks	65,269,924	65,458,952	66,057,200	64,373,800
Recreation Parks and Historic Sites	17,751,780	17,525,454	17,583,400	17,801,300
Cafeterias	1,961,120	553,910	649,400	656,700
TOTAL EXPENDITURES	100,353,731	99,339,555	100,315,400	99,833,800

The Department of Parks operates the Kentucky State Park System under the authority of KRS Chapter 148. The Department strives to provide quality recreational facilities and to preserve and protect historically significant sites and natural phenomena in the Commonwealth of Kentucky.

The Vision for Kentucky State Parks is to provide quality recreation and hospitality experiences for people of all ages that enhance their appreciation for adventure, fun, education, and beauty through responsible stewardship of our Commonwealth's natural, historic and cultural resources, and with a professional staff committed to excellent service for our guests.

The Mission of Kentucky State Parks is to provide a sustainable system of parks that delivers quality programs, amenities, and services, which create memorable experiences, and a sense of place, contributes to the economic growth of the Commonwealth, and preserves the historic and natural integrity and traditions of our parks for existing and future generations.

The activities of the Department include the operation and maintenance of 17 resort parks, 22 recreational parks, 7 historic sites, one cafeteria in Frankfort, and other miscellaneous facilities, including one interstate park. The Park System provides overnight lodging to 431,000 guests, food service for 1,192,000 meals for dining patrons, camping for 560,000 guests, golf for 170,000 players, along with other park amenities and activities.

Resort Parks

The Resort Parks program encourages tourism and economic development in Kentucky by providing excellent overnight accommodations, quality food service, and recreational activities for visitors at the 17 resort parks. The resort parks and their locations are:

Barren River Resort Park - Barren County	Kenlake Resort Park - Marshall County
Blue Licks Battlefield State Park - Robertson County	Kentucky Dam Village Resort Park - Marshall County
Buckhorn Lake Resort Park - Perry County	Lake Barkley Resort Park - Trigg County
Carter Caves Resort Park - Carter County	Lake Cumberland Resort Park - Russell County
Cumberland Falls Resort Park - Whitley County	Natural Bridge Resort Park - Powell County
Dale Hollow Resort Park - Cumberland and Clinton Counties	Pennyrile Forest Resort Park - Christian County
General Butler Resort Park - Carroll County	Pine Mountain Resort Park - Bell County
Greenbo Lake Resort Park - Greenup County	Rough River Resort Park - Grayson County
Jenny Wiley Resort Park - Floyd County	

The Recreation Parks and Historic Sites program encourages tourism and economic development in Kentucky by providing modern recreational and camping facilities and preserving significant scenic and historic landmarks, as well as operating museums and shrines.

Recreation Park Facilities

Big Bone Lick State Park - Boone County	Lake Malone State Park - Muhlenberg County
Carr Creek State Park - Knott County	Lincoln Homestead State Park - Washington County
Columbus-Belmont Battlefield State Park - Hickman County	Mineral Mound State Park - Lyon County
E. P. "Tom" Sawyer State Park - Jefferson County	My Old Kentucky Home State Park - Nelson County
Fort Boonesborough State Park - Madison County	Nolin Lake State Park - Edmonson County
General Burnside State Park - Pulaski County	Old Fort Harrod State Park - Mercer County
Grayson Lake State Park - Elliott and Carter Counties	Paintsville Lake State Park - Johnson County
Green River Lake State Park - Taylor County	Pine Mountain Trail State Park - Harlan & Bell Counties
John James Audubon State Park - Henderson County	Taylorsville Lake State Park - Spencer County
Kincaid Lake State Park - Pendleton County	Yatesville Lake State Park - Lawrence County
Kingdom Come State Park - Harlan County	
Dawkins Line Rail Trail Park – Johnson/Magoffin Counties	

Historic Sites

Perryville Battlefield State Shrine - Boyle County	Jefferson Davis Monument State Shrine - Todd County
Dr. Thomas Walker State Shrine - Knox County	Waveland State Shrine - Fayette County
Isaac Shelby State Shrine - Lincoln County	
Wickliffe Mounds State Historic Site - Ballard County	
Old Mulkey Meeting House State Shrine - Monroe County	

Cafeterias

The Cafeteria program provides food service in the Capitol Annex Building for members of the General Assembly, state employees, and visitors. The cafeteria also provides catering service for special local events.

General Administration and Support

The General Administration and Support program provides an organizational and administrative system to maintain and operate the park system entities. Central administrative functions, such as accounting, purchasing, budgeting, and personnel, along with program operations support and central maintenance and minor construction support, are included in this program.

Policy

The Budget of the Commonwealth includes Restricted Funds for a \$4,000 training incentive stipend for Park Rangers. The stipend payments are provided from the Kentucky Law Enforcement Foundation Program Fund.

The Budget of the Commonwealth provides General Fund in the amount of \$2,700,000 in fiscal year 2019-2020, to cover a shortfall from fiscal year 2018.

The Budget of the Commonwealth provides General Fund of \$398,000 in fiscal year 2020-2021 for debt service on new bonds included in the capital budget.

**Tourism, Arts and Heritage
Horse Park Commission**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	2,417,600	1,673,700	1,708,100	1,729,000
Budget Reduction-General Fund	-126,000			
Other		350,000		
Total General Fund	2,291,600	2,023,700	1,708,100	1,729,000
Restricted Funds				
Balance Forward	332,900	346,052	159,600	159,600
Current Receipts	10,761,417	10,628,620	11,036,300	11,082,300
Non-Revenue Receipts	42,709	48,030	48,100	48,100
Total Restricted Funds	11,137,025	11,022,702	11,244,000	11,290,000
TOTAL SOURCE OF FUNDS	13,428,625	13,046,402	12,952,100	13,019,000
EXPENDITURES BY CLASS				
Personnel Costs	7,373,056	7,818,862	7,544,900	7,765,300
Operating Expenses	5,563,927	4,862,743	5,020,600	5,026,700
Grants Loans Benefits	90	30,680	35,000	35,000
Capital Outlay	119,937	174,477	192,000	192,000
Construction	25,563			
TOTAL EXPENDITURES	13,082,573	12,886,761	12,792,500	13,019,000
EXPENDITURES BY FUND SOURCE				
General Fund	2,291,600	2,023,700	1,708,100	1,729,000
Restricted Funds	10,790,973	10,863,061	11,084,400	11,290,000
TOTAL EXPENDITURES	13,082,573	12,886,761	12,792,500	13,019,000
EXPENDITURES BY UNIT				
Kentucky Horse Park	13,082,573	12,886,761	12,792,500	13,019,000
TOTAL EXPENDITURES	13,082,573	12,886,761	12,792,500	13,019,000

The Kentucky Horse Park (KRS 148.260) is comprised of 1,224 acres on which are situated over 1101 structures, 40 miles of fencing and 260 campsites. Horse Park programs consist primarily of four main functions:

Equine Theme Park-The central area of the park contains tourist activities that include the Visitor Information Center, International Museum of the Horse, gift shop, restaurant, Parade of Breeds and Hall of Champions shows, horseback riding, horse drawn tours, and other activities.

Events-The Horse Park is the host venue for both equine and non-equine special events. Horse shows are central to the mission of the park and comprise the majority of special event activities. More than 100 annual equine events utilize 24 pole barns (2,000 stalls), a climate controlled 5,500 seat Alltech Arena, the 7,338 seat Rolex Stadium, a 1,200 seat covered arena, show office complex, six hunter-jumper rings, five dressage rings, a 7,800-yard cross country course, steeplechase course, and other ancillary structures. The park also hosts non-equine events that include weddings, high school wrestling, cheerleading high school cross-country, dog shows, "Old Kentucky Nights" evening programs, "Southern Lights" holiday lights show, and many other events.

Campground-The popular campground consists of 260 campsites with water/electric hookups, grocery store, two bathhouses, pool, tennis courts, playground, primitive camping, and covered pavilion. Each year more than 102,000 people camp at the Horse Park, generating more than \$1.9 million in direct annual income.

National Horse Center-Another area of remarkable growth has been the National Horse Center (NHC), a collection of the nation's and the state's leading equestrian organizations. The NHC now includes 33 distinct organizations contained in 15 office buildings. The NHC has solidified the key role of the Horse Park in making Kentucky the "Horse Capital of the World."

Policy

The Budget of the Commonwealth includes Restricted Funds for a \$4,000 training incentive stipend for Mounted Patrol Officers. The stipend payments are provided from the Kentucky Law Enforcement Foundation Program Fund.

Tourism, Arts and Heritage

State Fair Board

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	4,902,200	4,214,000	4,113,900	4,416,400
Budget Reduction-General Fund	-299,200			
Total General Fund	4,603,000	4,214,000	4,113,900	4,416,400
Restricted Funds				
Balance Forward	44,818	1,645	554,200	554,200
Current Receipts	41,445,998	46,294,603	47,207,100	49,492,800
Non-Revenue Receipts	-557,174	-167,838		
Total Restricted Funds	40,933,642	46,128,409	47,761,300	50,047,000
TOTAL SOURCE OF FUNDS	45,536,642	50,342,409	51,875,200	54,463,400
EXPENDITURES BY CLASS				
Personnel Costs	24,851,029	28,548,813	29,544,600	30,484,200
Operating Expenses	16,799,804	15,115,390	17,705,100	16,972,500
Grants Loans Benefits	1,570,873	1,417,417	2,518,300	2,218,300
Debt Service	373,000	142,500		302,500
Capital Outlay	1,933,960	4,477,518	1,553,000	4,082,700
Construction	6,332	86,548		
TOTAL EXPENDITURES	45,534,998	49,788,185	51,321,000	54,060,200
EXPENDITURES BY FUND SOURCE				
General Fund	4,603,000	4,214,000	4,113,900	4,416,400
Restricted Funds	40,931,998	45,574,185	47,207,100	49,643,800
TOTAL EXPENDITURES	45,534,998	49,788,185	51,321,000	54,060,200
EXPENDITURES BY UNIT				
Kentucky Fair and Exposition Center	42,984,821	42,863,953	44,544,800	44,545,100
Kentucky International Convention Center	2,177,176	6,781,733	6,776,200	9,212,600
Debt Service	373,000	142,500		302,500
TOTAL EXPENDITURES	45,534,998	49,788,185	51,321,000	54,060,200

The Kentucky State Fair Board is composed of 18 members: the Governor, the Commissioner of Agriculture, the secretary of the Finance and Administration Cabinet, the Dean of the College of Agriculture at the University of Kentucky, the State president of the Kentucky FFA, the State President of the Kentucky 4-H Organization, and 12 members appointed by the Governor. The Board manages and administers the funds, buildings, grounds, and equipment of both the Kentucky Exposition Center and the Kentucky International Convention Center in Louisville. A president is appointed by the Board to manage these centers and Fair Board properties.

Kentucky Exposition Center - The Kentucky Exposition Center provides facilities and services for conventions, trade shows, agricultural activities, athletic events, concerts, and cultural and commercial productions year-round. At this site, the State Fair Board produces its three major expositions during the year: the Kentucky State Fair, the National Farm Machinery Show, and the North American International Livestock Exposition.

The Kentucky Exposition Center is a completely air conditioned complex that includes 1.2 million square feet of exhibit and meeting space at ground level. It includes the 19,000-seat Freedom Hall Coliseum, identical East and West Exhibit Halls, East and West Exposition Wings, the South and North Wing Exposition facilities and Conference Centers, a smaller exposition pavilion, a 600-seat amphitheater, a 5,000 seat Livestock and Horse Show Arena, and a 37,000-seat stadium. Also serving the Kentucky Exposition Center are the adjacent Crowne Plaza, Hilton Gardens Inn, Cracker Barrel restaurant, Thorton's gas station and Executive Bowl, all of which are long term lessees of the State Fair Board.

Kentucky International Convention Center - The Kentucky International Convention Center provides facilities and services for intermediate-sized conventions, trade shows, association events, concerts, and cultural and commercial productions year-round. This facility is an integral and interdependent part of the overall redevelopment of downtown Louisville by both government and private enterprises. Major renovations to the center were completed in August 2018.

The Hyatt and Cowger Parking Garages, which provide 1,300 enclosed parking spaces, serve the Center. The Cowger Garage also includes commercial space, which is leased on a long term basis.

Policy

The Budget of the Commonwealth provides General Fund of \$302,500 in fiscal year 2020-2021 for debt service on new bonds included in the capital budget.

**Tourism, Arts and Heritage
Fish and Wildlife Resources**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	104,155,260	129,962,116	181,102,100	218,694,100
Current Receipts	72,230,792	88,359,907	88,360,500	88,360,500
Non-Revenue Receipts	-9,627,788	4,894,220	-8,169,100	-8,169,100
Fund Transfers				
Total Restricted Funds	166,758,263	223,216,244	261,293,500	298,885,500
Federal Fund				
Balance Forward	11,725,266	12,664,325	7,472,700	11,230,500
Current Receipts	16,304,306	22,998,566	22,998,700	23,485,400
Non-Revenue Receipts	-371,519	-12,857,812	-210,000	-210,000
Total Federal Fund	27,658,052	22,805,078	30,261,400	34,505,900
TOTAL SOURCE OF FUNDS	194,416,315	246,021,322	291,554,900	333,391,400
EXPENDITURES BY CLASS				
Personnel Costs	38,040,658	42,836,567	46,954,100	47,950,200
Operating Expenses	11,615,175	11,967,410	12,158,600	15,272,100
Grants Loans Benefits	767,307	701,839	874,000	934,000
Capital Outlay	1,366,735	1,940,238	1,643,600	4,365,000
Construction		407		
TOTAL EXPENDITURES	51,789,874	57,446,460	61,630,300	68,521,300
EXPENDITURES BY FUND SOURCE				
Restricted Funds	36,796,147	42,114,074	42,599,400	49,139,400
Federal Fund	14,993,727	15,332,386	19,030,900	19,381,900
TOTAL EXPENDITURES	51,789,874	57,446,460	61,630,300	68,521,300
EXPENDITURES BY UNIT				
Administration and Support	4,622,793	5,508,888	5,735,100	5,875,000
Wildlife Management	15,074,286	16,872,023	18,056,900	19,522,100
Fisheries Management	9,042,287	10,249,786	10,434,500	14,919,200
Information and Education	7,110,531	7,782,599	8,337,200	8,017,200
Law Enforcement	12,589,415	13,289,828	14,755,000	15,895,900
Marketing	976,969	1,097,485	1,081,300	1,053,900
Engineering, Infrastructure & Technology	2,373,594	2,645,851	3,230,300	3,238,000
TOTAL EXPENDITURES	51,789,874	57,446,460	61,630,300	68,521,300

The Department of Fish and Wildlife Resources, established by KRS Chapter 150, is responsible for the conservation and management of fish and wildlife resources in Kentucky. A Departmental Commissioner is appointed by the Fish and Wildlife Commission. The Commission, which is responsible for Department policy, is a nine member bipartisan body appointed by the Governor from a list of candidates provided by sportsmen and women in each of nine districts.

Financial support of the Department is derived from the sale of hunting and fishing licenses, federal grants, interest income, fines and penalties assessed by the courts for violation of game and fish laws, and numerous other miscellaneous receipts.

The Department owns approximately 130,000 acres of land in Kentucky, which are used to further its program activities. The acreage includes the State Game Farm, approximately 80 major wildlife management areas, two warm water hatcheries, and three summer camps. An additional 700,000 plus acres of land and water is under lease or license by the Department for wildlife management activities. The Daniel Boone National Forest provides an additional 600,000 acres of land for public use.

The Department consists of seven program areas: Administration and Support, Wildlife Management, Fisheries Management, Information and Education, Law Enforcement, Marketing and Engineering, Infrastructure and Technology.

Wildlife Management - The Wildlife Management program manages, develops, and maintains statewide game and non-game populations consistent with habitat availability on state owned lands, licensed wildlife management areas, and privately owned lands. Additionally, Wildlife Management conducts statewide surveys to determine the relative abundance of game and non-game wildlife, formulates hunting regulations based upon biological data and recreational demands, restores viable native wildlife species by restocking in suitable habitat, and evaluates the impact of land, water resource, and other construction projects on wildlife resources. Technical guidance is provided to private landowners for improvement of wildlife habitat. A fish and wildlife electronic information system is being maintained for use by state agencies that includes geographic information such as land types, vegetation conditions, and wildlife populations.

Fisheries Management - The Fisheries Management program manages Kentucky fishery resources to provide optimum fishing opportunities for anglers through research, surveys, fish stocking, regulation, and technical biological guidance. Fishery biologists manage and develop fish populations and their associated habitats in major impoundments, streams, rivers, and 100,000 acres of small lakes and ponds. In addition, technical guidance is provided to private pond owners. Research biologists provide support to management through evaluation of stocking and regulatory practices. The Environmental Section of the Fisheries Division manages the Kentucky Wetland Stream Mitigation Fund (referred to as the fees in-lieu of program) authorized by KRS 150.255 and by agreement with the U.S. Army Corps of Engineers. Corps 404 permits require mitigation when projects fill stream or wetland habitat. Funds are derived when 404 permit applicants can elect to pay a fee to satisfy mitigation requirements. These fees are used for identifying and restoring degraded streams with eroding banks and impacted habitat to stable conditions or restoring wetlands that have been drained.

Information and Education - The Information and Education program is responsible for educating and informing the public about our wildlife resources and the importance of conservation, and the recreational opportunities the fish and wildlife resources provide. The information and education program is essential to provide the general and sporting public timely and accurate information directly and through the media. Additionally, the dissemination of regulatory information is necessary for the sporting public to comply with applicable laws and regulations. The program also provides classroom instruction on wildlife conservation, hunter education, aquatic education; operates the Salato Wildlife Education Center; and, administers three summer camps for children.

Law Enforcement - The Law Enforcement program enforces fish, wildlife, and boating laws. Officers assist other federal, state, and local agencies in enforcement of all criminal laws in the Commonwealth. Officers also assist the public during times of natural disasters such as floods, forest fires, and severe winter weather.

Administration and Support - The Administration and Support program area manages the day-to-day operations of the Department including maintaining accounting records, ensuring proper purchasing and inventory procedures, and administering hunting and fishing license sales and revenue collections. The Public Affairs Division facilitates public involvement in departmental policy and regulations.

Marketing – The Marketing program is responsible for marketing, public involvement, social survey research, trend analysis, economic analysis of the benefits of wildlife associated recreations and boating.

Engineering, Infrastructure and Technology - The Engineering program provides the labor and technical engineering services required for small construction projects, such as building small bridges, buildings, boat ramps, and roads. In addition, Engineering is responsible for surveying all property owned or being purchased by the Department

Policy

The Budget of the Commonwealth includes Restricted Funds for a \$4,000 training incentive stipend for Conservation Officers. These funds are provided from the Fish and Game Fund.

The Budget of the Commonwealth includes Restricted Funds in the amount of \$954,900 and Federal Funds in the amount of \$1,970,000 to fund programs that help control Asian Carp populations.

Tourism, Arts and Heritage

Historical Society

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	5,596,500	5,893,700	5,952,400	6,456,700
Budget Reduction-General Fund	-66,100			
Total General Fund	5,530,400	5,893,700	5,952,400	6,456,700
Restricted Funds				
Balance Forward	45,063	38,556	162,900	106,000
Current Receipts	823,182	822,202	837,400	856,400
Non-Revenue Receipts	-5,000			
Total Restricted Funds	863,245	860,758	1,000,300	962,400
Federal Fund				
Balance Forward		-324,074	-477,500	
Current Receipts	295,563		647,500	170,000
Non-Revenue Receipts	-461,720			
Total Federal Fund	-166,157	-324,074	170,000	170,000
TOTAL SOURCE OF FUNDS	6,227,488	6,430,384	7,122,700	7,589,100
EXPENDITURES BY CLASS				
Personnel Costs	3,829,168	4,141,822	4,413,400	4,419,500
Operating Expenses	2,596,894	2,561,017	2,557,800	3,056,000
Grants Loans Benefits	86,944	42,205	45,500	45,500
TOTAL EXPENDITURES	6,513,006	6,745,045	7,016,700	7,521,000
EXPENDITURES BY FUND SOURCE				
General Fund	5,530,400	5,893,700	5,952,400	6,456,700
Restricted Funds	824,689	697,886	894,300	894,300
Federal Fund	157,917	153,459	170,000	170,000
TOTAL EXPENDITURES	6,513,006	6,745,045	7,016,700	7,521,000
EXPENDITURES BY UNIT				
Oral History and Educational Outreach	817,663	795,619	1,208,800	1,253,500
Research and Publications	814,780	739,054	803,800	833,300
Museums	867,871	886,900	689,400	696,300
Administration	4,012,692	4,323,473	4,314,700	4,737,900
TOTAL EXPENDITURES	6,513,006	6,745,045	7,016,700	7,521,000

The Kentucky Historical Society (KHS) engages people in the exploration of the Commonwealth's diverse heritage. Through comprehensive and innovative services, interpretive programs, and stewardship, it provides connections to the past, perspective on the present, and inspiration for the future.

The Kentucky Historical Society's statutory mandate, pursuant to KRS 171.311, is to collect and preserve for future generations materials and information regarding Kentucky's past; to disseminate knowledge and understanding of the state's history; and to produce for people of all backgrounds an increased awareness of, and appreciation for, the Commonwealth and its heritage. The agency operates four divisions: Administration, Research and Publications, Museums, and Oral History and Educational Outreach.

The Administration Division provides overall agency direction, planning, and management. It is comprised of the following functional teams: development, director's office, finance and human resources, and communications (which includes visitor services.)

The Research and Publications Division includes the following functional teams: research and interpretation, museum collections and exhibitions, and the design studio. The research and interpretation team publishes the Society's two journals—*The Register of the Kentucky Historical Society* and *Kentucky Ancestors*—and assists with the publication of the quarterly newsletter, *The Chronicle*. The team also administers the historical marker program and the research fellows

program. The museum collections and exhibitions team is responsible for the operation of the Historical Society's three museum facilities—the galleries located in the Thomas D. Clark Center for Kentucky History, the Kentucky Military History Museum, and the Old State Capitol. Since 1999, these facilities have hosted more than 1,000,000 visitors. The team is also responsible for the 200,000+ artifact collection. The design studio is responsible for museum exhibition design and production, along with the design and production of other KHS interpretive and promotional tools.

The Museum Division is responsible for special collections and reference services. The Museum division operates the Martin F. Schmidt Research Library housed in the History Center, which effectively serves genealogists and other researchers. It also cares for an array of manuscripts, maps, 200,000-plus photographs, 8,000 oral history recordings, and rare books.

The Oral History and Educational Outreach Division includes the following units: interpretive education, teacher/student outreach, and community services. Community Services consists of the local history program and the Cemetery Preservation program. Interpretive Education includes school tours, museum theatre, and other educational activities for adults and children. Since 1999, the KHS "history campus" has hosted more than 1,000,000 visitors. The primary outreach programs for students include the Kentucky Junior Historical Society and National History Day. Much of the KHS professional development for teachers is presented through Teaching American History grants awarded by the U.S. Department of Education.

Tourism, Arts and Heritage

Arts Council

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	2,640,700	1,708,700	1,728,900	1,537,900
Budget Reduction-General Fund	-12,600			
Other		13,000		
Total General Fund	2,628,100	1,721,700	1,728,900	1,537,900
Restricted Funds				
Balance Forward	231,869	386,492	463,200	483,800
Current Receipts	155,435	131,678	172,200	373,800
Non-Revenue Receipts		10,000		
Total Restricted Funds	387,304	528,170	635,400	857,600
Federal Fund				
Balance Forward		-314,349	-251,000	
Current Receipts	439,733	769,266	959,500	708,500
Non-Revenue Receipts	-8,334			
Total Federal Fund	431,400	454,917	708,500	708,500
TOTAL SOURCE OF FUNDS	3,446,804	2,704,788	3,072,800	3,104,000
EXPENDITURES BY CLASS				
Personnel Costs	1,255,357	1,061,322	1,055,900	1,065,800
Operating Expenses	542,979	221,289	264,100	264,200
Grants Loans Benefits	1,576,325	1,209,974	1,269,000	1,269,000
TOTAL EXPENDITURES	3,374,661	2,492,585	2,589,000	2,599,000
EXPENDITURES BY FUND SOURCE				
General Fund	2,628,100	1,721,700	1,728,900	1,537,900
Restricted Funds	812	64,940	151,600	352,600
Federal Fund	745,748	705,945	708,500	708,500
TOTAL EXPENDITURES	3,374,661	2,492,585	2,589,000	2,599,000
EXPENDITURES BY UNIT				
Arts Council	1,651,827	1,155,700	1,158,600	1,168,600
Support Grants	1,675,448	1,283,745	1,281,000	1,281,000
Arts Marketing	47,386	53,140	149,400	149,400
TOTAL EXPENDITURES	3,374,661	2,492,585	2,589,000	2,599,000

The Kentucky Arts Council's legislated purpose is to develop and promote a broadly conceived state policy of support for the arts in Kentucky, pursuant to KRS 153.210 to 153.235. As the official state arts agency, the Kentucky Arts Council (KAC) is the sole Kentucky state agency designated to receive partnership funding from the National Endowment for the Arts for any programs related to the arts. All of the KAC's programs, services, initiatives, events and activities support its mission to "create opportunities for the people of Kentucky to value, participate in, and benefit from the arts".

The Kentucky Arts Council manages a multitude of programs, activities and services for the Commonwealth by working in partnership with arts organizations, educational facilities, communities, local government, and individual artists. The work of the KAC encourages the growth and stability of the arts across the state, the promotion of cultural tourism and economic development, the enhancement of quality of life in Kentucky, and the provision of strong arts education programs.

Major program areas include community arts development, arts infrastructure capacity building, individual artists, folk arts, arts education, and arts marketing. The KAC offers an extensive array of technical assistance and training programs, public events, information services and resources, business development services, sales and performance venues, and grant programs to help ensure that the arts community in Kentucky is strong and viable. The grant funds invested by the KAC across the Commonwealth serves as an important catalyst in community building, and leverages significant funding from other sources.

**Tourism, Arts and Heritage
Heritage Council**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	717,100	715,900	719,000	738,400
Budget Reduction-General Fund	-12,600			
Total General Fund	704,500	715,900	719,000	738,400
Restricted Funds				
Balance Forward	201,162	420,172	533,600	431,400
Current Receipts	225,315	146,691	137,000	145,000
Non-Revenue Receipts			15,000	412,700
Total Restricted Funds	426,477	566,862	685,600	989,100
Federal Fund				
Balance Forward		-343,192	-343,900	
Current Receipts	970,733	997,788	924,800	869,200
Non-Revenue Receipts	-450,461		343,900	
Total Federal Fund	520,272	654,596	924,800	869,200
TOTAL SOURCE OF FUNDS	1,651,249	1,937,358	2,329,400	2,596,700
EXPENDITURES BY CLASS				
Personnel Costs	1,287,046	1,463,470	1,582,800	2,072,200
Operating Expenses	202,535	196,833	225,200	225,300
Grants Loans Benefits	84,688	87,400	90,000	90,000
TOTAL EXPENDITURES	1,574,270	1,747,703	1,898,000	2,387,500
EXPENDITURES BY FUND SOURCE				
General Fund	704,500	715,900	719,000	738,400
Restricted Funds	6,305	33,315	254,200	779,900
Federal Fund	863,464	998,489	924,800	869,200
TOTAL EXPENDITURES	1,574,270	1,747,703	1,898,000	2,387,500
EXPENDITURES BY UNIT				
Kentucky Heritage Council	1,574,270	1,747,703	1,898,000	2,387,500
TOTAL EXPENDITURES	1,574,270	1,747,703	1,898,000	2,387,500

The Kentucky Heritage Council (the State Historic Preservation Office) administers a comprehensive state historic preservation program with structure in three areas: the Site Protection Program, the Site Identification and Evaluation Program and the Site Development Program.

The Council administers national historic preservation activities in Kentucky, monitors projects and distributes grants involving federal funds, offers programs and services involving all aspects of historic preservation, and provides technical assistance to local governments, the public, and other agencies.

Major program activities include surveying historic sites, nominating sites to the National Register of Historic Places, administering the Kentucky Main Street program in partnership with Renaissance on Main, overseeing federal and state historic preservation tax credit programs and restoration grants programs, conducting archaeological investigations, and reviewing all federally funded, licensed, and permitted projects.

Attached to the Heritage Council for administration and programmatic services are the African American Heritage Commission, Native American Heritage Commission, Military Heritage Commission, and the Kentucky Historic Preservation Review Board. The Kentucky Heritage Council is administered in accordance with KRS 171.3801.

**Tourism, Arts and Heritage
Kentucky Center for the Arts**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	915,100	558,300	558,300	558,300
Budget Reduction-General Fund	-31,500			
Total General Fund	883,600	558,300	558,300	558,300
TOTAL SOURCE OF FUNDS	883,600	558,300	558,300	558,300
EXPENDITURES BY CLASS				
Personnel Costs	129,348			
Operating Expenses	193,842			
Grants Loans Benefits	558,300	558,300	558,300	558,300
TOTAL EXPENDITURES	881,490	558,300	558,300	558,300
EXPENDITURES BY FUND SOURCE				
General Fund	881,490	558,300	558,300	558,300
TOTAL EXPENDITURES	881,490	558,300	558,300	558,300
EXPENDITURES BY UNIT				
Kentucky Center for the Arts	323,190			
Governor's School for the Arts	558,300	558,300	558,300	558,300
TOTAL EXPENDITURES	881,490	558,300	558,300	558,300

Kentucky Center for the Arts (“The Kentucky Center”) is the Commonwealth’s premier performing arts center. The Kentucky Center serves over 400,000 people each year. It is the performance home of the state’s largest orchestra, opera, ballet, Broadway and children’s theatre productions. In addition, The Kentucky Center presents a variety of national and international artists.

The Kentucky Center houses three theaters: the 2,406-seat Robert S. Whitney Hall, the 619-seat Moritz von Bomhard Theater, and the 139-seat Boyd Martin Experimental Theater. The facility features a multi-tiered lobby, rehearsal halls, and spaces for social and business events.

The Kentucky Center provides a wide range of nationally recognized educational programs, including professional development for teachers, partnerships with schools and community centers, and opportunities for artists to work in classrooms. The Center is also a leader in providing award-winning access services that make the theater experience possible for patrons with disabilities. The Kentucky Center, in partnership with the Kentucky Arts Council, provides access and technical consulting services for arts and cultural organizations across Kentucky. The Kentucky Center’s management also provides theatrical consulting services throughout the state.

The Governor’s School for the Arts (GSA) is a model program, recognized nationally by the President’s Committee on the Arts and Humanities and the National Endowment of the Arts. GSA was established in 1987 to address the needs of an underserved Kentucky population: Kentucky’s artistically gifted and talented young people. Whereas opportunities for advanced academic work has been widely available to Kentucky’s academically gifted students, opportunities to pursue advanced work in the arts have been considerably more limited, particularly for geographically and/or economically marginalized students. GSA not only plays a vital role in preparing students for their pursuit of careers in the arts, but also prepares them for all facets of professional life requiring leadership, critical thinking, exceptional communication skills and understanding of the multi-cultural world. GSA is a model program, recognized nationally by the President’s Committee on the Arts & Humanities and the National Endowment for the Arts. The school currently serves 256 students.

Transportation

**Transportation
Transportation**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	6,228,200	6,089,000	6,089,000	6,089,000
Special Appropriation	10,000,000			
Continuing Approp-General Fund	3,552,385	6,049,230	1,957,400	
Budget Reduction-General Fund	-319,000			
Total General Fund	19,461,585	12,138,230	8,046,400	6,089,000
Restricted Funds				
Balance Forward	122,215,374	97,274,099	111,020,300	15,776,000
Current Receipts	127,245,156	127,438,892	143,305,600	150,479,300
Non-Revenue Receipts	9,841,442	40,585,619	59,002,700	10,502,800
Fund Transfers	-4,588,200	-7,370,900	-6,424,000	-4,838,400
Total Restricted Funds	254,713,772	257,927,710	306,904,600	171,919,700
Federal Fund				
Balance Forward		-67,348,172	1,071,000	
Current Receipts	763,891,057	882,243,915	794,522,700	754,897,400
Non-Revenue Receipts	-28,801,937	84,621,784		
Total Federal Fund	735,089,120	899,517,527	795,593,700	754,897,400
Road Fund				
Regular Appropriation	1,390,207,200	1,427,517,000	1,395,472,200	1,458,606,300
Surplus Expenditure Plan	57,237,112	19,582,190	75,328,000	
Current Year Appropriation			4,265,500	
Continuing Approp-Road Fund	336,329,257	408,175,824		
Other	7,466,004	6,968,866	9,046,100	
Total Road Fund	1,791,239,573	1,862,243,880	1,484,111,800	1,458,606,300
TOTAL SOURCE OF FUNDS	2,800,504,050	3,031,827,346	2,594,656,500	2,391,512,400
EXPENDITURES BY CLASS				
Personnel Costs	515,872,099	585,351,143	596,707,800	582,338,700
Operating Expenses	281,881,943	301,419,074	263,125,600	290,105,600
Grants Loans Benefits	264,713,139	251,620,122	295,305,000	264,224,100
Debt Service	261,508,559	261,737,015	246,470,600	233,495,800
Capital Outlay	12,412,093	12,958,482	1,513,200	1,906,200
Construction	996,025,170	1,083,955,213	1,166,354,100	1,005,381,100
TOTAL EXPENDITURES	2,332,413,001	2,497,041,049	2,569,476,300	2,377,451,500
EXPENDITURES BY FUND SOURCE				
General Fund	13,412,353	10,129,991	8,046,400	6,089,000
Restricted Funds	157,439,674	146,907,366	291,128,600	161,464,300
Federal Fund	802,437,292	898,446,493	795,593,700	754,897,400
Road Fund	1,359,123,682	1,441,557,199	1,474,707,600	1,455,000,800
TOTAL EXPENDITURES	2,332,413,001	2,497,041,049	2,569,476,300	2,377,451,500
EXPENDITURES BY UNIT				
General Administration and Support	70,095,868	74,805,168	84,057,000	88,284,200
Aviation	23,251,964	15,905,348	36,201,600	24,519,100
Debt Service	154,820,593	154,413,383	142,387,200	144,385,900
Highways	1,656,412,735	1,824,763,220	1,851,879,000	1,666,311,500
Public Transportation	34,731,118	34,828,829	58,296,400	40,430,000
Revenue Sharing	344,224,041	340,519,204	346,364,300	350,007,300
Vehicle Regulation	37,351,984	41,215,898	50,290,800	63,513,500
Transfer to Capital Projects	11,524,698	10,590,000		
TOTAL EXPENDITURES	2,332,413,001	2,497,041,049	2,569,476,300	2,377,451,500

The Transportation Cabinet is responsible for maintaining and improving transportation services in the Commonwealth. All modes of transportation are addressed by the Cabinet, including air transportation, railroads, waterways, public transit, and highways. The Secretary of Transportation, who is appointed by the Governor, heads the organization. The duties and responsibilities of the Cabinet are found in Titles XV and XVI of the Kentucky Revised Statutes.

The Cabinet receives funding from the state Road Fund, proceeds from highway bonds issued by the Kentucky Turnpike Authority, and federal aid apportionments for highways. Other revenue sources include agency receipts, non highway federal aid, the state General Fund, and a federal fund leveraging mechanism titled Grant Anticipation Revenue Vehicle (GARVEE) bonds. The revenue components of the Road Fund are the motor fuels tax, motor vehicle usage tax, license and privilege taxes, interest income, and miscellaneous departmental fees, permits, and sales.

Seven major budget units comprise the Transportation Cabinet: General Administration and Support, Aviation, Public Transportation, Revenue Sharing, Highways, Vehicle Regulation, and Debt Service.

Organizationally, the agency is divided into four departments: Aviation, Vehicle Regulation, Rural and Municipal Aid, and Highways. Each department is headed by a commissioner directly responsible to the Secretary. Other organizational units include the Office of Support Services, the Office of Transportation Delivery, the Office of Audits, the Office of Human Resource Management, the Office of Information Technology, the Office of Legal Services, the Office of Public Affairs, the Office of Budget and Fiscal Management, the Office for Civil Rights and Small Business Development, and the Office of Inspector General. These units report to the Office of the Secretary. The following offices report to the State Highway Engineer in the Department of Highways: the Office of Project Development, the Office of Project Delivery and Preservation, the Office of Highway Safety, and Highway District Offices One through Twelve. The Office of Local Programs and the Office of Rural and Secondary Roads report to the Commissioner of Rural and Municipal Aid.

The Transportation Cabinet has its origin as an agency of the Commonwealth of Kentucky in 1912 when the General Assembly established the Department of Highways. Legislation in 1974 created the Department of Transportation by consolidating the Departments of Highways, Motor Transportation, and Aeronautics, plus certain transportation-related functions of the Department of Public Safety and the Department of Revenue. The 1982 General Assembly established the Transportation Cabinet as the successor to the Department of Transportation, and it assumed all of the duties formerly associated with the Department.

Transportation
General Administration and Support

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	500,000	500,000	500,000	500,000
Total General Fund	500,000	500,000	500,000	500,000
Restricted Funds				
Balance Forward	198,793	-723,034	206,300	124,000
Current Receipts	1,318,957	1,406,074	2,281,600	2,625,300
Non-Revenue Receipts	-881,191	865,514		
Total Restricted Funds	636,559	1,548,555	2,487,900	2,749,300
Road Fund				
Regular Appropriation	74,651,200	80,814,900	81,193,100	85,112,100
Total Road Fund	74,651,200	80,814,900	81,193,100	85,112,100
TOTAL SOURCE OF FUNDS	75,787,759	82,863,455	84,181,000	88,361,400
EXPENDITURES BY CLASS				
Personnel Costs	30,083,875	33,846,702	40,804,900	39,431,500
Operating Expenses	32,345,342	33,206,492	34,419,300	39,596,600
Grants Loans Benefits	506,520	449,392	510,800	502,800
Debt Service	7,107,346	7,107,757	7,112,200	7,110,100
Capital Outlay	36,675	157,788	1,177,800	1,551,200
Construction	16,110	37,036	32,000	92,000
TOTAL EXPENDITURES	70,095,868	74,805,168	84,057,000	88,284,200
EXPENDITURES BY FUND SOURCE				
General Fund	500,000	449,175	500,000	500,000
Restricted Funds	1,359,593	1,342,221	2,363,900	2,672,100
Road Fund	68,236,276	73,013,771	81,193,100	85,112,100
TOTAL EXPENDITURES	70,095,868	74,805,168	84,057,000	88,284,200
EXPENDITURES BY UNIT				
Office of the Secretary	5,828,722	6,516,312	8,792,900	9,033,100
Legal Services	4,216,806	4,441,207	5,716,100	5,737,300
Office of Human Resource Management	4,179,185	4,809,500	5,801,600	5,815,600
Office of Support Services	20,093,950	20,382,145	22,547,300	24,544,400
Technology	31,960,150	34,476,485	35,311,000	37,435,400
Office of Audits	3,817,055	4,179,519	5,888,100	5,718,400
TOTAL EXPENDITURES	70,095,868	74,805,168	84,057,000	88,284,200

The General Administration and Support appropriation unit provides management and administrative services and ensures efficient day to day operations. This unit includes the Office of Secretary and nine other offices.

The Office of Budget and Fiscal Management, the Office for Civil Rights and Small Business Development, the Office of Legal Services, the Office of Public Affairs, the Office of Inspector General, the Office of Human Resource Management, the Office of Support Services, the Office of Audits, and the Office of Information Technology provide leadership, management, and staff support to the Transportation Cabinet and provide the Secretary with the managerial tools necessary to operate the Cabinet.

The Office of the Secretary is the central point of contact with the general public and external organizations and serves as the main policymaking arm of the Cabinet. The Office of Budget and Fiscal Management and the Office of Audits manage the planning and use of the Cabinet's financial resources. The Office for Civil Rights and Small Business Development conducts programs to provide women and minorities an equal opportunity for employment and to compete for highway construction contracts. The Office of Legal Services provides the agency with the required legal representation before administrative boards and all levels of the court system. The Office of Public Affairs is responsible for the Cabinet's communications with employees, the news media, and the general public. The Office of Inspector

exists to provide the Cabinet a mechanism for both employees and Kentuckians to report incidences of wrongdoing regarding the Cabinet's service. The Office of Human Resource Management is responsible for the Cabinet's human resources policies and personnel utilization and development programs. The Office of Support Services provides oversight and management of the Cabinet's statewide facilities, including all ongoing capital projects not associated with highway construction. Beginning in April 2013, the Office of Support Services began providing production print services for the Executive Branch through its Division of Graphic Design and Printing, a function previously performed by the Commonwealth Office of Technology. The Office of Information Technology is responsible for the technological application development and system support functions for the Cabinet.

Policy

The General Fund appropriation provides funding for the improvement of public river ports in the Commonwealth. The Secretary of Transportation, in conjunction with the Kentucky Water Transportation Advisory Board, shall determine how to distribute the funds.

**Transportation
Aviation**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Special Appropriation	10,000,000			
Continuing Approp-General Fund	3,381,748	6,024,337	1,706,300	
Total General Fund	13,381,748	6,024,337	1,706,300	
Restricted Funds				
Balance Forward	12,241,061	14,931,953	21,614,500	6,090,400
Current Receipts	18,063,794	18,236,971	17,845,700	18,015,400
Non-Revenue Receipts	-1,830,700	-2,350,600	-1,829,800	-1,831,100
Fund Transfers	-388,200	-426,100	-424,000	-438,400
Total Restricted Funds	28,085,955	30,392,224	37,206,400	21,836,300
Federal Fund				
Balance Forward		-394,520		
Current Receipts	28,515	397,560	590,300	500,000
Non-Revenue Receipts	-309,191	44,614		
Total Federal Fund	-280,677	47,653	590,300	500,000
Road Fund				
Regular Appropriation	2,676,100	2,779,600	2,789,000	2,797,700
Continuing Approp-Road Fund	10	10		
Total Road Fund	2,676,110	2,779,610	2,789,000	2,797,700
TOTAL SOURCE OF FUNDS	43,863,137	39,243,823	42,292,000	25,134,000
EXPENDITURES BY CLASS				
Personnel Costs	3,068,298	3,124,463	4,111,300	3,174,400
Operating Expenses	782,092	826,145	852,800	912,200
Grants Loans Benefits	16,878,326	9,676,200	29,038,800	18,051,400
Debt Service	1,830,606	1,830,556	1,829,800	1,831,100
Capital Outlay	7,569	8,813		
Construction	685,072	439,172	368,900	550,000
TOTAL EXPENDITURES	23,251,964	15,905,348	36,201,600	24,519,100
EXPENDITURES BY FUND SOURCE				
General Fund	7,357,410	4,318,003	1,706,300	
Restricted Funds	13,154,002	8,777,708	31,116,000	21,221,400
Federal Fund	113,844	47,653	590,300	500,000
Road Fund	2,626,708	2,761,985	2,789,000	2,797,700
TOTAL EXPENDITURES	23,251,964	15,905,348	36,201,600	24,519,100
EXPENDITURES BY UNIT				
Commonwealth Aviation	18,993,018	11,469,440	31,732,000	20,038,600
Capital City Airport	2,428,339	2,605,352	2,639,800	2,649,400
Aviation Administration	1,830,606	1,830,556	1,829,800	1,831,100
TOTAL EXPENDITURES	23,251,964	15,905,348	36,201,600	24,519,100

In accordance with KRS Chapter 183, the Transportation Cabinet supports the Commonwealth's Aviation program. There are two divisions within the Department of Aviation: Commonwealth Aviation and Capital City Airport. The Commonwealth Aviation division is charged with the Air Regulatory program and the Airport Development program. The Air Regulatory program is responsible for inspecting and determining the safety and efficiency of all of the Commonwealth's public use airport and heliport facilities. Pursuant to KRS 183.861, the Kentucky Airport Zoning Commission protects the navigable airspace within the state by evaluating applications for construction, issuing permits, and maintaining updated airport zoning maps. The Commission is attached to the Air Regulatory program for administrative purposes. The Airport Development program provides for administration, planning and management of airport construction, and maintenance of local airports. Airport Development also provides technical and financial assistance to the state's 59 public use airports, including updating and distributing the state aeronautical charts and airport directories.

The Capital City Airport is a public use airport located in Frankfort, Kentucky. Capital City Airport is home to 78 aircraft, including the fleet of owned and operated by state government and the National Guard located in Frankfort.

Policy

The Budget of the Commonwealth suspends the provisions of KRS 183.525 and transfers \$438,400 in fiscal year 2020-2021 from the Kentucky Aviation Economic Development Fund to the General Fund to support General Fund supported aviation bonds authorized by the 2005 General Assembly.

The Budget of the Commonwealth suspends the provisions of KRS 183.525 and transfers \$995,600 in fiscal year 2020-2021 from the Kentucky Aviation Economic Development Fund to the Road Fund to support Road Fund supported aviation bonds authorized by the 2008 General Assembly.

The Budget of the Commonwealth suspends the provisions of KRS 183.525 and transfers \$835,500 in fiscal year 2020-2021 and from the Kentucky Aviation Economic Development Fund to the Road Fund to support Road Fund supported aviation bonds authorized by the 2010 General Assembly.

**Transportation
Debt Service**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Road Fund				
Regular Appropriation	165,825,600	160,014,400	150,097,400	147,991,400
Total Road Fund	165,825,600	160,014,400	150,097,400	147,991,400
TOTAL SOURCE OF FUNDS	165,825,600	160,014,400	150,097,400	147,991,400
EXPENDITURES BY CLASS				
Personnel Costs				100,000
Debt Service	154,820,593	154,413,383	142,387,200	144,285,900
TOTAL EXPENDITURES	154,820,593	154,413,383	142,387,200	144,385,900
EXPENDITURES BY FUND SOURCE				
Road Fund	154,820,593	154,413,383	142,387,200	144,385,900
TOTAL EXPENDITURES	154,820,593	154,413,383	142,387,200	144,385,900
EXPENDITURES BY UNIT				
Economic Development Lease Rental	154,820,593	154,413,383	142,387,200	144,385,900
TOTAL EXPENDITURES	154,820,593	154,413,383	142,387,200	144,385,900

The Debt Service program is the budget entity through which lease rental payments are made on the revenue bonds the Commonwealth has issued to finance major highway construction projects.

KRS Chapter 175 authorizes the Turnpike Authority of Kentucky to issue revenue bonds to construct, maintain, repair, and operate designated roads of the Toll Road System, the Resource Recovery Road System, and the Economic Development Road System.

The first of these systems, the Toll Road System, was constructed during the mid-1960s and early 1970s. All of the Toll Road bonds that were issued to construct the state's parkways are now retired.

The Resource Recovery Road System began in the late 1970s, and most of the system's roads were built during the 1980s. The most significant project was KY 80. The final lease rental payment for the Resource Recovery Road bonds was made in fiscal year 2008-2009.

The Economic Development Road System was established and funded through a series of bond issues. The first was a \$300 million issue sold in 1984. The second was a relatively small sale of \$36.6 million in 1987. The third and largest was a \$600 million program which was implemented in bond sales during 1990, 1993, and 1995. The projects constructed with the \$600 million series were designated as "Revitalization Projects" and are now complete. The fourth issue was authorized by the 1998 General Assembly in the amount of \$200 million. The bonds were sold in 1999 and projects funded with those proceeds are now complete. The 2005 General Assembly authorized the fifth series of Economic Development Road bonds in the amount of \$450 million. The bond projects associated with the 2005 series were split to support three initiatives: \$300 million for projects in the adopted Six-Year Highway Plan; \$100 million to fund County Road Aid projects; and \$50 million to support Municipal Road Aid projects. The 2006 General Assembly authorized an additional \$350 million in Economic Development Road Bonds. The entire 2006 series was authorized to support projects in the adopted Six-Year Highway Plan. The seventh issue was authorized by the 2008 General Assembly in the amount of \$50 million for projects associated with Base Re-alignment and Closure (BRAC) activities in and around Fort Knox. The 2009 General Assembly authorized bonds in the amount of \$400 million to support projects in the adopted Six-Year Highway Plan. The 2010 Special Session of the General Assembly authorized \$112 million in BRAC bonds to complete the projects in Fort Knox and \$400 million in bonds for projects included in the Biennial Highway Construction Plan. All but \$50 million of the \$400 million in bonds authorized by the 2010 Special Session of the General Assembly have been issued.

Through lease agreements with the Turnpike Authority of Kentucky and the Asset and Liability Commission, the Transportation Cabinet provides funds to pay the Toll Road, Resource Recovery Road, and the Economic Development Road revenue bonds. In the Debt Service program, funds are reserved exclusively for semi-annual lease rental payments to meet the principal and interest requirements of these outstanding bonds, along with any administrative costs of the Turnpike Authority.

Policy

The American Recovery and Reinvestment Act of 2009 created a new debt instrument for tax-exempt municipal bond issuers, called Build America Bonds. Municipal bond issuers could issue Build America Bonds for eligible tax-exempt purposes on a permanent basis only. The Commonwealth was eligible for a subsidy for bonds issued as Build America Bonds prior to December 31, 2010. Subsidies from the Build America Bonds shall lapse to the Road Fund. The amount of the Road Fund lapse is \$3,605,500 in fiscal year 2020-2021.

**Transportation
Highways**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	101,354,881	71,942,157	77,994,900	2,013,900
Current Receipts	88,849,664	88,099,928	102,946,800	102,947,100
Non-Revenue Receipts	12,586,432	42,037,605	60,888,900	10,888,900
Total Restricted Funds	202,790,977	202,079,690	241,830,600	115,849,900
Federal Fund				
Balance Forward		-66,652,156		
Current Receipts	734,215,299	849,589,567	740,073,200	725,999,900
Non-Revenue Receipts	-28,388,341	84,403,365		
Total Federal Fund	705,826,959	867,340,775	740,073,200	725,999,900
Road Fund				
Regular Appropriation	777,426,900	806,608,700	796,751,100	826,464,900
Surplus Expenditure Plan	57,237,112	19,582,190	75,328,000	
Continuing Approp-Road Fund	207,451,129	286,114,037		
Total Road Fund	1,042,115,141	1,112,304,927	872,079,100	826,464,900
TOTAL SOURCE OF FUNDS	1,950,733,077	2,181,725,392	1,853,982,900	1,668,314,700
EXPENDITURES BY CLASS				
Personnel Costs	458,364,210	521,610,641	521,201,900	494,400,300
Operating Expenses	224,252,061	243,526,636	198,693,800	219,893,100
Grants Loans Benefits	29,115,604	21,255,511	19,106,600	14,743,700
Debt Service	94,607,763	95,240,569	95,141,400	79,468,700
Capital Outlay	843,152	2,201,881	335,400	355,000
Construction	849,229,946	940,927,982	1,017,399,900	857,450,700
TOTAL EXPENDITURES	1,656,412,735	1,824,763,220	1,851,879,000	1,666,311,500
EXPENDITURES BY FUND SOURCE				
Restricted Funds	130,848,820	124,084,798	239,816,700	113,846,700
Federal Fund	772,479,115	867,340,775	740,073,200	725,999,900
Road Fund	753,084,800	833,337,647	871,989,100	826,464,900
TOTAL EXPENDITURES	1,656,412,735	1,824,763,220	1,851,879,000	1,666,311,500
EXPENDITURES BY UNIT				
Research	3,876,182	4,271,139	4,527,400	4,527,400
Construction	1,148,883,852	1,279,253,580	1,284,706,400	1,092,981,800
Maintenance	359,065,487	383,915,255	383,998,900	403,067,200
Engineering Administration	15,306,838	15,562,066	18,368,200	19,151,900
Planning	13,782,801	15,107,782	16,112,100	13,917,000
Highway Operations	41,036,236	45,259,345	51,071,000	52,733,900
Equipment Services	65,285,115	69,929,023	77,002,600	68,413,900
Highway Safety	9,176,225	11,465,030	16,092,400	11,518,400
TOTAL EXPENDITURES	1,656,412,735	1,824,763,220	1,851,879,000	1,666,311,500

The Highways appropriation unit is the largest program in the Transportation Cabinet. There are eight programs in the Department of Highways: Research, Construction, Maintenance, Engineering Administration, Highway Planning, Highway Operations, Highway Safety and Equipment Services. The Construction program is divided into five subprograms: Bond Funded Construction, State Funded Construction, Federal Funded Construction, Toll Bond Funded Construction, and the TIFIA Loan program.

The Department of Highways is responsible for the construction, reconstruction, and maintenance of the State Primary Road System through authority granted by KRS 177.020. The Department is headed by a commissioner who is appointed by the Governor on recommendation of the Secretary of Transportation. This agency administers all of the programs within the Highways appropriation unit.

Combined travel by all motor vehicles over Kentucky's 78,000 miles of roads and streets equals over 47.6 billion vehicle-miles. The State Primary Road System carries about 85 percent of all traffic. This network consists of approximately 27,500 miles of interstate highways, resource recovery roads, parkways, economic development roads, primary, secondary, rural, unclassified roads, and approximately 9,000 state maintained bridges. Kentucky's interstate system, consisting of approximately 800 miles, carries 27 percent of all travel.

**Transportation
Highways
Research**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Federal Fund				
Balance Forward		182,871		
Current Receipts	3,476,037	3,486,428	3,383,400	3,383,400
Non-Revenue Receipts		-335,662		
Total Federal Fund	3,476,037	3,333,637	3,383,400	3,383,400
Road Fund				
Regular Appropriation	1,434,000	1,144,000	1,144,000	1,144,000
Continuing Approp-Road Fund	2,819,795	2,520,778		
Other	-1,150,000			
Total Road Fund	3,103,795	3,664,778	1,144,000	1,144,000
TOTAL SOURCE OF FUNDS	6,579,832	6,998,415	4,527,400	4,527,400
EXPENDITURES BY CLASS				
Personnel Costs	3,586,177	4,271,139	4,527,400	4,519,400
Operating Expenses	290,005			8,000
TOTAL EXPENDITURES	3,876,182	4,271,139	4,527,400	4,527,400
EXPENDITURES BY FUND SOURCE				
Federal Fund	3,293,166	3,333,637	3,383,400	3,383,400
Road Fund	583,016	937,502	1,144,000	1,144,000
TOTAL EXPENDITURES	3,876,182	4,271,139	4,527,400	4,527,400

The Research program is primarily a problem-solving service available to the Department of Highways. The program provides studies of traffic safety and operations, pavement mechanics and performance, materials characteristics and behavior, and transportation policies. The Research function is mandated by the Commonwealth's use of federal highway funds in accordance with Title 23 of the Federal Code, which requires the use of 25 percent of funds for highway research and development. The Transportation Cabinet partners with the University of Kentucky Transportation Center to carry out research functions. The partnership conducts workshops on highway maintenance and management; traffic engineering, computerized signalization, signal technician certification, incident management/traffic mitigation, and provides on-demand technical assistance. The program maintains a lending library, including both written and audio-visual materials. The program also publishes a quarterly newsletter.

**Transportation
Highways
Construction**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	92,038,086	62,920,844	67,381,600	
Current Receipts	7,623,058	5,869,869	16,391,500	16,391,500
Non-Revenue Receipts	15,430,480	36,848,229	60,888,900	10,888,900
Total Restricted Funds	115,091,624	105,638,942	144,662,000	27,280,400
Federal Fund				
Balance Forward		-66,071,235		
Current Receipts	715,907,864	828,135,962	713,975,100	706,975,100
Non-Revenue Receipts	-27,803,611	84,270,930		
Total Federal Fund	688,104,254	846,335,656	713,975,100	706,975,100
Road Fund				
Regular Appropriation	371,375,100	357,902,700	350,831,300	358,726,300
Surplus Expenditure Plan	57,237,112	19,582,190	75,328,000	
Continuing Approp-Road Fund	168,485,557	254,234,376		
Total Road Fund	597,097,769	631,719,266	426,159,300	358,726,300
TOTAL SOURCE OF FUNDS	1,400,293,647	1,583,693,865	1,284,796,400	1,092,981,800
EXPENDITURES BY CLASS				
Personnel Costs	178,687,679	207,087,115	185,427,600	172,211,600
Operating Expenses	31,211,782	52,274,489	16,255,600	16,255,600
Grants Loans Benefits	26,473,970	17,854,612	11,296,100	11,296,100
Debt Service	94,607,763	95,240,569	95,141,400	79,468,700
Capital Outlay	104,000	1,214,505		
Construction	817,798,658	905,582,291	976,585,700	813,749,800
TOTAL EXPENDITURES	1,148,883,852	1,279,253,580	1,284,706,400	1,092,981,800
EXPENDITURES BY FUND SOURCE				
Restricted Funds	52,170,780	38,257,324	144,662,000	27,280,400
Federal Fund	753,849,679	846,335,656	713,975,100	706,975,100
Road Fund	342,863,392	394,660,599	426,069,300	358,726,300
TOTAL EXPENDITURES	1,148,883,852	1,279,253,580	1,284,706,400	1,092,981,800

The Construction program is the largest single funding component within the Highways appropriation unit. It encompasses all construction and major reconstruction of roadways in the State Primary Road System. The Construction Program is divided into five sub-programs: Bond Funded Construction, State Funded Construction, Federal Funded Construction, Toll Bond Funded Construction, and the TIFIA Loan program. KRS 45.750(3) exempts road projects, including associated equipment and land acquisition purchases, from the capital construction statutes outlined in KRS Chapter 45.760 - 45.810.

Several different road systems constructed in the Commonwealth over the last 40 years have used Bond Funded Construction. General obligation bonds were sold to finance the original construction of the Interstate System. The Turnpike Authority of Kentucky sold revenue bonds to fund construction of the toll road system that crisscrosses the state. Tolls on these parkways were removed once the bonds were paid. Resource recovery bonds were sold in the late 1970s for construction of the Resource Recovery Road System, a network of highways over which coal resources could be efficiently hauled. The Turnpike Authority received authorization to sell bonds in 1984, 1987, 1990, 1993, 1995, 1999, 2005, 2006, 2008, 2009, and 2010 for projects identified as part of the Economic Development Road System. The Authority received authorization in 2008 and 2010 to issue bonds to support road projects specifically related to the Base Re-alignment and Closure (BRAC) activities in and around Fort Knox. All of the roads constructed using proceeds from Turnpike Authority bonds are built by the Cabinet on behalf of the Authority, and then are leased to the Cabinet until the bonds are retired. At that time they are transferred to the Cabinet and become a part of the state highway system.

The State Funded Construction program provides for many highway improvement needs, emergency needs, industrial access roads, parkway and primary road pavement rehabilitation, and other projects for which federal funding is not available. The state resurfacing program is a part of this sub-program area and provides for resurfacing of roads in the state maintained highway system. The Highway Construction Contingency account, authorized in KRS 45.247, is also included in the State-Funded Construction program.

The Federal Construction program addresses the major construction, reconstruction, and rehabilitation needs for nearly 12,000 miles of interstate, primary, secondary, urban systems, and Appalachian routes across the state. This funding is provided under Titles 23 and 40 of the US Code. From fiscal year 2005 to fiscal year 2008, \$440 million in Grant Anticipation Revenue Vehicle (GARVEE) bonds were appropriated to support interstate projects along I-64, I-75, and I-65. In addition, GARVEE bonds totaling \$336 million were authorized in 2008 and 2010 for the Louisville Bridges project. The 2010 Special Session of the General Assembly authorized \$330 million in GARVEE bonds for the US-68/KY-80 Lake Barkley and Kentucky Lake Bridges Project. For display purposes, the GARVEE bonds are located in the Bond Funded Construction program. However, the debt service to support the GARVEE bonds is located in the Federal Fund Construction program.

House Bill 4 from the 2009 Special Session of the General Assembly created the Kentucky Public Transportation Infrastructure Authority (KPTIA) to facilitate the construction, financing, operation, and oversight of mega-projects. According to the Federal Highway Administration, mega-projects are projects that have a total cost of \$500 million or more. The Authority has the power to finance mega-projects through the use of tolls, funds from any GARVEE, funds appropriated by the state or federal government, and any other funds pledged for their purpose.

Policy

The Budget of the Commonwealth authorizes the Secretary of Transportation to continue the Cash Management program, formerly known as the Pre-financing Road Projects program, authorized by the Appropriations Act since the 2000-2002 biennium. The Cash Management program allows the Cabinet to expedite projects in the Biennial Highway Construction Plan by managing Road Fund cash, while ensuring that expenditures remain within enacted appropriations.

**Transportation
Highways
Maintenance**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward		-705,974		
Current Receipts	3,707,401	3,005,244	3,687,900	3,687,900
Non-Revenue Receipts	-1,207,382	1,015,383		
Total Restricted Funds	2,500,019	3,314,653	3,687,900	3,687,900
Road Fund				
Regular Appropriation	349,072,600	379,476,600	380,311,000	399,379,300
Continuing Approp-Road Fund	36,145,777	29,358,883		
Other		5,200,000		
Total Road Fund	385,218,377	414,035,483	380,311,000	399,379,300
TOTAL SOURCE OF FUNDS	387,718,396	417,350,136	383,998,900	403,067,200
EXPENDITURES BY CLASS				
Personnel Costs	190,357,841	214,170,614	225,918,500	217,285,100
Operating Expenses	166,885,137	167,098,784	155,519,800	173,332,900
Grants Loans Benefits	3,087	1,094		
Capital Outlay	400,000	559,290		
Construction	1,419,422	2,085,473	2,560,600	12,449,200
TOTAL EXPENDITURES	359,065,487	383,915,255	383,998,900	403,067,200
EXPENDITURES BY FUND SOURCE				
Restricted Funds	3,205,993	3,314,653	3,687,900	3,687,900
Road Fund	355,859,494	380,600,602	380,311,000	399,379,300
TOTAL EXPENDITURES	359,065,487	383,915,255	383,998,900	403,067,200

Kentucky has invested approximately \$19 billion in its highway infrastructure which is comprised of right-of-way, roadways, and bridges. KRS 176.050 assigns the responsibility for operating and maintaining this highway infrastructure to the Department of Highways. The Maintenance program's role is to operate and maintain the roadways, bridges, rest areas, and traffic control devices on all state-maintained highways. Two organizational units under the Office of Project Delivery and Preservation administer the Maintenance program: the Division of Maintenance and the Division of Traffic Operations. The duties of this unit are explained in Kentucky Revised Statutes 175.580, 175.610, 176.050, 176.051, 177.020, 177.410, 177.530, 177.550, 177.830-890, 177.905-990, and 180.290.

The Division of Maintenance responsibilities are broken down into two areas. The Roadway Preservation program maintains approximately 15,000 miles of state primary highways and 13,000 miles of rural secondary highways. The Pavement and Operations Management personnel inspect and evaluate pavement conditions on over 27,000 miles of state-maintained roads, determine strategies for improvement, estimate funding needs, and recommend annual priorities. The Bridge Preservation program is responsible for all state-maintained bridges, except those on the Rural Secondary system.

Revolving Maintenance serves as a materials revolving mechanism for refurbishing damaged guardrail. Damaged guardrail is shipped to Frankfort, straightened and re-galvanized, and is placed back into service as needs arise.

Capital Improvements is a subset of the Division of Maintenance for coordinating with the Kentucky State Police vehicle accident data in order to establish priorities for installing new guardrail in locations it does not currently exist.

The Rest Area Operations/Maintenance program provides sanitary and accessible restroom facilities and other convenient services for motorists traveling through the state. There are 26 rest area and welcome center locations and two truck rest haven locations.

The Division of Traffic Operations is responsible for the installation and maintenance of traffic control devices on over 27,000 miles of highways. This division uses a multitude of Intelligent Transportation Systems to communicate, control, detect and process data to effectively move traffic through the state in the safest manner possible.

**Transportation
Highways
Engineering Administration**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Road Fund				
Regular Appropriation	15,262,200	20,055,500	18,368,200	19,151,900
Other	650,000	-2,800,000		
Total Road Fund	15,912,200	17,255,500	18,368,200	19,151,900
TOTAL SOURCE OF FUNDS	15,912,200	17,255,500	18,368,200	19,151,900
EXPENDITURES BY CLASS				
Personnel Costs	13,227,708	13,930,408	15,597,100	15,710,900
Operating Expenses	1,738,403	1,294,457	2,435,700	3,084,000
Capital Outlay	339,152	335,364	335,400	355,000
Construction	1,576	1,838		2,000
TOTAL EXPENDITURES	15,306,838	15,562,066	18,368,200	19,151,900
EXPENDITURES BY FUND SOURCE				
Road Fund	15,306,838	15,562,066	18,368,200	19,151,900
TOTAL EXPENDITURES	15,306,838	15,562,066	18,368,200	19,151,900

There are nine divisions organized under the State Highway Engineer's Office.

The Division of Construction supervises highway construction projects, providing administrative support for central office and district construction projects. It also assists the Division of Materials staff in sampling and testing materials used in construction projects.

The Division of Materials establishes standards and controls relating to the quality of materials for the construction, maintenance, and operation of highways and bridges. The Division also develops, coordinates, and controls testing procedures that are conducted in the field.

The Division of Structural Design develops and prepares contract plans for all highway structures, as well as any special structures that the Transportation Cabinet builds as part of Kentucky's system of roads. The Division also designs and prepares plans for structural repair and rehabilitation of existing bridges, as well as the design of all overhead sign structures.

The Division of Highway Design, in conjunction with the district design offices, is responsible for the required design activities of the Cabinet's Six-Year Road Plan projects, including the preparation, assembly, and reproduction of construction plans for a project's award.

The Division of Environmental Analysis provides all environmental studies and documents required by federal agencies for federal-aid transportation projects and for state funded projects that require federal permits. The division ensures compliance with all federal laws and regulations.

The Division of Right-of-Way and Utilities acquires property required for the construction and reconstruction of highways. This function involves obtaining title reports, performing appraisals and appraisal reviews, conducting negotiations, providing relocation assistance, facilitating property management, and initiating condemnation procedures on properties affected by proposed projects.

The Division of Program Management is responsible for developing Kentucky's Biennial Six-Year Road Plan.

The Division of Planning provides the day-to-day administration and support for personnel involved in the Highway Planning program activities, including management, clerical support, training, and other overhead expenditures.

The Division of Professional Services is responsible for procuring the Cabinet's professional services relating to road contracts. This division advertises for engineering services, administers the pre-qualification process for consulting services, provides assistance to selection committees for contract awards, negotiates fees for consulting work sought by the Cabinet, and routinely confers with the Finance and Administration Cabinet and the Legislative Research Commission with respect to contract awards.

**Transportation
Highways
Planning**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Federal Fund				
Current Receipts	10,463,754	12,289,185	12,498,900	10,209,900
Non-Revenue Receipts		64,669		
Total Federal Fund	10,463,754	12,353,854	12,498,900	10,209,900
Road Fund				
Regular Appropriation	2,732,300	3,796,700	3,613,200	3,707,100
Other	500,000			
Total Road Fund	3,232,300	3,796,700	3,613,200	3,707,100
TOTAL SOURCE OF FUNDS	13,696,054	16,150,554	16,112,100	13,917,000
EXPENDITURES BY CLASS				
Personnel Costs	13,216,018	14,687,586	15,370,000	12,876,900
Operating Expenses	566,783	420,142	742,100	1,040,100
Construction		54		
TOTAL EXPENDITURES	13,782,801	15,107,782	16,112,100	13,917,000
EXPENDITURES BY FUND SOURCE				
Federal Fund	10,789,564	12,353,854	12,498,900	10,209,900
Road Fund	2,993,237	2,753,928	3,613,200	3,707,100
TOTAL EXPENDITURES	13,782,801	15,107,782	16,112,100	13,917,000

The Planning program is responsible for administrative and technical support and implements transportation planning activities statewide. The program is charged with a variety of statewide planning initiatives including: rail planning, carpooling, alternative fuel, bikeway, pedway, and ferry operations. In addition, it coordinates the Kentucky Scenic Highway and Byway System, manages the traffic data collection and processing equipment, maintains the Highway Information System, and coordinates air quality conformity with several state and federal agencies.

Highway Planning evaluates state-maintained streets and highways to ensure that available federal and state funds are utilized to maximum efficiency. The Planning unit maintains an inventory of all roadway classifications and prepares city, county, and state road maps for sale and distribution. The program also furnishes statistics required by the Federal Highway Administration and state and local government decision-makers.

Metropolitan Planning maintains and distributes federal funding to nine metropolitan planning organizations (MPOs) to implement the continuing, comprehensive, and cooperative planning process, which is mandated by federal law. The MPOs study the impact of transportation operations in urbanized areas concerning congestion management, air quality, environmental issues, public involvement, land use and development, and public transportation.

Area Development Districts (ADDs) Assistance administers a regional planning and public participation process in the state's 15 ADDs as part of the Cabinet's overall statewide transportation planning process, as required by 23 USC and 23 CFR 450. The Cabinet contracts with each ADD for activities in support of the regional and statewide planning process, including public involvement, data collection, analysis, identification of needs, project recommendations, regional prioritization of projects, and technical assistance and review.

**Transportation
Highways
Highway Operations**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward		-1,644,813		
Current Receipts	9,750,245	9,669,332	14,457,200	14,457,500
Non-Revenue Receipts	-1,211,466	4,145,193		
Total Restricted Funds	8,538,779	12,169,711	14,457,200	14,457,500
Road Fund				
Regular Appropriation	32,472,800	38,472,800	36,613,800	38,276,400
Other		-2,400,000		
Total Road Fund	32,472,800	36,072,800	36,613,800	38,276,400
TOTAL SOURCE OF FUNDS	41,011,579	48,242,511	51,071,000	52,733,900
EXPENDITURES BY CLASS				
Personnel Costs	39,034,169	43,582,051	48,087,900	48,447,600
Operating Expenses	2,000,840	1,629,933	2,763,100	4,066,300
Construction	1,226	47,361	220,000	220,000
TOTAL EXPENDITURES	41,036,236	45,259,345	51,071,000	52,733,900
EXPENDITURES BY FUND SOURCE				
Restricted Funds	10,183,592	12,169,711	14,457,200	14,457,500
Road Fund	30,852,644	33,089,634	36,613,800	38,276,400
TOTAL EXPENDITURES	41,036,236	45,259,345	51,071,000	52,733,900

In accordance with KRS Chapter 176, the Highway Operations program provides leadership, management, and central administrative support and funding for central office and district operations for the Transportation Cabinet's Department of Highways. The Commissioner of Highways oversees the Department, which includes the State Highway Engineer's Office, three offices which include 14 divisions, and 12 district offices across the state. In the 12 district offices, the Chief District Engineer manages the road project functions and reports to the State Highway Engineer.

The State Highway Engineer's Office manages and coordinates the engineering functions of the Cabinet, reviews management, engineering, and personnel reports and recommendations from the engineering and professional divisions, staff and Deputy State Highway Engineers. In addition, the Office administers the Cabinet's Engineering Scholarship program and the Engineering Graduate Training program, coordinates the Research program, and manages special projects, such as the Louisville Bridges project.

Contract procurement activities are also a part of the Highway Operations program and include prequalifying road contractors, advertising bids for road construction projects, awarding contracts, and issuing work orders and monitoring required contract provisions.

In fiscal year 2016-2017, the Transportation Cabinet began collecting a portion of the toll revenue from the Louisville-Southern Indiana Ohio River Bridges project to fund toll system operations and maintenance and administrative costs of the Kentucky Public Transportation Infrastructure Authority (KPTIA). The toll revenue is collected in an enterprise fund within the Transportation Cabinet, and the costs that it supports are included in the above restricted funds.

**Transportation
Highways
Equipment Services**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	9,305,024	11,360,329	10,499,100	1,906,700
Current Receipts	67,765,619	69,038,982	68,410,200	68,410,200
Non-Revenue Receipts	-425,199	28,800		
Total Restricted Funds	76,645,444	80,428,111	78,909,300	70,316,900
TOTAL SOURCE OF FUNDS	76,645,444	80,428,111	78,909,300	70,316,900
EXPENDITURES BY CLASS				
Personnel Costs	15,247,440	17,698,656	19,449,300	17,017,500
Operating Expenses	20,028,066	19,016,207	19,519,700	20,361,700
Grants Loans Benefits	545	3,194		5,000
Construction	30,009,064	33,210,965	38,033,600	31,029,700
TOTAL EXPENDITURES	65,285,115	69,929,023	77,002,600	68,413,900
EXPENDITURES BY FUND SOURCE				
Restricted Funds	65,285,115	69,929,023	77,002,600	68,413,900
TOTAL EXPENDITURES	65,285,115	69,929,023	77,002,600	68,413,900

The mission of the Equipment Services program is to provide highway construction and maintenance equipment for use by the Department of Highways. The unit purchases and maintains all the Cabinet's trucks, heavy equipment, and various pieces of support machinery. This program provides its services through the central office garage in Frankfort and a network of 12 repair garages located throughout the state.

**Transportation
Highways
Highway Safety**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	11,772	11,772	114,200	107,200
Current Receipts	3,340	516,501		
Total Restricted Funds	15,112	528,273	114,200	107,200
Federal Fund				
Balance Forward		-763,792		
Current Receipts	4,367,645	5,677,992	10,215,800	5,431,500
Non-Revenue Receipts	-584,730	403,428		
Total Federal Fund	3,782,915	5,317,628	10,215,800	5,431,500
Road Fund				
Regular Appropriation	5,077,900	5,760,400	5,869,600	6,079,900
Total Road Fund	5,077,900	5,760,400	5,869,600	6,079,900
TOTAL SOURCE OF FUNDS	8,875,926	11,606,300	16,199,600	11,618,600
EXPENDITURES BY CLASS				
Personnel Costs	5,007,177	6,183,071	6,824,100	6,331,300
Operating Expenses	1,531,046	1,792,625	1,457,800	1,744,500
Grants Loans Benefits	2,638,001	3,396,611	7,810,500	3,442,600
Capital Outlay		92,722		
TOTAL EXPENDITURES	9,176,225	11,465,030	16,092,400	11,518,400
EXPENDITURES BY FUND SOURCE				
Restricted Funds	3,340	414,086	7,000	7,000
Federal Fund	4,546,707	5,317,628	10,215,800	5,431,500
Road Fund	4,626,178	5,733,316	5,869,600	6,079,900
TOTAL EXPENDITURES	9,176,225	11,465,030	16,092,400	11,518,400

The Office of Transportation Safety is headed by an Executive Director who reports directly to the State Highway Engineer. The Office includes the Division of Incident Management and the Division of Highway Safety Programs. The Motorcycle Advisory Commission for Highway Safety is attached for administrative purposes.

The Division of Incident Management manages the Transportation Operations Center and coordinates highway incident management including providing information to travelers and providing assistance to stranded motorists and law enforcement agencies at the scene of highway incidents.

The Division of Highway Safety Programs is charged with coordinating efforts to reduce fatalities, injuries, and crashes on Kentucky's highway systems.

Transportation
Public Transportation

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	5,728,200	5,589,000	5,589,000	5,589,000
Continuing Approp-General Fund	170,637	24,893	251,100	
Budget Reduction-General Fund	-319,000			
Total General Fund	5,579,837	5,613,893	5,840,100	5,589,000
Restricted Funds				
Balance Forward	100,934	-33,100		
Current Receipts	660,000	560,000	660,000	7,583,600
Non-Revenue Receipts	-33,100	33,100		1,500,000
Total Restricted Funds	727,834	560,000	660,000	9,083,600
Federal Fund				
Balance Forward			1,071,000	
Current Receipts	28,415,240	29,977,049	50,725,300	25,757,400
Total Federal Fund	28,415,240	29,977,049	51,796,300	25,757,400
TOTAL SOURCE OF FUNDS	34,722,912	36,150,943	58,296,400	40,430,000
EXPENDITURES BY CLASS				
Personnel Costs	1,599,512	1,744,298	2,431,100	1,802,900
Operating Expenses	93,265	95,150	121,300	115,200
Grants Loans Benefits	33,038,340	32,989,380	55,744,000	38,511,900
TOTAL EXPENDITURES	34,731,118	34,828,829	58,296,400	40,430,000
EXPENDITURES BY FUND SOURCE				
General Fund	5,554,943	5,362,813	5,840,100	5,589,000
Restricted Funds	760,934	560,000	660,000	9,083,600
Federal Fund	28,415,241	28,906,016	51,796,300	25,757,400
TOTAL EXPENDITURES	34,731,118	34,828,829	58,296,400	40,430,000
EXPENDITURES BY UNIT				
Public Transportation	33,905,818	33,870,629	57,338,200	39,441,900
Multi-Modal Transportation	265,300	398,200	398,200	398,200
Human Services Delivery	560,000	560,000	560,000	589,900
TOTAL EXPENDITURES	34,731,118	34,828,829	58,296,400	40,430,000

The Public Transportation appropriation unit is comprised of three programs: Public Transportation, Multi-Modal, and Human Services Transportation Delivery. The Public Transportation program offers technical and financial assistance to public transportation providers and the metropolitan planning organizations throughout the state through the following federal programs: Sections 5303, 5307, 5309, 5310, 5311, 5316, and 5317. Federal Funds, combined with General Fund and local matching funds, allow public transit authorities to acquire buses and vans.

Also included in the Public Transportation program is funding for Non-public School Transportation, a program that provides grants to non-public schools so that they may offer bus service to their students.

The Multi-Modal program partners with the 15 area development districts with respect to regional and statewide transportation planning processes. This partnership generates public involvement with respect to identifying and prioritizing needs and assists in the project recommendation process, including the coordination of the Statewide Transportation Plan, the State Transportation Improvement program, and the Six-Year Highway Plan.

The Human Service Transportation Delivery program is a partnership between the Transportation Cabinet, the Medicaid program, the Office for Vocational Rehabilitation, and the Office for the Blind. This partnership provides non-emergency medical transportation, jobs access transportation, and transportation to day care facilities. The program also partners with the Veterans' Program Trust Fund to provide transportation services for veterans.

Policy

The Budget of the Commonwealth includes additional restricted funds in the amount of \$8,521,700 in fiscal year 2020-2021 for the purpose of Matching Federal Transit grants. These funds will be transferred from the Energy and Environment Cabinet's proceeds garnered from the Volkswagen Settlement and will be used in accordance with the Beneficiary Mitigation Plan.

The Budget of the Commonwealth includes General Fund in the amount of \$3,500,000 in fiscal year 2020-2021 for nonpublic school transportation.

**Transportation
Revenue Sharing**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Road Fund				
Regular Appropriation	332,030,200	336,345,200	337,318,200	350,007,300
Continuing Approp-Road Fund	126,948,961	122,061,777		
Other	7,466,004	6,968,866	9,046,100	
Total Road Fund	466,445,165	465,375,843	346,364,300	350,007,300
TOTAL SOURCE OF FUNDS	466,445,165	465,375,843	346,364,300	350,007,300
EXPENDITURES BY CLASS				
Personnel Costs	4,013,416	4,627,470	2,017,300	4,582,100
Operating Expenses	13,257,853	10,428,307	9,752,600	10,072,500
Grants Loans Benefits	180,858,731	182,912,404	186,041,100	188,064,300
Construction	146,094,041	142,551,023	148,553,300	147,288,400
TOTAL EXPENDITURES	344,224,041	340,519,204	346,364,300	350,007,300
EXPENDITURES BY FUND SOURCE				
Road Fund	344,224,041	340,519,204	346,364,300	350,007,300
TOTAL EXPENDITURES	344,224,041	340,519,204	346,364,300	350,007,300
EXPENDITURES BY UNIT				
County Road Aid	127,265,579	129,768,362	130,854,200	132,307,900
Rural Secondary	162,652,509	156,562,567	158,741,100	160,383,400
Municipal Aid	53,466,098	53,036,776	55,058,900	55,628,400
Energy Recovery	125,599	311,856	328,500	334,000
Rural and Municipal Aid	714,256	839,644	1,381,600	1,353,600
TOTAL EXPENDITURES	344,224,041	340,519,204	346,364,300	350,007,300

There are five components of the Revenue Sharing program: the County Road Aid program, authorized by KRS 179.410 - 179.440; the Rural Secondary Aid program, authorized by KRS 177.320; the Municipal Road Aid program, authorized by KRS 177.365 – 177.366; the Energy Recovery Road program, authorized by KRS 177.977-177.978; and other Special Programs.

The County Road Aid, Rural Secondary Aid, and Municipal Aid programs receive a portion of the state's motor fuels tax collections. The County Road Aid program receives 18.3 percent of motor fuels tax collections which is distributed to counties for the construction, reconstruction and maintenance of county roads and bridges. The Rural Secondary Aid program receives 22.2 percent of motor fuels tax collections, and funds are used to repair and maintain rural and secondary roads. Funds for both programs are allocated through a formula known as the "formula of fifths," as stated in KRS 177.360. Each county receives a portion of the statewide total as follows: one fifth is divided evenly among all counties, one fifth is divided proportionately based on the amount of rural population in each county, one fifth is distributed on the basis of rural road mileage in each county, and two fifths is apportioned according to each county's share of the total land area in the state.

The Municipal Road Aid program is funded by 7.7 percent of motor fuels tax collections. Distribution is made through a formula based upon the population contained in each city or unincorporated urban area.

Pursuant to KRS 183.220(3), two and one-tenth cents (\$0.021) of the tax collected under the motor fuel tax are excluded from the calculations of revenue sharing distributions as prescribed in KRS 177.320(1) (the Rural Secondary program), KRS 177.320(2) (the County Road Aid program), and KRS 177.365 (the Municipal Road Aid program).

Forty percent of the revenues collected from extended vehicle weight fees support the Energy Recovery Road System. Funds are distributed to the counties for the county-maintained portion of that system. The fund distribution is based on (1) the ratio of miles of roads in each county within this system to the total system miles, and (2) the ratio of the total tons of coal transported over the roads in each county to the total tons reported for the entire state. The Transportation Cabinet has the authority to expend the remaining 60 percent on the roads in the system.

The Special Programs budget unit includes the Commissioner's Office, the Office of Local Programs, the Kentucky Bicycle and Bikeway Commission, and the Bicycle and Pedestrian Program.

Policy

The Motor Fuels revenue estimate for the fiscal year 2021, upon which the Road Fund appropriations in the Revenue Sharing program are based, is \$786,600,000.

**Transportation
Vehicle Regulation**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
Restricted Funds				
Balance Forward	8,319,705	11,156,122	11,204,600	7,547,700
Current Receipts	18,352,742	19,135,919	19,571,500	19,307,900
Non-Revenue Receipts			-56,400	-55,000
Fund Transfers	-4,200,000	-6,944,800	-6,000,000	-4,400,000
Total Restricted Funds	22,472,447	23,347,241	24,719,700	22,400,600
Federal Fund				
Balance Forward		-301,495		
Current Receipts	1,232,003	2,279,740	3,133,900	2,640,100
Non-Revenue Receipts	-104,405	173,806		
Total Federal Fund	1,127,598	2,152,050	3,133,900	2,640,100
Road Fund				
Regular Appropriation	27,902,200	30,364,200	27,323,400	46,232,900
Current Year Appropriation			4,265,500	
Total Road Fund	27,902,200	30,364,200	31,588,900	46,232,900
TOTAL SOURCE OF FUNDS	51,502,244	55,863,491	59,442,500	71,273,600
EXPENDITURES BY CLASS				
Personnel Costs	18,742,788	20,397,569	26,141,300	38,847,500
Operating Expenses	11,151,329	13,336,344	19,285,800	19,516,000
Grants Loans Benefits	4,315,617	4,337,234	4,863,700	4,350,000
Debt Service	3,142,250	3,144,750		800,000
TOTAL EXPENDITURES	37,351,984	41,215,898	50,290,800	63,513,500
EXPENDITURES BY FUND SOURCE				
Restricted Funds	11,316,325	12,142,639	17,172,000	14,640,500
Federal Fund	1,429,093	2,152,050	3,133,900	2,640,100
Road Fund	24,606,566	26,921,209	29,984,900	46,232,900
TOTAL EXPENDITURES	37,351,984	41,215,898	50,290,800	63,513,500
EXPENDITURES BY UNIT				
Commissioner	1,913,103	1,847,068	1,309,700	1,373,400
Drivers Licensing	10,440,086	11,473,734	17,280,800	30,541,600
Motor Carriers	5,740,937	6,910,928	8,907,700	8,086,500
Motor Vehicle Licensing	17,337,119	18,989,250	20,409,400	21,221,000
Customer Service	958,249	951,864	1,233,800	1,273,600
Motor Vehicle Commission	962,488	1,043,054	1,149,400	1,017,400
TOTAL EXPENDITURES	37,351,984	41,215,898	50,290,800	63,513,500

The Department of Vehicle Regulation includes the Commissioner's Office and the following divisions: Driver Licensing, Motor Carriers, Motor Vehicle Licensing, and Customer Service. The Motor Vehicle Commission is also attached to the Department for administrative purposes.

Under KRS Chapters 186, 187, 189A, 218A, 281A, and KRS 159.051, the Division of Driver Licensing maintains driver history records for approximately three million drivers. The Division issues licenses to commercial drivers who meet statutory requirements. The Division also enforces driver's license suspensions, revocations, and driver limitation programs. It operates State Traffic School programs, including the Graduated Licensing program.

The Division of Motor Carriers is responsible for the regulation of the trucking and lease/rental industries. The division also collects various taxes from the motor carrier industry, including the weight-distance tax.

The Division of Motor Vehicle Licensing provides for the titling and registration of motor vehicles and boats in accordance with KRS Chapters 186, 186A, 235, and 376. It maintains the Automated Vehicle Information System (AVIS) and controls title distribution functions. Registration and title applications are initiated through local county clerks' offices.

Newly created in 2012, the Division of Customer Service provides a single point of contact for all telephone calls to the Department of Vehicle Regulation in support of over 3 million public customers, Circuit Clerks, County Clerks, and commercial businesses.

Pursuant to KRS Chapter 190, the Kentucky Motor Vehicle Commission licenses and regulates motor vehicle manufacturers, dealers, and salespersons. It is funded through license fees that are deposited into a Restricted Fund account.

Policy

The Budget of the Commonwealth includes an additional Road Fund appropriation in the amount of \$140,700 in fiscal year 2019-2020 and \$402,100 in fiscal year 2020-2021 for the ignition interlock program. The 2015 General Assembly created the Ignition Interlock License program for drunk driving offenders. In the 2019 Regular Session of the General Assembly, Senate Bill 85 expanded the ignition interlock program. The Transportation Cabinet administers the application process; fees collected from the program are deposited into the Road Fund.

The Budget of the Commonwealth includes an additional Road Fund appropriation in the amount of \$4,265,500 in fiscal 2019-2020 and \$17,834,800 in fiscal 2020-2021 to set up and implement the issuance of REAL ID motor vehicle driver licensing and personal identification cards. Travelers will be required to provide a REAL ID or another TSA approved identification to fly or enter a federal building after the recently extended deadline of October 1, 2021. The issuance of REAL ID's will be by the Transportation Cabinet instead of the Circuit Court Clerks. Legislation was passed in the 2020 Session of the General Assembly to transition the issuance of all motor vehicle driver licensing to the Transportation Cabinet from the Judicial branch.

Statewide

**Statewide
Budget Reserve Trust Fund**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation		33,455,100	195,064,500	
Special Appropriation		-290,000	-5,681,500	
Continuing Approp-General Fund	150,491,483	93,779,983	129,077,800	303,590,800
Other	-56,711,500	2,132,700	-14,870,000	
Total General Fund	93,779,983	129,077,783	303,590,800	303,590,800
TOTAL SOURCE OF FUNDS	93,779,983	129,077,783	303,590,800	303,590,800
EXPENDITURES BY CLASS				
TOTAL EXPENDITURES				
EXPENDITURES BY FUND SOURCE				
TOTAL EXPENDITURES				

The Budget Reserve Trust Fund is the Commonwealth's "Rainy Day Fund." KRS 48.705 provides for deposits to the Budget Reserve Trust Fund from half of each fiscal year's general fund surplus until the balance reaches five percent of the prior year's General Fund revenue receipts. The General Assembly has also appropriated amounts directly to the Budget Reserve Trust Fund after years in which withdrawals have reduced the balance to very low levels. The permitted uses of the Budget Reserve Trust Fund are outlined in each biennial Executive branch appropriations act. The most prominent use is when there is a revenue shortfall. The appropriation acts also provide that the Fund can be used for certain necessary government expenses if the General Fund surplus is insufficient to accommodate them. The Fund has not been used in the last four years when there was a General Fund revenue shortfall.

Policy

Kentucky's "Rainy Day Fund" balance has never exceeded 3.7 percent of General Fund revenues. The balance at the beginning of fiscal year 2019-20 is \$306.1 million, which is 2.6 percent of estimated General Fund revenues. House Bill 24 from the 2020 General Assembly authorized the use of an additional \$2.5 million from the Rainy Day Fund for a capital project, bringing the balance to \$303.6 million. In the last four biennial budgets, the General Assembly has drawn \$161.1 million from the Budget Reserve Trust Fund to fund General Fund appropriations in the budget process.

To protect and preserve the Budget Reserve Trust Fund, the enacted budget provides \$25 million in direct appropriations for expenses already incurred and known unbudgeted liabilities, such as Judgments against the Commonwealth, Guardian Ad Litem required reimbursements, security for courthouses across the Commonwealth, and actions required at the Maxey Flats nuclear waste disposal site. This action will prevent \$25 million in further reductions to the balance of the Budget Reserve Trust Fund. This is necessary because the enacted budget reserved the entirety of the \$130.1 million General Fund surplus at the end of fiscal year 2018-19 to pay the required employer contribution for retired teachers' medical liability and a deposit to the unfunded liability of the Kentucky Employees Retirement non-hazardous pension plan, leaving no available resource for these required, unbudgeted expenses.

**Statewide
Capital Construction**

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation				700,000
Special Appropriation			2,500,000	
Total General Fund			2,500,000	700,000
Road Fund				
Regular Appropriation			6,140,000	13,940,000
Current Year Appropriation			800,000	
Total Road Fund			6,940,000	13,940,000
TOTAL SOURCE OF FUNDS			9,440,000	14,640,000
EXPENDITURES BY CLASS				
Capital Outlay			9,440,000	14,640,000
TOTAL EXPENDITURES			9,440,000	14,640,000
EXPENDITURES BY FUND SOURCE				
General Fund			2,500,000	700,000
Road Fund			6,940,000	13,940,000
TOTAL EXPENDITURES			9,440,000	14,640,000
EXPENDITURES BY UNIT				
Capital Construction			9,440,000	14,640,000
TOTAL EXPENDITURES			9,440,000	14,640,000

Legislative Branch

Legislative Branch

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	63,206,600	68,607,700	70,162,500	71,986,400
Continuing Approp-General Fund	10,836,038	10,017,782	13,971,500	13,971,500
Budget Reduction-General Fund	-463,900			
Total General Fund	73,578,738	78,625,482	84,134,000	85,957,900
Restricted Funds				
Balance Forward	1,006,535	1,202,802	1,235,094	1,235,094
Current Receipts	196,267	32,267	175,000	75,000
Total Restricted Funds	1,202,802	1,235,069	1,410,094	1,310,094
TOTAL SOURCE OF FUNDS	74,781,540	79,860,551	85,544,094	87,267,994
EXPENDITURES BY CLASS				
Personnel Costs	48,752,842	51,195,380	56,219,100	59,245,400
Operating Expenses	11,241,889	10,729,969	11,780,700	12,776,000
Capital Outlay	82,124	459,598	68,700	40,000
TOTAL EXPENDITURES	60,076,855	62,384,947	68,068,500	72,061,400
EXPENDITURES BY FUND SOURCE				
General Fund	60,076,855	62,384,947	67,893,500	71,986,400
Restricted Funds			175,000	75,000
TOTAL EXPENDITURES	60,076,855	62,384,947	68,068,500	72,061,400
EXPENDITURES BY UNIT				
Legislative Branch	60,076,855	62,384,947	68,068,500	72,061,400
TOTAL EXPENDITURES	60,076,855	62,384,947	68,068,500	72,061,400

Judicial Branch

Judicial Branch

	Actual FY 2018	Actual FY 2019	Revised FY 2020	Enacted FY 2021
SOURCE OF FUNDS				
General Fund				
Regular Appropriation	365,212,700	384,897,100	388,377,700	392,416,700
Continuing Approp-General Fund	2,281,259	8,835,829	5,979,444	
Budget Reduction-General Fund	-1,886,500	-9,832,700		
Total General Fund	365,607,459	383,900,229	394,357,144	392,416,700
Restricted Funds				
Balance Forward	10,676,276	20,445,910	32,086,081	20,412,700
Current Receipts	22,362,130	26,810,727	24,838,900	24,838,900
Non-Revenue Receipts	14,228,498	23,792,935	22,568,100	22,568,100
Total Restricted Funds	47,266,904	71,049,572	79,493,081	67,819,700
Federal Fund				
Current Receipts	3,914,382	4,219,453	5,042,100	3,190,000
Total Federal Fund	3,914,382	4,219,453	5,042,100	3,190,000
TOTAL SOURCE OF FUNDS	416,788,745	459,169,254	478,892,325	463,426,400
EXPENDITURES BY CLASS				
Personnel Costs	230,827,919	261,978,854	281,176,663	273,768,500
Operating Expenses	156,577,991	157,007,166	166,502,917	170,881,800
Capital Outlay	100,000	2,095,703	3,300,000	3,300,000
TOTAL EXPENDITURES	387,505,910	421,081,723	450,979,580	447,950,300
EXPENDITURES BY FUND SOURCE				
General Fund	356,770,534	377,898,779	386,857,144	392,416,700
Restricted Funds	26,820,994	38,963,491	59,080,336	52,343,600
Federal Fund	3,914,382	4,219,453	5,042,100	3,190,000
TOTAL EXPENDITURES	387,505,910	421,081,723	450,979,580	447,950,300
EXPENDITURES BY UNIT				
Judicial Branch	387,505,910	421,081,723	450,979,580	447,950,300
TOTAL EXPENDITURES	387,505,910	421,081,723	450,979,580	447,950,300