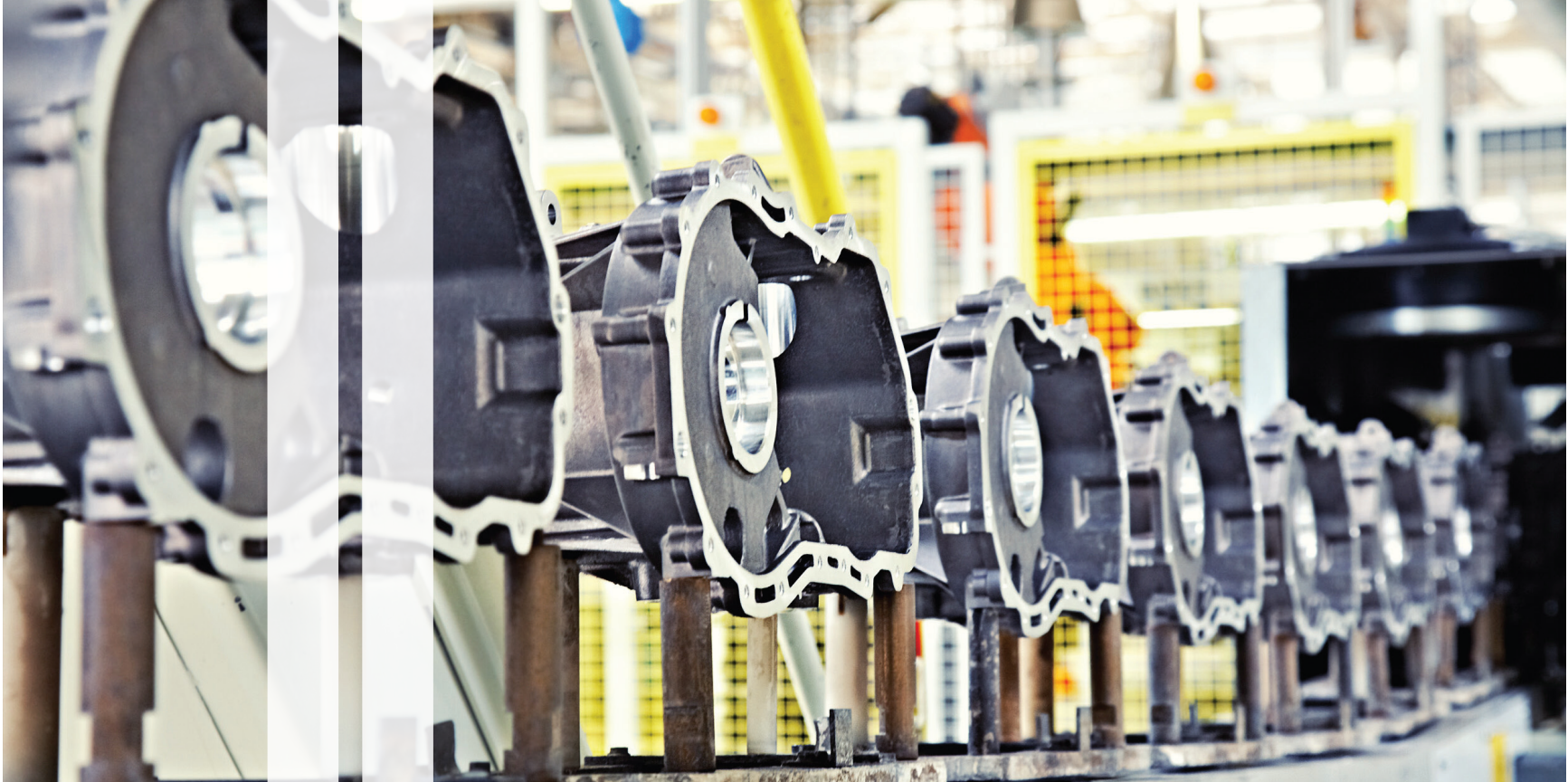


# TEAM KENTUCKY



## 2021-2022 Budget of the Commonwealth

**Andy Beshear**  
GOVERNOR

**John Hicks**  
STATE BUDGET DIRECTOR

**Volume I**



***Commonwealth of Kentucky***  
**2021 – 2022**  
**Budget of the Commonwealth**  
***Volume I***

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**Commonwealth of Kentucky**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	11,916,936,900	11,964,138,300
Surplus Expenditure Plan	162,469,000	
Special Appropriation	3,069,000	341,579,700
Current Year Appropriation	50,561,100	
Continuing Approp-General Fund	368,644,400	614,492,800
Other	-361,060,900	
<b>Total General Fund</b>	<b>12,140,619,500</b>	<b>12,920,210,800</b>
<b>Tobacco Fund</b>		
Tobacco Settlement - Phase I	108,226,600	104,785,700
Continuing Approp-Tob Settlement	67,886,100	
<b>Total Tobacco Fund</b>	<b>176,112,700</b>	<b>104,785,700</b>
<b>Restricted Funds</b>		
Balance Forward	986,916,194	1,199,147,794
Current Receipts	8,511,423,500	8,928,472,950
Non-Revenue Receipts	1,296,556,700	1,279,855,350
Fund Transfers	-97,523,500	-72,706,500
<b>Total Restricted Funds</b>	<b>10,697,372,894</b>	<b>11,334,769,594</b>
<b>Federal Fund</b>		
Special Appropriation		575,000,000
Balance Forward	37,491,400	26,535,000
Current Receipts	17,684,735,800	16,937,382,100
Non-Revenue Receipts	-2,522,300	-2,530,200
CRF Receipts	1,381,645,300	
<b>Total Federal Fund</b>	<b>19,101,350,200</b>	<b>17,536,386,900</b>
<b>Road Fund</b>		
Regular Appropriation	1,571,420,400	1,613,219,600
Surplus Expenditure Plan	139,800	
Current Year Appropriation	78,806,900	
Continuing Approp-Road Fund	416,116,200	
Other	-30,000,000	
<b>Total Road Fund</b>	<b>2,036,483,300</b>	<b>1,613,219,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>44,151,938,594</b>	<b>43,509,372,594</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	8,544,709,100	8,945,096,524
Operating Expenses	4,014,462,600	4,163,765,176
Grants Loans Benefits	26,769,444,200	26,322,811,100
Debt Service	1,150,370,400	1,154,006,700
Capital Outlay	301,351,300	326,195,000
Construction	1,510,923,900	1,100,400,800
<b>TOTAL EXPENDITURES</b>	<b>42,291,261,500</b>	<b>42,012,275,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	11,510,982,800	12,124,383,100
Tobacco Fund	174,186,100	103,000,000
Restricted Funds	9,498,225,100	10,666,558,900
Federal Fund	19,074,815,200	17,508,295,900
Road Fund	2,033,052,300	1,610,037,400
<b>TOTAL EXPENDITURES</b>	<b>42,291,261,500</b>	<b>42,012,275,300</b>

**EXPENDITURES BY UNIT**

Executive Branch	41,769,503,500	41,484,370,100
Legislative Branch	72,061,400	79,828,300
Judicial Branch	449,696,600	448,076,900
<b>TOTAL EXPENDITURES</b>	<u>42,291,261,500</u>	<u>42,012,275,300</u>

# **Executive Branch**

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**Executive Branch**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	11,452,533,800	11,502,432,400
Surplus Expenditure Plan	162,469,000	
Special Appropriation	3,069,000	326,879,700
Current Year Appropriation	50,561,100	
Continuing Approp-General Fund	354,672,900	600,700,000
Other	-361,060,900	
<b>Total General Fund</b>	<b>11,662,244,900</b>	<b>12,430,012,100</b>
<b>Tobacco Fund</b>		
Tobacco Settlement - Phase I	108,226,600	104,785,700
Continuing Approp-Tob Settlement	67,886,100	
<b>Total Tobacco Fund</b>	<b>176,112,700</b>	<b>104,785,700</b>
<b>Restricted Funds</b>		
Balance Forward	948,403,800	1,165,572,000
Current Receipts	8,486,509,600	8,903,459,050
Non-Revenue Receipts	1,273,988,600	1,257,287,250
Fund Transfers	-97,523,500	-72,706,500
<b>Total Restricted Funds</b>	<b>10,611,378,500</b>	<b>11,253,611,800</b>
<b>Federal Fund</b>		
Special Appropriation		575,000,000
Balance Forward	37,491,400	26,535,000
Current Receipts	17,679,799,500	16,933,170,000
Non-Revenue Receipts	-2,522,300	-2,530,200
CRF Receipts	1,381,645,300	
<b>Total Federal Fund</b>	<b>19,096,413,900</b>	<b>17,532,174,800</b>
<b>Road Fund</b>		
Regular Appropriation	1,571,420,400	1,613,219,600
Surplus Expenditure Plan	139,800	
Current Year Appropriation	78,806,900	
Continuing Approp-Road Fund	416,116,200	
Other	-30,000,000	
<b>Total Road Fund</b>	<b>2,036,483,300</b>	<b>1,613,219,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>43,582,633,300</b>	<b>42,933,804,000</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	8,209,948,900	8,616,953,124
Operating Expenses	3,830,804,800	3,981,543,376
Grants Loans Benefits	26,769,444,200	26,322,811,100
Debt Service	1,150,370,400	1,154,006,700
Capital Outlay	298,011,300	308,655,000
Construction	1,510,923,900	1,100,400,800
<b>TOTAL EXPENDITURES</b>	<b>41,769,503,500</b>	<b>41,484,370,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	11,046,579,700	11,657,977,200
Tobacco Fund	174,186,100	103,000,000
Restricted Funds	9,445,806,500	10,609,271,700
Federal Fund	19,069,878,900	17,504,083,800
Road Fund	2,033,052,300	1,610,037,400
<b>TOTAL EXPENDITURES</b>	<b>41,769,503,500</b>	<b>41,484,370,100</b>
<b>EXPENDITURES BY UNIT</b>		
General Government	2,264,134,900	1,948,270,500

**EXPENDITURES BY UNIT**

Economic Development	41,803,800	53,488,200
Department of Education	5,087,565,600	5,220,946,900
Education and Workforce Development	231,149,300	224,148,100
Energy and Environment	306,979,200	272,081,300
Finance and Administration	983,074,200	1,000,518,200
Health and Family Services	17,712,025,600	17,854,002,800
Justice and Public Safety	1,275,597,900	1,318,095,500
Labor	1,642,204,900	1,335,943,200
Personnel	63,150,200	165,770,400
Postsecondary Education	8,571,220,300	8,935,808,700
Public Protection	167,314,500	125,951,800
Tourism, Arts and Heritage	269,047,600	276,189,700
Transportation	3,139,595,500	2,737,794,800
Statewide	14,640,000	15,360,000
<b>TOTAL EXPENDITURES</b>	<b>41,769,503,500</b>	<b>41,484,370,100</b>

# **General Government**

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**General Government**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	1,238,634,200	1,181,420,100
Special Appropriation		96,500,000
Current Year Appropriation	5,049,500	
Continuing Approp-General Fund	7,700	
Other	-5,553,300	
<b>Total General Fund</b>	<b>1,238,138,100</b>	<b>1,277,920,100</b>
<b>Tobacco Fund</b>		
Tobacco Settlement - Phase I	35,244,800	35,618,800
Continuing Approp-Tob Settlement	31,044,700	
<b>Total Tobacco Fund</b>	<b>66,289,500</b>	<b>35,618,800</b>
<b>Restricted Funds</b>		
Balance Forward	147,293,900	103,025,200
Current Receipts	200,335,700	195,070,000
Non-Revenue Receipts	100,222,500	110,640,100
Fund Transfers	-6,400,000	-10,275,600
<b>Total Restricted Funds</b>	<b>441,452,100</b>	<b>398,459,700</b>
<b>Federal Fund</b>		
Balance Forward	19,353,100	13,339,400
Current Receipts	191,487,500	313,680,200
CRF Receipts	423,207,600	
<b>Total Federal Fund</b>	<b>634,048,200</b>	<b>327,019,600</b>
<b>Road Fund</b>		
Regular Appropriation	571,600	
<b>Total Road Fund</b>	<b>571,600</b>	
<b>TOTAL SOURCE OF FUNDS</b>	<b>2,380,499,500</b>	<b>2,039,018,200</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	443,642,500	443,224,024
Operating Expenses	167,648,100	157,706,276
Grants Loans Benefits	1,424,698,800	1,136,128,500
Debt Service	209,246,200	194,674,800
Capital Outlay	18,899,300	16,536,900
<b>TOTAL EXPENDITURES</b>	<b>2,264,134,900</b>	<b>1,948,270,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	1,238,138,100	1,277,920,100
Tobacco Fund	66,289,500	35,618,800
Restricted Funds	338,426,900	319,282,500
Federal Fund	620,708,800	315,449,100
Road Fund	571,600	
<b>TOTAL EXPENDITURES</b>	<b>2,264,134,900</b>	<b>1,948,270,500</b>
<b>EXPENDITURES BY UNIT</b>		
Office of the Governor	7,293,700	6,900,500
Office of State Budget Director	16,768,600	3,869,900
Homeland Security	6,198,200	8,806,400
Department of Veterans' Affairs	102,807,100	94,697,000
Governor's Office of Agricultural Policy	67,739,500	
Kentucky Infrastructure Authority	63,593,000	63,536,800
Military Affairs	223,406,300	140,796,100
Commission on Human Rights	2,181,600	2,184,400



**EXPENDITURES BY UNIT**

Department for Local Government	384,486,100	67,248,100
Local Government Economic Assistance Fund	20,445,600	21,960,400
Local Government Economic Development Fund	17,163,800	18,511,800
Local Government Regional Development Agency Assistance Fund	6,000,000	6,000,000
Executive Branch Ethics Commission	981,600	983,000
Secretary of State	5,399,000	5,323,900
Board of Elections	21,790,400	5,402,400
Registry of Election Finance	1,541,300	1,543,300
Attorney General	35,664,300	39,590,900
Unified Prosecutorial System	122,790,200	125,548,700
Treasury	5,765,600	5,757,600
Agriculture	44,509,700	75,312,600
Auditor of Public Accounts	19,713,600	19,358,200
Personnel Board	875,000	856,000
Kentucky Retirement Systems	49,272,200	48,005,500
Occupational & Professional Boards & Commissions	26,998,000	26,537,400
Kentucky River Authority	7,975,100	6,734,900
School Facilities Construction Commission	121,775,600	337,835,000
Teachers' Retirement System	797,720,300	731,614,300
Judgments	22,500,000	22,500,000
Appropriations Not Otherwise Classified	14,526,400	14,526,400
KY Communications Network Authority	46,253,100	46,329,000
<b>TOTAL EXPENDITURES</b>	<b>2,264,134,900</b>	<b>1,948,270,500</b>

**General Government  
Office of the Governor**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	6,099,000	6,105,800
<b>Total General Fund</b>	<b>6,099,000</b>	<b>6,105,800</b>
<b>Restricted Funds</b>		
Balance Forward	117,100	105,600
Current Receipts	283,200	294,700
<b>Total Restricted Funds</b>	<b>400,300</b>	<b>400,300</b>
<b>Federal Fund</b>		
Current Receipts	900,000	500,000
<b>Total Federal Fund</b>	<b>900,000</b>	<b>500,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>7,399,300</b>	<b>7,006,100</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	5,315,700	5,325,300
Operating Expenses	1,078,000	1,075,200
Grants Loans Benefits	900,000	500,000
<b>TOTAL EXPENDITURES</b>	<b>7,293,700</b>	<b>6,900,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	6,099,000	6,105,800
Restricted Funds	294,700	294,700
Federal Fund	900,000	500,000
<b>TOTAL EXPENDITURES</b>	<b>7,293,700</b>	<b>6,900,500</b>
<b>EXPENDITURES BY UNIT</b>		
Governor	5,071,700	5,075,900
Governor's Office Expense Allowance	34,600	34,600
Lieutenant Governor	549,700	551,700
Lieutenant Governor's Expense Allowance	19,300	19,300
Secretary of the Cabinet	298,800	299,200
Kentucky Commission on Military Affairs	1,319,600	919,800
<b>TOTAL EXPENDITURES</b>	<b>7,293,700</b>	<b>6,900,500</b>

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

The Lieutenant Governor is a constitutional officer elected jointly with the Governor. The Lieutenant Governor is to assume the duties and responsibilities of the Office of the Governor should the Governor be impeached or removed from Office, die, fail to qualify, resign, or be unable to discharge the duties of that office. Additional duties of the Lieutenant Governor include serving on various boards and commissions, serving on Kentucky delegations to several interstate compact commissions, and appointing members to various boards.

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

The Military Affairs Commission (KRS 154.12-203) has been a part of the Office of the Governor since 1996. The Commission serves in an advisory capacity to the Governor, the General Assembly, the Kentucky Congressional

Delegation, and other appropriate government officials. This commission is designed to support the U.S. military's widespread presence in Kentucky and to recognize its contribution to the economy and well-being of the Commonwealth. Among the installations and operations eligible for support are: Fort Knox, Fort Campbell, Bluegrass Station in Lexington, National Guard and Reserve operations throughout the state, and Bluegrass Army Depot in Richmond.

**Policy**

The Budget of the Commonwealth includes a cut to the General Fund base budget in the Governor's Office of \$497,200 in each year, or nearly 8%.

**General Government  
Office of State Budget Director**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	3,604,100	3,608,500
<b>Total General Fund</b>	<b>3,604,100</b>	<b>3,608,500</b>
<b>Restricted Funds</b>		
Balance Forward	206,700	168,100
Non-Revenue Receipts	125,900	125,800
<b>Total Restricted Funds</b>	<b>332,600</b>	<b>293,900</b>
<b>Federal Fund</b>		
CRF Receipts	13,000,000	
<b>Total Federal Fund</b>	<b>13,000,000</b>	
<b>TOTAL SOURCE OF FUNDS</b>	<b>16,936,700</b>	<b>3,902,400</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	3,418,500	3,504,500
Operating Expenses	350,100	365,400
Grants Loans Benefits	13,000,000	
<b>TOTAL EXPENDITURES</b>	<b>16,768,600</b>	<b>3,869,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	3,604,100	3,608,500
Restricted Funds	164,500	261,400
Federal Fund	13,000,000	
<b>TOTAL EXPENDITURES</b>	<b>16,768,600</b>	<b>3,869,900</b>
<b>EXPENDITURES BY UNIT</b>		
Budget & Policy Analysis	15,678,000	2,775,800
Policy Research	473,200	475,600
Economic Analysis	617,400	618,500
<b>TOTAL EXPENDITURES</b>	<b>16,768,600</b>	<b>3,869,900</b>

The Office of the State Budget Director, created in KRS 11.068, includes the Governor's Office for Policy and Management (GOPM), the Governor's Office for Policy Research (GOPR), and the Governor's Office for Economic Analysis (GOEA). Under the direction of the State Budget Director, these Offices serve as staff to the Governor, the Governor's Chief of Staff, the Secretary of the Cabinet, and the Secretary of the Finance and Administration Cabinet.

The Governor's Office for Policy and Management (GOPM) prepares the Executive Budget, the Governor's financial plan for Kentucky state government and submits it to the General Assembly by the tenth legislative day. The preparation of the budget includes the transmittal of information and necessary budget request forms and instructions to state agencies, assisting agencies in the preparation of their budget requests, analyzing the requests, and making recommendations to the Governor. The Governor's budget recommendation is prepared by GOPM and consists of several volumes of detailed financial and programmatic information that transparently presents the Governor's operating and capital budget decisions and provides substantial amounts of historical spending and revenue information. Following enactment of the budget by the General Assembly, GOPM prepares the Budget of the Commonwealth, another multiple set of volumes which compiles the entirety of the Commonwealth's enacted biennial budget. GOPM is also responsible for the budget execution requirements for the Executive branch in accordance with provisions of KRS chapter 48. The implementation of the Executive branch's capital projects, in accordance with KRS 45.750-800, is assisted by GOPM for all project increases, new project establishments, and associated monthly reporting to the Capital Projects and Bond Oversight Committee. The continuous monitoring of the Commonwealth's financial situation is performed by GOPM in concert with the Governor's Office of Economic Analysis in accordance with KRS 48.400.

The Governor's Office for Policy Research (GOPR) performs research and analysis on public policy issues important to the Commonwealth. In accordance with KRS 154.30-030, the Office provides input into the methodology and assumptions used in the independent consultant's reports for the tax increment financing program and for tourism

development projects, pursuant to KRS 148.855, and supports the Office of State Budget Director's certification for each project. The Phase I Tobacco Master Settlement Agreement calculations are monitored and prepared by this Office, and GOPR convenes the state agency participants involved in the enforcement mechanisms necessary to stay in compliance with the Settlement Agreement. Expenditure forecasting for several key areas of state government are led or are contributed to by GOPR, including the incarcerated felon population, Medicaid benefit expenditures, and the elementary and secondary education funding formula inputs.

The Governor's Office for Economic Analysis (GOEA) assists the State Budget Director and the Consensus Forecasting Group in providing timely and accurate estimates of General Fund and Road Fund receipts used to build and implement the Budget of the Commonwealth. On October 15th of each odd-numbered year, a preliminary detailed estimate of revenues for the next two fiscal years is presented to the head of the budgeting agency for each branch of state government. To inform the Governor and the General Assembly for the biennial budget process, an official estimate is made in December and presented along with the Governor's Executive Budget recommendation to the General Assembly. In accordance with KRS 48.400, GOEA prepares a Quarterly Economic and Revenue report which provides a forecast of state tax revenues for the next three quarters as well as a forecast of the Commonwealth's economic conditions. The Commonwealth's Tax Expenditure analysis is prepared by GOEA on a biennial basis, incorporating the entirety of all statutory tax expenditures with specific computations of the amount of tax revenues foregone.

**General Government  
Homeland Security**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	257,000	578,200
<b>Total General Fund</b>	<b>257,000</b>	<b>578,200</b>
<b>Restricted Funds</b>		
Balance Forward	3,646,000	3,806,700
Current Receipts	1,521,500	2,619,100
<b>Total Restricted Funds</b>	<b>5,167,500</b>	<b>6,425,800</b>
<b>Federal Fund</b>		
Balance Forward	16,600	600
Current Receipts	4,243,400	5,787,300
<b>Total Federal Fund</b>	<b>4,260,000</b>	<b>5,787,900</b>
<b>Road Fund</b>		
Regular Appropriation	321,000	314,900
<b>Total Road Fund</b>	<b>321,000</b>	<b>314,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>10,005,500</b>	<b>13,106,800</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	2,186,200	2,142,900
Operating Expenses	747,600	3,399,100
Grants Loans Benefits	3,263,200	3,263,200
Capital Outlay	1,200	1,200
<b>TOTAL EXPENDITURES</b>	<b>6,198,200</b>	<b>8,806,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	257,000	578,200
Restricted Funds	1,360,800	2,443,600
Federal Fund	4,259,400	5,784,600
Road Fund	321,000	
<b>TOTAL EXPENDITURES</b>	<b>6,198,200</b>	<b>8,806,400</b>
<b>EXPENDITURES BY UNIT</b>		
Office of Homeland Security	4,837,400	6,362,800
Law Enforcement Protection Program	519,300	519,300
Commerical Mobile Radio Service	841,500	1,924,300
<b>TOTAL EXPENDITURES</b>	<b>6,198,200</b>	<b>8,806,400</b>

The Kentucky Office of Homeland Security (KOHS), administratively attached to the Office of the Governor in accordance with KRS 39G.010, was created to coordinate efforts with public and private partners on issues affecting homeland security. KOHS focuses on preparing Kentucky for acts of terrorism. Although its primary role is to serve as the state's administrative liaison with the U.S. Department of Homeland Security, KOHS has initiated a comprehensive prevention-focused homeland security strategy to ensure Kentucky's communities, first responders and families have the resources and information necessary to prepare, respond, mitigate, and recover from acts of terrorism.

The Kentucky 911 Services Board is administratively attached to the Kentucky Office of Homeland Security pursuant to KRS 65.7623, and KOHS maintains responsibility and oversight of the Board's daily operations. The 911 Services Board collects more than \$30 million annually in 911 user fees from wireless prepaid, postpaid, and Lifeline subscribers of the approximately 35 telecommunication carriers providing wireless telephone service in Kentucky. These fees are used to fund operations and technology upgrades at Kentucky's 116 Board-certified 911 emergency call centers and to.

**Policy**

The fiscal year 2022 budget replaced Road Fund with General Fund in the amount of \$320,000.

**General Government  
Veterans' Affairs**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	26,060,400	26,121,400
<b>Total General Fund</b>	<b>26,060,400</b>	<b>26,121,400</b>
<b>Restricted Funds</b>		
Balance Forward	22,613,600	4,978,400
Current Receipts	62,615,900	64,161,800
Non-Revenue Receipts	-6,462,400	
<b>Total Restricted Funds</b>	<b>78,767,100</b>	<b>69,140,200</b>
<b>Federal Fund</b>		
Balance Forward	1,430,500	
Current Receipts	1,527,500	500,000
<b>Total Federal Fund</b>	<b>2,958,000</b>	<b>500,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>107,785,500</b>	<b>95,761,600</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	80,256,600	75,075,100
Operating Expenses	13,548,600	13,536,800
Grants Loans Benefits	5,490,100	5,490,100
Capital Outlay	3,511,800	595,000
<b>TOTAL EXPENDITURES</b>	<b>102,807,100</b>	<b>94,697,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	26,060,400	26,121,400
Restricted Funds	73,788,700	68,075,600
Federal Fund	2,958,000	500,000
<b>TOTAL EXPENDITURES</b>	<b>102,807,100</b>	<b>94,697,000</b>
<b>EXPENDITURES BY UNIT</b>		
Field Services and Cemeteries	7,546,100	7,430,500
Kentucky Veterans' Centers	95,261,000	87,266,500
<b>TOTAL EXPENDITURES</b>	<b>102,807,100</b>	<b>94,697,000</b>

The Kentucky Department of Veterans' Affairs (KDVA), established by KRS 40.300, assists over 295,000 Kentucky veterans and their families in applying for federal, state, and local veteran's benefits. Services include: benefits counseling and claims processing regarding the existence or availability of educational, training, and retraining facilities; health, medical rehabilitation, and housing services and facilities; employment and reemployment services; and provision of services under federal, state, and local laws affording rights, privileges, and benefits to eligible veterans and their dependents. These services are supported by a cooperative network of veterans' benefits field representatives, volunteers, and personal service contracts with major veterans' organizations.

Pursuant to KRS 40.325, the Office of Kentucky Veterans' Centers within the KDVA currently manages Kentucky's four state veterans' nursing homes, which serve the long-term nursing care needs of Kentucky's elderly veteran population.

The Thomson-Hood Veterans' Center, located in Wilmore in Jessamine County, is a 285-bed long-term nursing care facility specifically for Kentucky's elderly veteran population. The Eastern Kentucky Veterans' Center is a 120-bed facility located in Hazard (Perry County). The Western Kentucky Veterans' Center is a 120-bed facility in Hanson (Hopkins County). Both facilities opened in 2002 and include in-house physician care, nurse practitioners, 24-hour nursing staff, and staffing for a rehab therapy department, barbershop, library, gift shop, laundry facility, and a dietary department. In April 2013, KDVA opened a 36-bed expansion at the Western Kentucky Veterans' Center that utilizes the new "Community Living Concept" recently required by the federal Veterans' Administration. Three 12-bed buildings provide a more personalized care for its residents and brings the total capacity to 156 beds. In July 2017, a fourth 120-bed Veterans' Center, in Hardin County, opened utilizing the "Community Living Concept."

The KDVA is required by KRS 40.315 to establish and maintain Kentucky state veterans' cemeteries. The Kentucky Veterans' Cemetery-West is located on Highway 41A south of Hopkinsville. The Veterans' Cemetery-Central in Radcliff opened in June 2007. The Veterans' Cemetery-North near Williamstown opened in early fiscal year 2009. The Veterans' Cemetery-Northeast in Greenup County opened in the fall of 2010. The Veterans Cemetery-Southeast in Leslie County opened in April 2018. Each facility includes an administration building, a maintenance building with service area, committal facility, a columbarium, appropriate parking, road network, walking path and landscaping.

KRS 40.600 established the Women Veterans Program to ensure Kentucky women veterans have equitable access to federal and state veterans' services and benefits. KRS 40.350 established the Wounded or Disabled Veterans Program to assist wounded or disabled veterans in the transition from active service and ensure they receive the federal, state and private benefits to which they are entitled as wounded or disabled veterans.

## **Policy**

The budget in each fiscal year includes General Fund in the amount of \$93,700 for grants to the Brain Injury Association and \$93,700 for grants to the Epilepsy Foundation of Kentuckiana.

The budget in each fiscal year includes General Fund in the amount of \$187,500 for grants to Veterans' Service Organization programs.

The budget in each fiscal year includes restricted funds in the amount of \$240,000 for the Nurse Student Loan Repayment program to assist in recruitment and retention of nursing staff at the Veterans' Centers.

The budget includes restricted funds in the amount of \$3,132,200 in fiscal year 2021 and \$3,138,800 in fiscal year 2022 to fund nursing staff vacant positions at the Veterans' Centers.

The budget includes restricted funds in the amount of \$536,800 in fiscal year 2021 and federal funds in the amount of \$500,000 in each fiscal year for personal protection equipment storage buildings for the Veterans' Centers.

The budget includes restricted funds in the amount of \$1,673,900 in fiscal year 2021 for vacant positions at the Veterans' Centers.



**General Government**  
**Governor's Office of Agricultural Policy**

	<b>Revised</b>	<b>Enacted</b>
	<b>FY 2021</b>	<b>FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>Tobacco Fund</b>		
Tobacco Settlement - Phase I	34,594,800	
Continuing Approp-Tob Settlement	31,044,700	
<b>Total Tobacco Fund</b>	<b>65,639,500</b>	
<b>Restricted Funds</b>		
Balance Forward	320,600	
Non-Revenue Receipts	-220,600	
<b>Total Restricted Funds</b>	<b>100,000</b>	
<b>Federal Fund</b>		
CRF Receipts	2,000,000	
<b>Total Federal Fund</b>	<b>2,000,000</b>	
<b>TOTAL SOURCE OF FUNDS</b>	<b>67,739,500</b>	
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	1,601,600	
Operating Expenses	529,400	
Grants Loans Benefits	59,608,500	
Capital Outlay	6,000,000	
<b>TOTAL EXPENDITURES</b>	<b>67,739,500</b>	
<b>EXPENDITURES BY FUND SOURCE</b>		
Tobacco Fund	65,639,500	
Restricted Funds	100,000	
Federal Fund	2,000,000	
<b>TOTAL EXPENDITURES</b>	<b>67,739,500</b>	
<b>EXPENDITURES BY UNIT</b>		
Governor's Office of Agricultural Policy	67,739,500	
<b>TOTAL EXPENDITURES</b>	<b>67,739,500</b>	

The Governor's Office of Agricultural Policy (GOAP) is the Governor's direct link to the Commonwealth's agricultural industry. The Kentucky Agricultural Development Board and the Kentucky Agricultural Finance Corporation are staffed by the employees in this Office. The Kentucky Agricultural Development Board hires an Executive Director to carry out the duties of the board, while also serving as the Executive Director of the Kentucky Agricultural Finance Corporation.

The Kentucky Agricultural Development Board, authorized in KRS 248.707, distributes funds received by the Commonwealth from the Tobacco Master Settlement Agreement (Phase I money). The Board invests in innovative proposals that increase net farm income and assists tobacco farmers and tobacco-impacted communities by stimulating markets, finding new ways to add value to existing products, and promoting diversification of Kentucky's agricultural economy.

The Agricultural Development Board has sixteen members, described in KRS 248.707(2). They are the Governor, Commissioner of Agriculture, Secretary of the Cabinet for Economic Development, Director of the University of Kentucky Cooperative Extension Service and President of Kentucky State University, along with eleven members appointed by the Governor to staggered terms. Those appointees include representatives of the Kentucky Farm Bureau, the Kentucky Chamber of Commerce, an attorney, an agricultural lender, and seven active farmers. The Governor serves as Chair and the Commissioner of Agriculture serves as Vice- Chair of the board.

Pursuant to KRS 248.703 half of Kentucky's tobacco settlement receipts are allocated to the Agricultural Development Fund. That amount is further divided between a counties account for county level grants and a state account for investments that have a regional or statewide purpose. From the state account, the General Assembly has appropriated debt service for bonds to support farmland preservation and safe drinking water, water and sewer infrastructure projects, livestock diagnostic lab design and construction, improvements to 4-H camps and FFA Leadership Center, and funding for land conservation programs. A portion of funds received into the Agriculture Development Fund are allocated for projects

at the county level. The specific funding level of a county is dependent upon its tobacco-production dependency in relation to other counties within the state as described in KRS 248.703(3). One hundred and eighteen of Kentucky's 120 counties receive a portion of county allocation. Each county has a council of local agriculture leaders who consider applications for grants from the county's share of funds and prioritizes them for the Agricultural Development Board, which has the final grant authority for each county's funds. The Board has developed several programs in which counties may participate. Funds are provided as matching grants.

In addition to their work with the Kentucky Agricultural Development Fund, personnel at GOAP provide staffing for the Kentucky Agricultural Finance Corporation. The Kentucky Agricultural Finance Corporation is a de jure municipal corporation created in KRS 247.944 to provide access to capital for farmers and other agricultural enterprises. The mission of the Corporation board is to strengthen Kentucky agriculture by providing access to low interest loan programs through joint partnerships with local lending institutions. K AFC assists beginning farmers, farm families, and agribusinesses obtain the necessary capital to establish, maintain, or expand their agricultural operation. The Commissioner of the Kentucky Department of Agriculture serves as the Chair and the Secretary of the Finance Cabinet serves as another statutory member. The Governor appoints the remaining ten board members who represent various agricultural sectors.

### **Policy**

Senate Bill 3 from the 2021 Regular Session of the General Assembly removed the Governor's Office of Agriculture Policy from the Governor's Office and established the Kentucky Office of Agriculture Policy in the Department of Agriculture.

**General Government**  
**Kentucky Infrastructure Authority**

	<b>Revised</b>	<b>Enacted</b>
	<b>FY 2021</b>	<b>FY 2022</b>

**SOURCE OF FUNDS**

**General Fund**

Regular Appropriation	1,117,200	1,057,200
<b>Total General Fund</b>	1,117,200	1,057,200

**Restricted Funds**

Balance Forward	291,900	
Non-Revenue Receipts	32,803,800	33,102,900
<b>Total Restricted Funds</b>	33,095,700	33,102,900

**Federal Fund**

Current Receipts	29,380,100	29,376,700
<b>Total Federal Fund</b>	29,380,100	29,376,700

**TOTAL SOURCE OF FUNDS**

	63,593,000	63,536,800
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**EXPENDITURES BY CLASS**

Personnel Costs	2,818,600	2,853,500
Operating Expenses	161,700	174,400
Grants Loans Benefits	30,222,700	30,194,900
Debt Service	30,390,000	30,314,000
<b>TOTAL EXPENDITURES</b>	63,593,000	63,536,800

**EXPENDITURES BY FUND SOURCE**

General Fund	1,117,200	1,057,200
Restricted Funds	33,095,700	33,102,900
Federal Fund	29,380,100	29,376,700
<b>TOTAL EXPENDITURES</b>	63,593,000	63,536,800

**EXPENDITURES BY UNIT**

Kentucky Infrastructure Authority	63,593,000	63,536,800
<b>TOTAL EXPENDITURES</b>	63,593,000	63,536,800

The Kentucky Infrastructure Authority (KIA) pursuant to KRS Chapter 224A funds the acquisition and construction of infrastructure projects as defined in KRS 224A.011(16) and the remediation of property owned by governmental agencies. The Authority also coordinates regional infrastructure planning to promote higher levels of technical, managerial and financial capacity of water based utilities. The Authority with the assistance of the Area Development Districts coordinates water and wastewater planning by the Area Water Management Councils. The Councils establish water planning areas, develop and maintain the regional water management plan and identify and prioritize water and wastewater projects. The Authority is administratively attached to the Department for Local Government.

The agency is authorized to issues notes and bonds to provide infrastructure financing for governmental agencies and to a limited extent investor-owned private utilities. The provisions of KRS 224A.165 dictate certain limits on the amount of notes and bonds the Authority can have outstanding. The purpose of the loans is to assist in financing the construction of infrastructure projects. The Authority also provides grants and subsidized loan incentives.

The following provides a description of the Authority's programs:

**Fund A Wastewater Revolving Loan Program** – Local wastewater treatment facilities that qualify under the U.S. Environmental Protection Agency (EPA) standards are financed through this program. Jointly administered by the Authority and the Kentucky Division of Water in the Energy and Environment Cabinet, loans are provided to governmental agencies at below-market interest rates.

**Fund B Revolving Loan/Grant Program** – Loans are made to governmental entities that are unable to wholly finance a project through other public grant or loan programs, through commercial credit at reasonable rates, or from their own resources. The loans are offered at or below market interest rates for a term not to exceed 30 years. Grants are available, but are reserved for borrowers facing both a financial hardship and an extreme health hazard.

**Fund B 2020 Program** – This fund provides financing primarily for, but not limited to, water service projects. The fund promotes the merger and consolidation of systems, and encourages the increased financial, managerial, and technical capacity of systems to provide service.

**Fund C Governmental Agencies Program** – This program provides local governmental agencies access to funding at better terms than could be obtained on an independent basis. Loans are available at terms of up to thirty years for any eligible infrastructure project owned by governmental entities in the Commonwealth. The loans may be used to fund totally a construction project or they can be used to supplement grants or cash contributions.

**Fund F Drinking Water Revolving Loan Fund** – This fund was established to assist in financing local drinking water treatment and distribution facilities that qualify under EPA requirements. Projects must be recommended by the Kentucky Division of Water in the Energy and Environment Cabinet from the Project Priority List and must be financially feasible as determined by KIA staff.

**Coal Development and Tobacco Development Funds** – These funds were created by the 2003 Regular Session of the General Assembly to support various water and sewer projects in Coal Producing and Tobacco Producing Counties. The Authority coordinates the process of implementation and provides project administration for the projects funded in these programs.

**Infrastructure for Economic Development Funds** – These funds were authorized by the 2005, 2006 and 2008 General Assembly for an array of water and sewer projects included in the Commonwealth budget by specific designation. The Authority coordinates the implementation process and provides project administration for the projects funded in these programs.

**Local Government Economic Development Fund** – (Coal Severance Tax Projects) – These funds were authorized by the 2008, 2010 and 2012 General Assembly from the respective single county fund for projects in coal-producing counties. The Authority coordinates the process of implementation and provides project administration for the water and sewer related projects funded in this program. The program is administered jointly with the Department for Local Government.

## **Policy**

The budget includes General Fund of \$154,500 in fiscal year 2021 for debt service to support \$4,086,000 in bonds to match an estimated \$20,428,400 in Federal Funds for the Federally Assisted Wastewater Revolving Loan Fund program (Fund A), and \$190,000 for debt service to support \$4,561,000 in bond funds to match an estimated \$18,303,000 in Federal Funds for the Safe Drinking Water State Revolving Loan Fund program (Fund F).

The budget includes General Fund in the amount of \$149,500 in fiscal year 2022 for debt service to support \$4,086,000 in new bonds to match an estimated \$20,428,400 in Federal Funds for the Federally Assisted Wastewater Revolving Loan Fund program (Fund A). The budget includes General Fund in the amount of \$134,500 in fiscal year 2022 for debt service to support \$3,661,000 in new bonds to match an estimated \$18,303,000 in Federal Funds for the Safe Drinking Water State Revolving Loan Fund program (Fund F).

**General Government**

**Military Affairs**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
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**SOURCE OF FUNDS**

**General Fund**

Regular Appropriation	14,991,400	15,006,800
<b>Total General Fund</b>	14,991,400	15,006,800

**Restricted Funds**

Balance Forward	21,499,900	22,154,800
Current Receipts	51,218,100	41,093,400
Non-Revenue Receipts	-1,972,600	-3,451,300
<b>Total Restricted Funds</b>	70,745,400	59,796,900

**Federal Fund**

Current Receipts	86,249,300	86,055,500
CRF Receipts	73,575,000	
<b>Total Federal Fund</b>	159,824,300	86,055,500

**TOTAL SOURCE OF FUNDS**

	245,561,100	160,859,200
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**EXPENDITURES BY CLASS**

Personnel Costs	48,913,800	47,881,500
Operating Expenses	37,578,100	27,806,700
Grants Loans Benefits	127,618,000	54,050,500
Debt Service	1,600,000	1,600,000
Capital Outlay	7,696,400	9,457,400
<b>TOTAL EXPENDITURES</b>	223,406,300	140,796,100

**EXPENDITURES BY FUND SOURCE**

General Fund	14,991,400	15,006,800
Restricted Funds	48,590,600	39,733,800
Federal Fund	159,824,300	86,055,500
<b>TOTAL EXPENDITURES</b>	223,406,300	140,796,100

**EXPENDITURES BY UNIT**

Statutory State Operations	30,559,100	30,035,800
Emergency Management	63,947,100	64,046,100
Emergency & Public Safety Operations	75,884,800	2,313,200
Bluegrass Station	13,578,600	15,220,900
Central Clothing Distribution	31,394,800	21,087,200
Federal & Grant Operations	8,041,900	8,092,900
<b>TOTAL EXPENDITURES</b>	223,406,300	140,796,100

The Department of Military Affairs is responsible for all military matters and disaster and emergency service coordination in the Commonwealth. The Governor is constitutional Commander-in-Chief of the Kentucky National Guard and appoints the Adjutant General. The Adjutant General commands the Kentucky National Guard and directs and coordinates all programs in the Department.

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

Pursuant to KRS 36.010 and KRS 36.255, the Department consists of the following organizational units: The Division of Emergency Management; the Office of Kentucky Community Crisis Response; and the Office of Management and Administration, which contains the Division of Administrative Services, Division of Facilities, Logistics Operations Division, Bluegrass Station Division, and the Youth Challenge Program.

The Division of Emergency Management is responsible for all aspects of emergency management including planning, assessment, mitigation, response, and recovery in the Commonwealth. The Division works with local emergency management programs to maintain a coordinated program and operates field offices across the state. The Emergency

Operations Center in Frankfort is the hub for coordination during an emergency and is operated by the Division. The Center operates on a twenty-four hour basis and serves as a warning point, communications and command center.

The Kentucky Community Crisis Response Board oversees the delivery of crisis response services including consultation, risk assessment, referral, and on site crisis intervention services to persons impacted by an emergency or disaster.

The Division of Facilities is responsible for maintaining nearly 50 armories across the state as well as the facilities at Wendell H. Ford Regional Training Center in Muhlenberg County, the Emergency Operations Center in Frankfort, and various other facilities statewide.

The Department also operates Bluegrass Station in Fayette County, formerly the AVON Army Depot. The property was acquired by the Commonwealth in 1989 under the Base Re-alignment and Closure Act. This 780 acre facility includes more than 2.4 million square feet and houses 28 tenants that employ over 2,800 Kentuckians. Estimated economic impact of Bluegrass Station exceeds \$248,000,000 per fiscal year. Bluegrass Station is also home to the Logistic Operations Division's Central Clothing Distribution Facility which employees over 200 employees that are responsible for the complete supply chain management and logistics for clothing to all military units of the Army National Guard, Air National Guard, U.S. Marine Corps Reserve and the U.S. Navy Reserve.

The Youth Challenge Program is a 22-week residential development and training program for youth between 16 – 18 years of age who are high school dropouts, drug-free, unemployed and free of serious involvement in the criminal justice system. The program is operated by the Kentucky National Guard and is located in Hardin and Harlan Counties.

## **Policy**

The budget in each fiscal year includes General Fund resources in the amount of \$4,500,000 for Emergency and Public Safety costs that were previously considered a necessary government expense. Expenses that exceed this amount will be considered a necessary government expense and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

Restricted Funds in the amount of \$1,761,000 are provided in fiscal year 2022 for preliminary work on the Bluegrass Station Industrial Airport and Airpark project, a project that has the potential for significant economic development and job creation opportunities, as well as the prospect of leveraging the mission of Bluegrass Station. These funds will support the request for information and qualification process, and initiate related project activities that will inform key elements of a potential request for proposal once that is authorized by a future General Assembly.

**General Government  
Commission on Human Rights**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	1,926,600	1,929,400
<b>Total General Fund</b>	<b>1,926,600</b>	<b>1,929,400</b>
<b>Restricted Funds</b>		
Balance Forward	16,800	16,800
Current Receipts	10,000	10,000
<b>Total Restricted Funds</b>	<b>26,800</b>	<b>26,800</b>
<b>Federal Fund</b>		
Balance Forward	254,600	254,600
Current Receipts	245,000	245,000
<b>Total Federal Fund</b>	<b>499,600</b>	<b>499,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>2,453,000</b>	<b>2,455,800</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	1,919,100	1,923,400
Operating Expenses	262,500	261,000
<b>TOTAL EXPENDITURES</b>	<b>2,181,600</b>	<b>2,184,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	1,926,600	1,929,400
Restricted Funds	10,000	10,000
Federal Fund	245,000	245,000
<b>TOTAL EXPENDITURES</b>	<b>2,181,600</b>	<b>2,184,400</b>
<b>EXPENDITURES BY UNIT</b>		
General Administration and Support	882,400	814,300
Enforcement Branch	549,900	556,700
Research and Information	356,000	387,600
Legal Affairs	393,300	425,800
<b>TOTAL EXPENDITURES</b>	<b>2,181,600</b>	<b>2,184,400</b>

The Kentucky Commission on Human Rights is the sole state civil rights enforcement agency in Kentucky, and is charged to "...safeguard all individuals within the state from discrimination." Pursuant to KRS Chapter 344, the Commission investigates, litigates, and administratively decides complaints of discrimination in the areas of employment, public accommodation, housing, and credit based on race, religion, national origin, age, disability, sex, smoking in employment, and familial status for housing decisions. The Commission has four service units: General Administration and Support, Enforcement, Research and Information, and Legal Affairs.

General Administration and Support performs personnel and fiscal activities and serves as a liaison with the Governor's Office, legislators, and other agencies in state government. This unit is responsible for development of internal policy directives and legislative initiatives.

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

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

The Legal Affairs Branch litigates discrimination cases before administrative hearing officers, provides legal advice to inquiries, sworn complaints, and file closures. The legal staff takes depositions of witnesses, prepares legal briefs and appeals, and serves as in-house counsel.

**General Government  
Department for Local Government**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	9,415,300	9,637,700
Special Appropriation		10,000,000
<b>Total General Fund</b>	<b>9,415,300</b>	<b>19,637,700</b>
<b>Restricted Funds</b>		
Balance Forward	2,859,700	1,740,600
Current Receipts	1,269,600	1,263,800
Fund Transfers	-1,000,000	
<b>Total Restricted Funds</b>	<b>3,129,300</b>	<b>3,004,400</b>
<b>Federal Fund</b>		
Balance Forward	-817,300	
Current Receipts	47,044,800	46,227,500
CRF Receipts	327,454,600	
<b>Total Federal Fund</b>	<b>373,682,100</b>	<b>46,227,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>386,226,700</b>	<b>68,869,600</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	6,063,100	6,078,800
Operating Expenses	1,402,900	1,385,600
Grants Loans Benefits	377,020,100	59,565,700
Debt Service		218,000
<b>TOTAL EXPENDITURES</b>	<b>384,486,100</b>	<b>67,248,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	9,415,300	19,637,700
Restricted Funds	1,388,700	1,382,900
Federal Fund	373,682,100	46,227,500
<b>TOTAL EXPENDITURES</b>	<b>384,486,100</b>	<b>67,248,100</b>
<b>EXPENDITURES BY UNIT</b>		
Operations	7,601,400	7,600,000
Grants	376,884,700	59,648,100
<b>TOTAL EXPENDITURES</b>	<b>384,486,100</b>	<b>67,248,100</b>

The Department for Local Government (DLG), pursuant to KRS 147A.002, is an independent agency attached to the Office of the Governor. As the liaison between the Governor and local units of government, DLG coordinates and resolves local government issues and concerns, and administers grants-in-aid.

The Commissioner's Office formulates policy that governs programs administered by the Department. The office also serves as a liaison with state and federal agencies that deal with each of the Kentucky's 120 counties, 420 cities, 1500 special districts and the 15 Area Development Districts.

The Federal Grants Office administers the Community Development Block Grant program for small cities, the Neighborhood Stabilization program, the Land and Water Conservation Fund and the Kentucky Recreational Trails program. Moreover, the Office develops and conducts training programs for local governments across the Commonwealth in conjunction with other governmental agencies, associations and the Area Development Districts. It maintains the Commonwealth's Clearinghouse for all federal grants and administers the Joint Funding Agreement and Appalachian Regional Commission grants.

The Flood Control program also is administered by the Federal Grants Office. In partnership with federal and local agencies, the matching program lessens flood damage losses by providing structural and nonstructural assistance to Kentucky communities. The Fund ensures that matching funds required by the U.S. Army Corp of Engineers, Federal Emergency Management Agency, and Natural Resources Conservation Service are available for vital projects. The program provides matching dollars for federal grants for straight sewage pipe removal projects funded by the Personal Responsibility in a Desirable Environment program.



The Field Services Office makes state government more accessible to citizens of the Commonwealth. Field service representatives travel throughout the Commonwealth of Kentucky and answer citizens' questions, resolve problems, and aid local government officials with their government duties.

The Office of Financial Management and Administrative Services provides agency administrative support. It has responsibility for personnel administration, payroll, purchasing, library management, accounting, and budgeting for the entire agency. The Office provides information technology support for the Department and to local government units.

Within the Office of Financial Management and Administrative Services are the:

- Counties Branch: Relates to the statutory obligations of the State Local Finance Officer and the State Local Debt Officer. The branch annually certifies property tax rates for counties, Local Officials training hours, and the annual cost of living adjustment for all constitutional officers.
- Cities and Special Districts Branch: Provides technical assistance to cities and special districts throughout the Commonwealth so that those municipalities can meet their statutory obligations on ethics ordinances, audits, budgets, Uniform Financial Information Reports (UFIRs), annexations, etc. Additionally, all Special Purpose Governmental Entity reporting is processed through the Branch.

The Office of State Grants promotes economic development in Kentucky's localities. It is responsible for financial management, accounting, and fund allocation and reporting of the Local Government Economic Development Fund (LGEDF) which contains the Local Government Economic Development Program (LGEDP) and the Local Government Economic Assistance Fund (LGEAF) The agency also reviews and approves LGEDF statutory grant applications. In addition, the Office of State Grants oversees additional programs assigned by the General Assembly through the budget and as requested by other State agencies.

## **Policy**

The budget in each fiscal year includes General Fund resources in the base budget for the following:

- \$1,984,000 for the Joint Funding Administration Program in support of the area development districts
- \$257,800 for the support of the Mary Kendall Homes
- \$257,800 for the support of Gateway Juvenile Diversion

The budget includes General Fund in the amount of \$218,000 in fiscal year 2022 for debt service on new bonds included in the capital budget.

The budget includes a contingent General Fund appropriation in House Bill 556 in the amount of \$10,000,000 in fiscal year 2022 for the development in Jefferson County by the West End Opportunity Partnership. The state funds are made available upon verification that the West End Opportunity Partnership received the required \$20,000,000 investment from private sector investors and consolidated local government, with a minimum of \$5,000,000 from the consolidated local government.

The budget includes Restricted Funds in the amount \$500,000 in each fiscal year for the Kentucky Mountain Regional Recreation Authority.

**General Government**  
**Local Government Economic Assistance Fund**

	<b>Revised</b>	<b>Enacted</b>
	<b>FY 2021</b>	<b>FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	21,830,900	21,960,400
Other	-1,385,300	
<b>Total General Fund</b>	<u>20,445,600</u>	<u>21,960,400</u>
<b>TOTAL SOURCE OF FUNDS</b>	<u>20,445,600</u>	<u>21,960,400</u>
<b>EXPENDITURES BY CLASS</b>		
Grants Loans Benefits	<u>20,445,600</u>	<u>21,960,400</u>
<b>TOTAL EXPENDITURES</b>	<u>20,445,600</u>	<u>21,960,400</u>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	<u>20,445,600</u>	<u>21,960,400</u>
<b>TOTAL EXPENDITURES</b>	<u>20,445,600</u>	<u>21,960,400</u>
<b>EXPENDITURES BY UNIT</b>		
County Coal Severance	6,620,300	7,140,300
Cities Coal Severance	735,600	793,400
County Mineral Severance	11,780,700	12,624,000
Cities Mineral Severance	<u>1,309,000</u>	<u>1,402,700</u>
<b>TOTAL EXPENDITURES</b>	<u>20,445,600</u>	<u>21,960,400</u>

The Local Government Economic Assistance Fund (LGEAF) in KRS 42.450-42.495 is a revenue sharing program that was created by the 1980 Regular Session of the General Assembly to return a portion of the coal and minerals severance taxes to local governments in areas where the minerals were extracted. These funds are used by those communities to strengthen and “to improve the environment for new industry and to improve the quality of life of the residents.” Counties that contain industries involved in the production of coal or minerals such as natural gas, oil, and stone and incorporated cities within those counties are eligible to receive LGEAF payments. Likewise, counties and their cities affected by the transportation of coal are eligible to receive a portion of the returned severance taxes.

The LGEAF coal severance tax program currently returns funds to an estimated 48 counties and approximately 128 cities at the end of each fiscal quarter. Kentucky statute that directs 15 percent of the coal severance tax receipts to the LGEAF be distributed to local governments. Quarterly allocations are made to localities according to such criteria as population, income, the amount and distance coal is transported over local areas, and coal severance taxes collected from producers in the county.

Additionally, the LGEAF minerals severance tax program currently returns funds to an estimated 99 counties and approximately 250 cities at the end of each fiscal quarter. Kentucky law directs 50 percent of the other mineral tax receipts (oil, natural gas, and other minerals) to the LGEAF for distribution to local governments. Quarterly allocations are made to localities according to taxes collected from producers in the county.

KRS 42.455(2)(3)(4) governs the allowable uses of LGEAF funds and specifically prohibits the expenditure of LGEAF for the expenses related to the administration of government. Kentucky statute directs that coal “impact” counties must expend 100 percent of funds in the transportation category in accordance with KRS 42.470(1)(c), and that thirty percent of all funds given to coal “producer” counties must be expended on the county coal haul road system.

- Public safety, including law enforcement, fire protection, ambulance service and other related services,
- Environmental protection, including sewage disposal, sanitation, solid waste and other related programs,
- Public transportation, including mass transit systems, streets and roads,
- Health,
- Recreation,
- Libraries and educational facilities,
- Services for the poor, aged, and handicapped,
- Industrial and economic development,
- Vocational education; and
- Workforce.

## Policy

The budget notwithstanding KRS 42.470(1)(a) suspending the statutory severance allocations formula and directs 70 percent of moneys in the Local Government Economic Assistance Fund to be distributed to each coal producing county on the basis of the ratio of coal severed in each respective county to the coal severed statewide. It also suspends KRS 42.470(1)(c), so that no allocation shall be distributed to non-coal producing counties, and suspends KRS 42.455(2) so that no funds appropriated to the Local Government Economic Assistance Fund are required to be spent on the coal haul road system.

The below allocations for costs to administer the assistance fund programs and debt service are funded before allocations to either Local Government Economic Assistance Fund or Local Government Economic Development Fund.

**Off-the-Top Funding Items:** funds are provided for specified uses from General Fund coal severance tax revenues, many resulting from the suspension of KRS 42.450 to 42.495:

- \$669,700 in each fiscal year for the Department for Local Government to administer Local Government Economic Development Fund and Local Government Economic Assistance Fund programs
- \$26,210,600 in fiscal year 2021 and \$24,784,800 in fiscal year 2022 for debt service to the Finance and Administration Cabinet equating to 100 percent of the debt service needed to support bonds authorized in the 2003, 2005, 2008, and 2010 sessions of the General Assembly
- \$1,000,000 transfer in fiscal year 2021 to the General Fund.

**General Government**  
**Local Government Economic Development Fund**

	<b>Revised</b>	<b>Enacted</b>
	<b>FY 2021</b>	<b>FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	12,814,300	18,511,800
Current Year Appropriation	5,049,500	
Other	-700,000	
<b>Total General Fund</b>	<b>17,163,800</b>	<b>18,511,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>17,163,800</b>	<b>18,511,800</b>
<b>EXPENDITURES BY CLASS</b>		
Grants Loans Benefits	17,163,800	18,511,800
<b>TOTAL EXPENDITURES</b>	<b>17,163,800</b>	<b>18,511,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	17,163,800	18,511,800
<b>TOTAL EXPENDITURES</b>	<b>17,163,800</b>	<b>18,511,800</b>
<b>EXPENDITURES BY UNIT</b>		
Economic Development Fund	17,163,800	18,511,800
<b>TOTAL EXPENDITURES</b>	<b>17,163,800</b>	<b>18,511,800</b>

The Local Government Economic Development Fund (LGEDF) is a revenue-sharing program that was created by the 1992 General Assembly to provide coal-producing counties with a means to diversify their economies. The Budget of the Commonwealth provides \$12,814,300 in net General Fund coal severance tax revenues to the LGEDF in fiscal 2020-2021. These funds will be transferred to the LGEDF Single-County accounts to be allocated to projects with the concurrence of the respective county judge/executive, state senator(s), and state representative(s) of each county. If concurrence is not achieved, the fiscal court of each county may apply for grants through the Department for Local Government pursuant to KRS 42.4588. Currently, 28 counties receive allocations to their Single-County account.

**Policy**

The budget notwithstanding KRS 42.450 to 42.495, so that 70 percent of the severance and processing taxes on coal collected annually is transferred to the Local Government Economic Development Fund and 30 percent of the severance and processing taxes on coal collected annually shall be transferred to the Local Government Economic Assistance Fund.

**Off-the-Top Funding Items:** funds are provided for specified uses from General Fund coal severance tax revenues, many resulting from the suspension of KRS 42.450 to 42.495:

- \$669,700 in each fiscal year for the Department for Local Government to administer Local Government Economic Development Fund and Local Government Economic Assistance Fund programs
- \$26,210,600 in fiscal year 2021 and \$24,784,800 in fiscal year 2022 for debt service to the Finance and Administration Cabinet equating to 100 percent of the debt service needed to support bonds authorized in the 2003, 2005, 2008, and 2010 sessions of the General Assembly
- \$1,000,000 transfer in fiscal year 2021 to the General Fund.

**Severance Tax Dedicated Programs 2021-2022**

Using Consensus Forecast Estimate

	FY 2021 Revised	FY 2022 Enacted
<b>Coal Severance Tax Resources</b>		
<b>Coal Severance Tax</b>	<b>52,400,000</b>	<b>51,900,000</b>
Less: DLG LGEDF Admin cost	(669,700)	(669,700)
Less: Debt Service (Past Bond Appropriations)	(26,210,600)	(24,784,800)
Less: General Fund transfer	(1,000,000)	0
<b>Total coal severance tax resources to be distributed</b>	<b>24,519,700</b>	<b>26,445,500</b>

<b>Local Government Economic Assistance Fund (LGEAF) Total Funds</b>		
Coal Severance Tax Revenue	7,355,900	7,933,700
Other Mineral Severance Tax Revenue	13,089,700	14,026,700
<b>Total LGEAF enacted</b>	<b>20,445,600</b>	<b>21,960,400</b>

<b>Local Government Economic Development Fund (LGEDF)</b>		
Coal Severance Tax Revenue	17,163,800	18,511,800
<b>Total LGEDF enacted</b>	<b>17,163,800</b>	<b>18,511,800</b>

**General Government**  
**Local Government Regional Development Agency Assistance Fund**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>Restricted Funds</b>		
Non-Revenue Receipts	6,000,000	6,000,000
<b>Total Restricted Funds</b>	<b>6,000,000</b>	<b>6,000,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>6,000,000</b>	<b>6,000,000</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	6,000,000	6,000,000
<b>TOTAL EXPENDITURES</b>	<b>6,000,000</b>	<b>6,000,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
Restricted Funds	6,000,000	6,000,000
<b>TOTAL EXPENDITURES</b>	<b>6,000,000</b>	<b>6,000,000</b>
<b>EXPENDITURES BY UNIT</b>		
Regional Development Agency Assistance Fund	6,000,000	6,000,000
<b>TOTAL EXPENDITURES</b>	<b>6,000,000</b>	<b>6,000,000</b>

The 2018 General Assembly enacted House Bill (HB) 114, which amended KRS 96.895, created KRS 96.905, and established the Regional Development Agency Assistance Program (RDAAP) and established the Regional Development Agency Assistance Fund in the State Treasury.

The Regional Development Agency Assistance Fund is administered by the Department for Local Government for the purpose of providing funding to agencies that are designated to receive funding in a given fiscal year by the fiscal court of each fund-eligible county through the Regional Development Agency Assistance Fund.

In Fiscal Year 2020, there is a total of \$4,000,000 available for this Program to be allocated among the eligible counties. The funds will be distributed to Industrial Development Authorities (IDAs) established under KRS 154.50-301 to 154.50-346. Funds must be used for economic development and job creation activities pursuant to KRS 96.905 (2). In Fiscal Year 2021, and each subsequent fiscal year, there will be a total of \$6,000,000 available for this program to be allocated among the eligible counties.

Pursuant to KRS 96.905(2), funds obtained under RDAAP shall be used for: Economic development and job creation activities that the agency is empowered to undertake in that county; acquiring federal, state, or private matching funds to the extent possible; and debt service for approved projects. Grants obtained under this program shall not be used for salaries or consulting fees.

**General Government  
Executive Branch Ethics Commission**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	561,600	563,000
<b>Total General Fund</b>	<b>561,600</b>	<b>563,000</b>
<b>Restricted Funds</b>		
Balance Forward	136,600	128,600
Current Receipts	412,000	412,000
<b>Total Restricted Funds</b>	<b>548,600</b>	<b>540,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,110,200</b>	<b>1,103,600</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	872,500	874,000
Operating Expenses	109,100	109,000
<b>TOTAL EXPENDITURES</b>	<b>981,600</b>	<b>983,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	561,600	563,000
Restricted Funds	420,000	420,000
<b>TOTAL EXPENDITURES</b>	<b>981,600</b>	<b>983,000</b>
<b>EXPENDITURES BY UNIT</b>		
Executive Branch Ethics Commission	981,600	983,000
<b>TOTAL EXPENDITURES</b>	<b>981,600</b>	<b>983,000</b>

In accordance with KRS 11A, the Executive Branch Ethics Commission is responsible for reviewing the personal financial interests of the constitutional officers and management personnel in state government in order to prevent conflicts of interest. Additionally, the Commission issues advisory opinions with regard to ethical conduct, investigates and enforces possible violations of the Code, and provides a registration mechanism for executive agency lobbyists.

**Policy**

The budget in each fiscal year requires all penalties collected or received by the Executive Branch Ethics Commission to be deposited in the State Treasury and credited to a trust and agency fund account to be used by the Commission for the cost of conducting administrative hearings.

**General Government  
Secretary of State**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>Restricted Funds</b>		
Balance Forward	8,702,800	5,320,900
Current Receipts	3,795,700	4,310,100
Fund Transfers	-2,000,000	-2,000,000
<b>Total Restricted Funds</b>	<b>10,498,500</b>	<b>7,631,000</b>
<b>Federal Fund</b>		
Current Receipts	221,400	221,400
<b>Total Federal Fund</b>	<b>221,400</b>	<b>221,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>10,719,900</b>	<b>7,852,400</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	4,083,400	4,107,400
Operating Expenses	1,261,600	1,162,500
Capital Outlay	54,000	54,000
<b>TOTAL EXPENDITURES</b>	<b>5,399,000</b>	<b>5,323,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund		
Restricted Funds	5,177,600	5,102,500
Federal Fund	221,400	221,400
<b>TOTAL EXPENDITURES</b>	<b>5,399,000</b>	<b>5,323,900</b>
<b>EXPENDITURES BY UNIT</b>		
General Administration	764,700	754,100
General Operations	4,634,300	4,569,800
<b>TOTAL EXPENDITURES</b>	<b>5,399,000</b>	<b>5,323,900</b>

The Secretary of State, a constitutional officer as provided in Section 91 of the Kentucky Constitution, directs the Department of State of the Commonwealth. KRS 117.015 designates the Secretary of State as the chief Election Officer of the Commonwealth and the chair of the State Board of Elections. In addition, the Secretary of State appoints notaries public; issues Kentucky Colonel Commissions; is the keeper of the Seal of the Commonwealth of Kentucky; and maintains records of all official acts of the Governor as well as all legislation passed by the General Assembly.

The Office of the Secretary of State consists of the following organizational units: the Office of Business; Office of Elections; and the Office of Administration.

The Office of Business is responsible for the registration and incorporation of businesses, both domestic and foreign, profit and non-profit, including the administration of documents of merger, dissolution, and name changes. It also accepts and processes filings for limited liability companies and registered limited liability partnerships. These entities must also file articles of organization with the Secretary of State as well as amendments, mergers and dissolutions.

The Office of Administration is responsible for executive policy and management functions for the entire office. It prepares and records official documents for the Governor; administers Kentucky's notary public law; issues commissions, pardons, commutations, and extraditions; processes service of summonses; and implements the election laws of the Commonwealth.

The State Land Office is also under the supervision of the Secretary of State. It preserves Kentucky's land grant records and fulfills daily inquiries and requests for copies of those records. It files city annexations and incorporations, state deeds, and new land patents, and it provides the public with certified copies of land surveys, grants, and military warrants. The restoration process consists of indexing, de-acidifying, laminating, and bonding, thus safely preserving Kentucky's original land grants.

**Policy**

The budget in each fiscal year replaced all General Fund appropriations with Restricted Funds generated by the Secretary of State.



**General Government  
Board of Elections**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	6,206,500	3,326,600
<b>Total General Fund</b>	<b>6,206,500</b>	<b>3,326,600</b>
<b>Restricted Funds</b>		
Balance Forward	677,800	400,300
Current Receipts	1,911,000	144,600
<b>Total Restricted Funds</b>	<b>2,588,800</b>	<b>544,900</b>
<b>Federal Fund</b>		
Balance Forward	19,145,000	12,967,600
Current Receipts	40,000	40,000
CRF Receipts	7,178,000	
<b>Total Federal Fund</b>	<b>26,363,000</b>	<b>13,007,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>35,158,300</b>	<b>16,879,100</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	1,829,100	1,834,300
Operating Expenses	1,907,100	762,500
Grants Loans Benefits	18,054,200	2,805,600
<b>TOTAL EXPENDITURES</b>	<b>21,790,400</b>	<b>5,402,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	6,206,500	3,326,600
Restricted Funds	2,188,500	246,000
Federal Fund	13,395,400	1,829,800
<b>TOTAL EXPENDITURES</b>	<b>21,790,400</b>	<b>5,402,400</b>
<b>EXPENDITURES BY UNIT</b>		
General Administration and Support	4,597,700	1,658,800
State Share of County Election Expenses	1,883,000	
State Share of Voter Registration Expenses	1,717,800	1,717,800
Election Fund	13,591,900	2,025,800
<b>TOTAL EXPENDITURES</b>	<b>21,790,400</b>	<b>5,402,400</b>

The State Board of Elections administers the election laws of the state pursuant to KRS Chapters 116, 117, 118, 118A, 119, and 120; supervises the registration and purgation of voters; appoints the political party representatives to the 120 county boards of elections; and certifies official election results.

The State Board of Elections consists of 10 members, pursuant to KRS 117.015. The Secretary of State serves as the chief election official for the Commonwealth and is a non-voting board member. There are 8 voting members appointed by the Governor, and an executive director is appointed by the Board who serves as the chief administrative officer for the Board. The executive director may vote only to break a tie regarding selection of the chair of the board.

**General Administration and Support**

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

The State Board of Elections' online Election Night Tally System provides up-to-the-minute, unofficial election results on all candidates who file with the state.

**State Share of County Election Expenses**

The State Share of County Election Expenses program reimburses county fiscal courts the state's share of county election expenses pursuant to KRS 117.345(2).

The state currently has 3,692 precincts with over 3 million registered voters. The number of precincts increases as voter registration totals increase and as reapportionment of county commissioner/magisterial districts and congressional and state redistricting occur.

### **State Share of Voter Registration Expenses**

The State Board of Elections remits payment to county clerks for newly registered voters pursuant to KRS 116.145. There is a significant increase of newly registered voters in years that county and presidential candidates are on the ballot.

The State Board of Elections remits reimbursement to county clerks an amount not to exceed fifty cents (\$0.50) per registered voter in the county per year for the cost of employing office personnel necessary for the conduct of elections, including the registration and purgation of voters in the county pursuant to KRS 117.343 and KRS 116.112(7).

### **Election Fund**

The Help America Vote Act (HAVA) became law in 2002. The Act imposed new election requirements on states and called for the upgrade of voting machines to be in compliance by January 1, 2006.

The Commonwealth initially received \$32.9 million in federal funds to carry out the requirements of HAVA, which were matched with state funds at a rate of five percent. The funds were used for the purchase of voting equipment, voter education, poll worker training, and enhancement of the statewide voter registration system. On December 8, 2006 the Board adopted the 2006 Amended State Plan, which indicated that the Commonwealth was in compliance with the requirements of HAVA.

### **Policy**

The budget includes additional General Fund in the amount of \$1,000,000 in fiscal year 2021 to match Federal Help America Vote Act (HAVA) Funds.

**General Government  
Registry of Election Finance**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	1,541,300	1,543,300
<b>Total General Fund</b>	1,541,300	1,543,300
<b>TOTAL SOURCE OF FUNDS</b>	1,541,300	1,543,300
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	1,453,500	1,457,700
Operating Expenses	87,800	85,600
<b>TOTAL EXPENDITURES</b>	1,541,300	1,543,300
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	1,541,300	1,543,300
<b>TOTAL EXPENDITURES</b>	1,541,300	1,543,300
<b>EXPENDITURES BY UNIT</b>		
Registry of Election Finance	1,541,300	1,543,300
<b>TOTAL EXPENDITURES</b>	1,541,300	1,543,300

The role of the Kentucky Registry of Election Finance is to ensure the integrity of the Commonwealth’s electoral process by making certain there is full public access to campaign financial data and financial disclosure reports, and by administering Kentucky’s campaign finance laws.

Under KRS Chapter 121, Kentucky’s campaign finance laws apply to all candidates for public office, except federal office, as well as political issues committees, permanent committees, state and local party executive committees, inaugural committees, and caucus campaign committees. The Registry also receives, compiles, and maintains financial disclosure reports of elected officials and candidates for specified offices as provided in KRS Chapter 61.

Regulatory functions of the Registry include: educating candidates and committees on campaign finance laws; ensuring compliance with campaign finance reporting requirements, including the timely filing of campaign finance reports; providing the means for electronic reporting of campaign finance data; conducting desk reviews and random audits; investigating complaints; and adjudicating charges of administrative violations of campaign finance laws.

The Registry’s public disclosure role is a key component of the campaign finance laws. Registry employees routinely work with members of the public and the media to fill open records requests and to assist in On-line Searchable Database searches.

Pursuant to KRS 121.170(5), the Registry receives copies of reports filed with the Federal Election Commission by federally registered out-of-state permanent committees that contribute to Kentucky candidates. These and the reports of other candidates and committees who are required to file with the Federal Election Commission may be viewed at the Registry’s office in Frankfort pursuant to 2 U.S.C. Section 439(c).

**General Government  
Attorney General**

	<b>Revised</b>	<b>Enacted</b>
	<b>FY 2021</b>	<b>FY 2022</b>

**SOURCE OF FUNDS**

**General Fund**

Regular Appropriation	12,473,700	12,860,100
Special Appropriation		1,500,000
<b>Total General Fund</b>	12,473,700	14,360,100

**Tobacco Fund**

Tobacco Settlement - Phase I	150,000	150,000
<b>Total Tobacco Fund</b>	150,000	150,000

**Restricted Funds**

Balance Forward	9,803,200	6,679,600
Current Receipts	7,368,100	10,862,600
Non-Revenue Receipts	8,059,900	8,043,400
Fund Transfers	-500,000	
<b>Total Restricted Funds</b>	24,731,200	25,585,600

**Federal Fund**

Balance Forward	-468,500	
Current Receipts	5,457,500	6,003,900
<b>Total Federal Fund</b>	4,989,000	6,003,900

**TOTAL SOURCE OF FUNDS**

	42,343,900	46,099,600
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**EXPENDITURES BY CLASS**

Personnel Costs	25,189,100	29,300,700
Operating Expenses	3,957,800	3,899,800
Grants Loans Benefits	6,315,900	6,315,900
Debt Service	127,000	
Capital Outlay	74,500	74,500
<b>TOTAL EXPENDITURES</b>	35,664,300	39,590,900

**EXPENDITURES BY FUND SOURCE**

General Fund	12,473,700	14,360,100
Tobacco Fund	150,000	150,000
Restricted Funds	18,051,600	19,086,700
Federal Fund	4,989,000	5,994,100
<b>TOTAL EXPENDITURES</b>	35,664,300	39,590,900

**EXPENDITURES BY UNIT**

Administrative Services	2,580,000	3,019,500
Criminal Services	13,165,100	13,526,000
Uninsured Employers Fund	7,251,600	7,227,900
Solicitor General	4,185,000	4,146,200
Advocacy Services	374,400	
Civil Division	8,108,200	11,671,300
<b>TOTAL EXPENDITURES</b>	35,664,300	39,590,900

The Attorney General has the statutory responsibility (KRS 15.020) to act as the chief law officer for the Commonwealth. This involves a wide and diverse range of responsibilities and duties, the power to investigate matters and other legal activities, including representation, on behalf of the Commonwealth.

The Office of Administrative Services provides the administrative support network for agency operations including budget, personnel and payroll, fiscal services, procurement services, ADA, Title VI and EEO programs, employee training, federal grant administration, audit coordination and operation management.

In accordance with Senate Bill 160 of the 2020 Regular Session, Executive Order 2020-01 reorganized the structure of the Attorney General's Office and was effective July 16, 2020.

The Civil Division is newly created and includes the offices of Consumer Protection, Senior Protection, and Civil and Environmental Law. The Civil Division restructuring centralizes all civil litigation of the Office of Attorney General and to provide a more detailed level of oversight as it relates to such litigation.

The Criminal Division is restructured to include the Department of Criminal Investigations, Office of Medicaid Fraud and Abuse Control, Office of Prosecutors Advisory Council, and Office of Trafficking and Abuse Prevention. The Criminal Division restructuring centralizes and provides a more detailed level of oversight as it relates to such litigation and investigations.

The Office of Solicitor General is created to centralize and provide a detailed level of oversight for appellate litigation.

The Uninsured Employers Fund is part of the Kentucky Workers Compensation Program and KRS 342.760 directs the Attorney General's office to serve as legal representation for the Fund in all claims made against it or on its behalf. The Uninsured Employer's Fund is responsible for payment of Workers' Compensation to employees when the employer does not have Workers' Compensation insurance.

### **Policy**

The budget includes additional General Fund in the amount of \$500,000 in fiscal year 2022 for security for the Attorney General.

The budget includes additional General Fund in the amount of \$1,500,000, restricted funds in the amount of \$1,500,000 and \$1,000,000 in federal funds for additional personnel. (HB 405 section 5, 2021 Regular Session).

**General Government  
Commonwealth's Attorneys**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	60,413,100	60,494,200
<b>Total General Fund</b>	<b>60,413,100</b>	<b>60,494,200</b>
<b>Restricted Funds</b>		
Balance Forward	3,524,000	1,840,800
Current Receipts	4,375,000	4,475,000
Non-Revenue Receipts	60,000	60,000
<b>Total Restricted Funds</b>	<b>7,959,000</b>	<b>6,375,800</b>
<b>Federal Fund</b>		
Balance Forward	-324,500	
Current Receipts	1,081,300	777,800
<b>Total Federal Fund</b>	<b>756,800</b>	<b>777,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>69,128,900</b>	<b>67,647,800</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	60,578,100	60,728,800
Operating Expenses	6,137,500	6,111,500
Grants Loans Benefits	272,500	266,500
Capital Outlay	300,000	300,000
<b>TOTAL EXPENDITURES</b>	<b>67,288,100</b>	<b>67,406,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	60,413,100	60,494,200
Restricted Funds	6,118,200	6,134,800
Federal Fund	756,800	777,800
<b>TOTAL EXPENDITURES</b>	<b>67,288,100</b>	<b>67,406,800</b>
<b>EXPENDITURES BY UNIT</b>		
Commonwealth's Attorneys	67,288,100	67,406,800
<b>TOTAL EXPENDITURES</b>	<b>67,288,100</b>	<b>67,406,800</b>

Established by Section 99;100 of the Kentucky Constitution, the Commonwealth's Attorneys program is made up of 57 elected Commonwealth's Attorneys and their staffs, one for each judicial circuit. Currently 52 circuits have full-time Commonwealth's Attorneys, with the remaining circuits with part-time attorneys. Commonwealth's Attorneys are responsible for all felony prosecutions, including those prosecutions in which the penalty of death may be imposed upon the defendant. The prosecution of each felony requires a thorough investigation that involves extensive research and trial preparation by the prosecutor. Witness interviews, grand jury presentations, motions (including post-conviction motions), conferences, plea-bargaining, case studies, continuing legal education and participation on multi-disciplinary teams are a part of each prosecutor's responsibility in representing the Commonwealth and citizens of Kentucky as the state's attorney.

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

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

**General Government  
County Attorneys**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	53,518,500	56,153,400
<b>Total General Fund</b>	<b>53,518,500</b>	<b>56,153,400</b>
<b>Restricted Funds</b>		
Balance Forward	1,139,700	961,300
Current Receipts	780,000	767,000
<b>Total Restricted Funds</b>	<b>1,919,700</b>	<b>1,728,300</b>
<b>Federal Fund</b>		
Balance Forward	116,700	116,600
Current Receipts	1,025,100	1,032,600
<b>Total Federal Fund</b>	<b>1,141,800</b>	<b>1,149,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>56,580,000</b>	<b>59,030,900</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	52,617,700	55,274,400
Operating Expenses	2,884,400	2,867,500
<b>TOTAL EXPENDITURES</b>	<b>55,502,100</b>	<b>58,141,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	53,518,500	56,153,400
Restricted Funds	958,400	963,300
Federal Fund	1,025,200	1,025,200
<b>TOTAL EXPENDITURES</b>	<b>55,502,100</b>	<b>58,141,900</b>
<b>EXPENDITURES BY UNIT</b>		
County Attorneys	55,502,100	58,141,900
<b>TOTAL EXPENDITURES</b>	<b>55,502,100</b>	<b>58,141,900</b>

Established in Sections 99 and 100 of the Kentucky Constitution, the offices of the County Attorney are present in each of the 120 counties of the Commonwealth. Pursuant to KRS 15.725(2), each County Attorney attends the district court in the respective county and prosecutes all violations of criminal and penal laws within the jurisdiction of that district court. In accordance with KRS 15.735, County Attorneys also serve as special prosecutors in cases where the elected prosecutors have been disqualified.

Criminal cases at the district level include felonies (until the case is transferred to circuit court), misdemeanors, juvenile cases, and traffic cases. County Attorneys prosecute the majority of DUI cases. Most counties have Family Court, Drug Court, and/or Truancy Court requiring representation from the Office of the County Attorney. The County Attorney receives numerous criminal complaints from local law enforcement and the general public and frequently mediates local complaints so many of the services provided may never appear on a court docket. County Attorneys are also required to participate on multi-disciplinary teams involving child sexual abuse cases.

**Policy**

The budget includes General Fund in the amount of \$2,520,500 to cover each County Attorneys office's share of the anticipated increase in retirement costs over the employer's fiscal year 2019-2020 baseline contribution as outlined in the fiscal note for 2021 Regular Session's House Bill 8.

**General Government**

**Treasury**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	2,411,800	2,664,600
<b>Total General Fund</b>	<b>2,411,800</b>	<b>2,664,600</b>
<b>Restricted Funds</b>		
Balance Forward	512,500	540,800
Current Receipts	28,300	28,300
Non-Revenue Receipts	1,848,400	1,845,700
<b>Total Restricted Funds</b>	<b>2,389,200</b>	<b>2,414,800</b>
<b>Federal Fund</b>		
Current Receipts	1,254,800	1,248,300
<b>Total Federal Fund</b>	<b>1,254,800</b>	<b>1,248,300</b>
<b>Road Fund</b>		
Regular Appropriation	250,600	
<b>Total Road Fund</b>	<b>250,600</b>	
<b>TOTAL SOURCE OF FUNDS</b>	<b>6,306,400</b>	<b>6,327,700</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	4,436,300	4,421,100
Operating Expenses	631,100	641,900
Grants Loans Benefits	659,300	655,700
Capital Outlay	38,900	38,900
<b>TOTAL EXPENDITURES</b>	<b>5,765,600</b>	<b>5,757,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	2,411,800	2,664,600
Restricted Funds	1,848,400	1,845,700
Federal Fund	1,254,800	1,247,300
Road Fund	250,600	
<b>TOTAL EXPENDITURES</b>	<b>5,765,600</b>	<b>5,757,600</b>
<b>EXPENDITURES BY UNIT</b>		
General Administration and Support	1,529,000	1,568,700
Disbursements and Accounting	977,100	939,600
Abandoned Property Administration	1,848,400	1,845,700
Commonwealth Council on Developmental Disabilities	1,411,100	1,403,600
<b>TOTAL EXPENDITURES</b>	<b>5,765,600</b>	<b>5,757,600</b>

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

The State Treasurer, a constitutional officer as provided in Section 91 of the Kentucky Constitution, heads the Treasury Department. The Treasurer also serves on the Kentucky Lottery Board, the Kentucky Higher Education Assistance Board, as trustee of the Kentucky Teachers' Retirement System, the Deferred Compensation Authority, as Chair of the Kentucky Financial Empowerment Commission, and is Vice-Chair of the State Investment Commission. The Treasury Department is also responsible for administering the federal "Achieving a Better Life Experience", or STABLE, Kentucky program and provides administrative services to the Commonwealth Council on Developmental Disabilities, including the drawdown of federal funds. The Treasury Department reviews and records all investment transactions of the Commonwealth.

The General Administration and Support Division provides management support for Treasury including: fiscal control, personnel administration, and policy development and implementation. The Division issues over 4,200,000 checks and stubs each year, sends over 7,700,000 ACH payments, reconciles the various Commonwealth bank accounts, reconciles daily with the State Depository, administers and records court-ordered withholdings, and produces wire transfers for state government.



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

The Unclaimed Property Division is responsible for administering the provisions of KRS Chapters 393 and 393A related to escheats. This program receives unclaimed property reports from holders and potential holders of unclaimed property, collects unclaimed property, pursues the location and collection of the property, and attempts to locate the rightful property owner.

The Kentucky Commonwealth Council on Developmental Disabilities is administratively attached to the Kentucky State Treasurer. The Council is made up of 26 members appointed by the Governor and state agency representatives as defined in KRS 41.410(3).

The Council promotes systems change, capacity building and advocacy for individuals with developmental disabilities (self-advocates). The Council represents the interests of all Kentuckians who have developmental disabilities and their families. The Council funds time-limited demonstration projects and engages in outreach activities to assist individuals with developmental disabilities and their families.

### **Policy**

Restricted Funds are provided in accordance with KRS 393.250 for the administration of the Unclaimed Property program in the amount of \$1,848,400 in fiscal year 2021 and \$1,845,700 in fiscal year 2022. This action reflects the movement of available off-budget Restricted Funds to on-budget status to support ongoing activities of the program.

Road Fund moneys in the amount of \$250,600 is included in fiscal year 2021 to support the central check writing system and other central administrative responsibilities of state government.

The fiscal year 2022 budget replaced Road Fund with General Fund in the amount of \$250,600.

**General Government  
Agriculture**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	16,822,000	18,842,800
Continuing Approp-General Fund	7,700	
<b>Total General Fund</b>	<b>16,829,700</b>	<b>18,842,800</b>
<b>Tobacco Fund</b>		
Tobacco Settlement - Phase I	500,000	35,468,800
<b>Total Tobacco Fund</b>	<b>500,000</b>	<b>35,468,800</b>
<b>Restricted Funds</b>		
Balance Forward	15,560,200	10,464,600
Current Receipts	7,825,000	7,779,400
Non-Revenue Receipts	1,442,100	1,649,500
<b>Total Restricted Funds</b>	<b>24,827,300</b>	<b>19,893,500</b>
<b>Federal Fund</b>		
Current Receipts	12,817,300	8,664,200
<b>Total Federal Fund</b>	<b>12,817,300</b>	<b>8,664,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>54,974,300</b>	<b>82,869,300</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	23,446,900	25,032,900
Operating Expenses	6,504,600	6,985,600
Grants Loans Benefits	13,540,800	37,490,300
Capital Outlay	1,017,400	5,803,800
<b>TOTAL EXPENDITURES</b>	<b>44,509,700</b>	<b>75,312,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	16,829,700	18,842,800
Tobacco Fund	500,000	35,468,800
Restricted Funds	14,362,700	12,336,800
Federal Fund	12,817,300	8,664,200
<b>TOTAL EXPENDITURES</b>	<b>44,509,700</b>	<b>75,312,600</b>
<b>EXPENDITURES BY UNIT</b>		
Strategic Planning and Administration	6,756,000	7,064,100
Motor Fuel Inspection and Testing	157,400	154,400
Consumer and Environmental Programs	21,713,100	17,789,800
State Veterinarian	4,277,800	4,042,800
Animal Control	135,700	128,000
Agriculture Development - Statewide MSA Admin		35,068,800
Farmland Preservation	253,000	3,000
Agriculture Marketing and Product Promotion	11,216,700	11,061,700
<b>TOTAL EXPENDITURES</b>	<b>44,509,700</b>	<b>75,312,600</b>

The Department of Agriculture, as defined in KRS Chapter 246, is headed by the Commissioner of Agriculture, a Constitutional Officer. The State Board of Agriculture, appointed by the Governor, acts as an advisory body to the elected Commissioner.

The Office of the Commissioner provides leadership and management for the Department, and includes the Division of Public Relations. The Office for Strategic Planning and Administration is responsible for personnel functions, budgeting, financial operation, and information technology systems.

The Office for Consumer and Environmental Protection directs programs which have a direct bearing on agricultural

revenue. The Office conducts the grain regulation program, certifies all sales made by solid weight or liquid volume, licenses egg wholesalers, and inspects amusement rides operating within the Commonwealth. Duties include the distribution of commodity foods to qualifying institutions and individuals on behalf of the United States Department of Agriculture. This office is responsible for conducting various pest and noxious weed control programs, enforcing federal and state laws and regulations pertaining to the control of pesticide use and application, and liaison between the regulator and those being regulated.

The Office of State Veterinarian protects the livestock industry pursuant to KRS Chapter 257. Its primary function is the prevention and eradication of animal disease, and to ensure the health of the state's multi-billion dollar animal agriculture industries. It enforces Kentucky's statutes on animal importation and movement, and provides numerous other services to the livestock and poultry industries.

The Office for Agricultural Marketing and Product Promotion develops and manages programs which promote Kentucky-produced agricultural products, including grading and inspecting specific products and commodities and reporting market news. Responsibilities of this office include the research and development of new and expanded outlets for Kentucky's agricultural products, agricultural education, agritourism development, farm safety, administration of the Shows and Fairs Promotion Division, and farmland preservation. The Office is also responsible for providing testing services for hay and other forages essential for Kentucky's livestock industries.

The 2021 General Assembly passed Senate Bill 3, which abolished the Governor's Office of Agriculture Policy and created the Kentucky Office of Agricultural Policy (KOAP). KOAP is a direct link to the Commonwealth's agricultural industry. The Kentucky Agricultural Development Board and the Kentucky Agricultural Finance Corporation are staffed by the employees in this Office. The Kentucky Agricultural Development Board hires an Executive Director to carry out the duties of the board, while also serving as the Executive Director of the Kentucky Agricultural Finance Corporation.

The Kentucky Agricultural Development Board, authorized in KRS 248.707, distributes funds received by the Commonwealth from the Tobacco Master Settlement Agreement (Phase I money). The Board invests in innovative proposals that increase net farm income and assists tobacco farmers and tobacco-impacted communities by stimulating markets, finding new ways to add value to existing products, and promoting diversification of Kentucky's agricultural economy.

The Agricultural Development Board has sixteen members, described in KRS 248.707(2). They are the Commissioner of Agriculture, the Governor, Secretary of the Cabinet for Economic Development, Director of the University of Kentucky Cooperative Extension Service and President of Kentucky State University, along with eleven members appointed by the Commissioner to staggered terms. Those appointees include representatives of the Kentucky Farm Bureau, the Kentucky Chamber of Commerce, an attorney, an agricultural lender, and seven active farmers. The Commissioner serves as Chair.

Pursuant to KRS 248.703 half of Kentucky's tobacco settlement receipts are allocated to the Agricultural Development Fund. That amount is further divided between a counties account for county level grants and a state account for investments that have a regional or statewide purpose. From the state account, the General Assembly has appropriated debt service for bonds to support farmland preservation and safe drinking water, water and sewer infrastructure projects, livestock diagnostic lab design and construction, improvements to 4-H camps and FFA Leadership Center, and funding for land conservation programs. A portion of funds received into the Agriculture Development Fund are allocated for projects at the county level. The specific funding level of a county is dependent upon its tobacco-production dependency in relation to other counties within the state as described in KRS 248.703(3). One hundred and eighteen of Kentucky's 120 counties receive a portion of county allocation. Each county has a council of local agriculture leaders who consider applications for grants from the county's share of funds and prioritizes them for the Agricultural Development Board, which has the final grant authority for each county's funds. The Board has developed several programs in which counties may participate. Funds are provided as matching grants.

In addition to their work with the Kentucky Agricultural Development Fund, personnel at KOAP provide staffing for the Kentucky Agricultural Finance Corporation. The Kentucky Agricultural Finance Corporation is a de jure municipal corporation created in KRS 247.944 to provide access to capital for farmers and other agricultural enterprises. The mission of the Corporation board is to strengthen Kentucky agriculture by providing access to low interest loan programs through joint partnerships with local lending institutions. KAFCC assists beginning farmers, farm families, and agribusinesses obtain the necessary capital to establish, maintain, or expand their agricultural operation. The Commissioner of the Kentucky Department of Agriculture serves as the Chair and the Secretary of the Finance Cabinet serves as another statutory member. The Commissioner appoints the remaining ten board members who represent various agricultural sectors.

**Policy**

The budget includes General Fund in the amount of \$300,000 in each fiscal year to support capital improvement grants to the Local Agricultural Farm Aid Program.

The budget includes additional General Fund in the amount of \$762,700 in fiscal year 2021 and \$753,700 in fiscal year 2022 for operating costs.

**General Government**  
**Auditor of Public Accounts**

	<b>Revised</b>	<b>Enacted</b>
	<b>FY 2021</b>	<b>FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	7,787,000	7,788,900
<b>Total General Fund</b>	<b>7,787,000</b>	<b>7,788,900</b>
<b>Restricted Funds</b>		
Balance Forward	1,506,600	1,543,200
Current Receipts	11,963,200	11,927,900
<b>Total Restricted Funds</b>	<b>13,469,800</b>	<b>13,471,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>21,256,800</b>	<b>21,260,000</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	18,365,500	18,132,024
Operating Expenses	1,348,100	1,226,176
<b>TOTAL EXPENDITURES</b>	<b>19,713,600</b>	<b>19,358,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	7,787,000	7,788,900
Restricted Funds	11,926,600	11,569,300
<b>TOTAL EXPENDITURES</b>	<b>19,713,600</b>	<b>19,358,200</b>
<b>EXPENDITURES BY UNIT</b>		
Auditor of Public Accounts	1,780,000	1,794,900
Financial Audit	15,822,100	15,316,000
Technology and Specialized Audits	2,111,500	2,247,300
<b>TOTAL EXPENDITURES</b>	<b>19,713,600</b>	<b>19,358,200</b>

The Auditor of Public Accounts is the constitutional officer responsible for auditing all state agencies and county governments, pursuant to KRS Chapter 43. Statutory responsibility requires the Auditor's Office to examine the state general accounts, the accounts of all state agencies, all private and semi-private agencies receiving or handling state funds, all state revenue collections, funds contained in each county's budget, and the accounts and papers of all county clerks and sheriffs. The Auditor must examine the management and control of all institutions and public works in which the state has financial interest or legal power.

The Auditor's Office is responsible for assisting state and local officials in establishing and maintaining proper accounting records, internal controls, and administrative controls over public funds. The Office responds to requests from public officials, the general public, the Legislative Research Commission, and the Governor's Office concerning financial and program matters, special audits, and investigations. Also, the Auditor of Public Accounts has primary responsibility for auditing nearly \$9 billion in federal funds expended in state and county governments.

The Auditor of Public Accounts has three program areas: Administration, State and Local Government Audits, and Special Examinations.

The Administration area includes the Office of the State Auditor, the Office of the Assistant State Auditor, the Office of Legal and Records Services, and the Office of Planning and Management. All policy, budget, fiscal, legal, and personnel duties are performed within the Administration area.

State and Local Government Audits is responsible for financial audits of state agency transactions, pursuant to KRS 43.050, and of county officials such as fiscal courts, sheriffs, county clerks, property valuation administrators, county attorneys, and circuit clerks per KRS 43.070. Audits of major federal programs performed in accordance with the Single Audit Act of 1984 (amended in 1996) as enacted by the United States Congress are also performed by this office. Collectively, these audits identify significant waste, fraud, and abuse, and have led to numerous law enforcement referrals.

Special Examinations is responsible for maintaining internal technology systems, and for performing audits of significant information technology systems, special examinations, and performance audits of public entities to increase the effectiveness and reduce the cost of the delivery of services.

**Policy**

The budget provides General Fund in the amount of \$2,000,000 for additional personnel in each fiscal year.

**General Government  
Personnel Board**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>Restricted Funds</b>		
Balance Forward	484,600	234,600
Current Receipts	625,000	625,000
<b>Total Restricted Funds</b>	1,109,600	859,600
<b>TOTAL SOURCE OF FUNDS</b>	1,109,600	859,600
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	760,700	738,500
Operating Expenses	114,300	117,500
<b>TOTAL EXPENDITURES</b>	875,000	856,000
<b>EXPENDITURES BY FUND SOURCE</b>		
Restricted Funds	875,000	856,000
<b>TOTAL EXPENDITURES</b>	875,000	856,000
<b>EXPENDITURES BY UNIT</b>		
Personnel Board	875,000	856,000
<b>TOTAL EXPENDITURES</b>	875,000	856,000

Created by the 1982 General Assembly, the Personnel Board is composed of seven members. The Governor appoints five, and two are classified employees elected by their colleagues. Pursuant to KRS 18A.0551, elections for the two classified employee members of the Board are held every four years.

The Personnel Board serves in a quasi judicial capacity and assists the Personnel Cabinet in the development of administrative regulations pertaining to the classified service. The Board administers the appeals process of applicants for classified positions and conducts hearings for any non-probationary employee who is dismissed, demoted, suspended, or otherwise penalized for cause.

**Policy**

The Personnel Board will coordinate with the Finance and Administration Cabinet to assess each agency of the Executive Branch under KRS 18A for the costs of operating the Board based upon the authorized permanent full-time positions of each agency as of July 1.

**General Government  
Kentucky Retirement Systems**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	384,000	
<b>Total General Fund</b>	<b>384,000</b>	
<b>Restricted Funds</b>		
Non-Revenue Receipts	48,888,200	48,005,500
<b>Total Restricted Funds</b>	<b>48,888,200</b>	<b>48,005,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>49,272,200</b>	<b>48,005,500</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	40,450,900	39,568,200
Operating Expenses	8,437,300	8,437,300
Grants Loans Benefits	384,000	
<b>TOTAL EXPENDITURES</b>	<b>49,272,200</b>	<b>48,005,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	384,000	
Restricted Funds	48,888,200	48,005,500
<b>TOTAL EXPENDITURES</b>	<b>49,272,200</b>	<b>48,005,500</b>
<b>EXPENDITURES BY UNIT</b>		
Kentucky Retirement Systems	49,272,200	48,005,500
<b>TOTAL EXPENDITURES</b>	<b>49,272,200</b>	<b>48,005,500</b>

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

Kentucky Retirement Systems is administered by a seventeen-member board of trustees consisting of the Secretary of the Personnel Cabinet, ten members appointed by the Governor, and six members elected by employees and retirees of the three retirement systems. The Board is responsible for the collection and investment of contributions. Members of the Board are considered fiduciaries and are required to administer the funds in the sole interest of the members and beneficiaries of the systems. The Board is required to invest the funds under the "prudent person" rule. Investments are diversified among common stocks, government and private bonds, real estate and cash equivalents. An actuarial valuation is conducted each year to determine the funding status of the three systems, and an annual independent audit is performed as well.

Employers contribute a percentage of gross payroll recommended by the actuarial valuation. Pursuant to KRS 61.565 the General Assembly shall pay the full actuarially required contribution rate. Employees contribute at a fixed rate set in the statutes. The assets of the system are considered trust funds. All expenses are paid from the trust.

Restricted Funds providing for the operations of the Kentucky Retirement Systems are transferred from trust funds held by the System for the benefit of members and beneficiaries. The trust funds include investment earnings, employee contributions, and employer contributions from agencies supported by the General Fund, the Road Fund, Federal Funds, and Restricted Funds.

**Policy**

The budget includes General Fund in the amount of \$384,000 in fiscal year 2021 in a direct appropriation for the unfunded liabilities of the State Police Retirement System.



**General Government**  
**Occupational & Professional Boards & Commissions**

	<b>Revised</b>	<b>Enacted</b>
	<b>FY 2021</b>	<b>FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>Restricted Funds</b>		
Balance Forward	30,305,400	29,342,100
Current Receipts	26,129,100	25,229,500
Non-Revenue Receipts	-94,400	
<b>Total Restricted Funds</b>	<b>56,340,100</b>	<b>54,571,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>56,340,100</b>	<b>54,571,600</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	22,088,000	21,621,000
Operating Expenses	4,413,000	4,419,400
Grants Loans Benefits	497,000	497,000
<b>TOTAL EXPENDITURES</b>	<b>26,998,000</b>	<b>26,537,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
Restricted Funds	26,998,000	26,537,400
<b>TOTAL EXPENDITURES</b>	<b>26,998,000</b>	<b>26,537,400</b>
<b>EXPENDITURES BY UNIT</b>		
Accountancy	673,300	658,300
Certification of Alcohol and Drug Counselors	180,200	180,200
Applied Behavior Analysis Licensing	39,600	39,600
Architects	474,500	454,700
Certification for Professional Art Therapists	11,200	11,200
Barbering	465,400	457,400
Chiropractic Examiners	377,900	377,900
Dentistry	939,600	923,100
Diabetes Educators	29,300	29,300
Licensure & Cert. for Dietitians & Nutritionists	93,900	93,900
Embalmers and Funeral Directors	498,300	487,800
Licensure for Prof. Engineers and Land Surveyors	1,772,200	1,738,300
Certification of Fee-Based Pastoral Counselors	3,600	3,600
Registration for Professional Geologists	109,000	109,000
Kentucky Board of Cosmetology	1,936,900	1,903,700
Specialists in Hearing Instruments	78,000	78,000
Interpreters for the Deaf and Hard of Hearing	38,200	38,200
Examiners & Registration of Landscape Architects	80,700	79,300
Licensure of Marriage and Family Therapists	133,600	133,600
Licensure for Massage Therapy	151,500	150,500
Medical Imaging and Radiation Therapy	443,800	466,300
Medical Licensure	3,550,900	3,473,500
Nursing	8,924,800	8,764,100
Licensure for Nursing Home Administrators	101,100	101,100
Licensure for Occupational Therapy	211,600	211,600
Ophthalmic Dispensers	71,400	71,400
Optometric Examiners	221,800	205,700
Pharmacy	2,568,200	2,505,400
Physical Therapy	673,500	660,700

**EXPENDITURES BY UNIT**

Podiatry	46,500	46,500
Private Investigators	113,700	113,700
Licensed Professional Counselors	310,800	310,800
Prosthetics, Orthotics and Pedorthics	46,200	46,200
Examiners of Psychology	256,400	256,400
Veterinary Examiners	525,000	525,000
Respiratory Care	251,900	245,800
Social Work	370,600	362,700
Speech-Language Pathology and Audiology	222,900	222,900
<b>TOTAL EXPENDITURES</b>	<u>26,998,000</u>	<u>26,537,400</u>

The thirty-eight occupational, professional and regulatory boards and commissions were created to safeguard the life, health, safety and welfare of the people of the Commonwealth who avail themselves of the services that are licensed or regulated by these boards. Board members are appointed by the Governor and represent both industry and consumer interests.

Common objectives of the boards and commissions are to examine and license all qualified applicants, enforce ethical, legal and professional standards and regulations, ensure compliance with licensure requirements and administer programs in an efficient manner. The boards and commissions operate solely from agency receipts.

Twenty-one of the boards and commissions employ the services of the Department of Professional Licensing established in KRS 324B.020 within the Public Protection Cabinet to perform their administrative functions. Department of Professional Licensing executes administrative support services including but not limited to applications and renewals, preparation of board meeting materials, database entry, maintenance of board records and files, preparation of correspondence, administration of examinations and communications with the public regarding board activity and functions.

**General Government  
Kentucky River Authority**

<b>Revised</b>	<b>Enacted</b>
<b>FY 2021</b>	<b>FY 2022</b>

<b>SOURCE OF FUNDS</b>	<b>Revised</b>	<b>Enacted</b>
	<b>FY 2021</b>	<b>FY 2022</b>
<b>General Fund</b>		
Regular Appropriation	288,500	288,300
<b>Total General Fund</b>	288,500	288,300
<b>Restricted Funds</b>		
Balance Forward	7,674,600	2,822,000
Current Receipts	6,965,000	6,959,400
Non-Revenue Receipts	-4,131,000	-1,062,000
<b>Total Restricted Funds</b>	10,508,600	8,719,400
<b>TOTAL SOURCE OF FUNDS</b>	10,797,100	9,007,700
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	944,900	925,500
Operating Expenses	2,570,000	1,343,200
Grants Loans Benefits	280,000	280,000
Debt Service	4,101,000	4,100,000
Capital Outlay	79,200	86,200
<b>TOTAL EXPENDITURES</b>	7,975,100	6,734,900
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	288,500	288,300
Restricted Funds	7,686,600	6,446,600
<b>TOTAL EXPENDITURES</b>	7,975,100	6,734,900
<b>EXPENDITURES BY UNIT</b>		
General Operations	1,299,300	1,286,200
Locks and Dams Construction/ Maintenance	6,389,000	5,162,000
Locks and Dams Operations	286,800	286,700
<b>TOTAL EXPENDITURES</b>	7,975,100	6,734,900

The mission of the Kentucky River Authority is to protect the quality and sufficiency of the water supply in the Kentucky River Basin. The people and businesses in 42 counties depend on the river and its tributaries for clean drinking water, for commercial and industrial uses, and for the generation of electricity. The water supply is maintained in a series of pools behind 14 dams that were originally constructed by the Army Corps of Engineers beginning about 1837. Some of those dams also contain working locks that allow commercial and recreational boat traffic to move up and down the river. The Authority collects a water withdrawal fee from each water utility and business user in the watershed that supports programs which benefit the entire watershed. In addition, a second fee is collected from users who withdraw water from the main stem of the river. Those funds support the lock and dam renovation and reconstruction projects the Authority undertakes from time to time. The Authority also receives a small General Fund appropriation to staff the four operating locks during the summer, when there is considerable recreational activity on the river.

The Authority is created in KRS 151.705 as a public corporation and independent state agency. The Authority is governed by a board that consists of the Secretary of Finance and Administration, the Secretary of Energy and Environment and ten members appointed by the Governor. Those ten include a mayor and a county judge-executive from jurisdictions within the Kentucky River Basin, an engineer and a water quality expert. The board appoints an executive director and other staff necessary to carry out the responsibilities of the Authority.

The Authority has acquired title to the locks and dams upriver from Frankfort from the Army Corps of Engineers. Dams 1 through 4 between the Ohio River and Frankfort are maintained by the Authority under a long-term lease agreement until such time as the Army declares them to be surplus property.

The Kentucky River Authority has built new dams at Dam 9 at Valley View in Fayette County, Dam 3 in Owen and Henry Counties, and Dam 8 in Jessamine County. Dams 9 and 3 retain the water supply for Kentucky American Water Company's Lexington and Owen County water treatment plants. Dam 8 retains the water supply for Nicholasville and Lancaster. Locks 1 through 4 are currently operational. Eighty-two uninterrupted miles of the Kentucky River are now navigable from Carrollton to Tyrone in Anderson County.

**General Government**  
**School Facilities Construction Commission**

	<b>Revised</b>	<b>Enacted</b>
	<b>FY 2021</b>	<b>FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	125,243,600	125,835,000
Special Appropriation		85,000,000
Other	-3,468,000	
<b>Total General Fund</b>	<b>121,775,600</b>	<b>210,835,000</b>
<b>Restricted Funds</b>		
Balance Forward	11,175,600	8,275,600
Fund Transfers	-2,900,000	-8,275,600
<b>Total Restricted Funds</b>	<b>8,275,600</b>	
<b>Federal Fund</b>		
Current Receipts		127,000,000
<b>Total Federal Fund</b>		<b>127,000,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>130,051,200</b>	<b>337,835,000</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	362,400	363,300
Operating Expenses	45,000	44,800
Grants Loans Benefits		212,000,000
Debt Service	121,368,200	125,426,900
<b>TOTAL EXPENDITURES</b>	<b>121,775,600</b>	<b>337,835,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	121,775,600	210,835,000
Federal Fund		127,000,000
<b>TOTAL EXPENDITURES</b>	<b>121,775,600</b>	<b>337,835,000</b>
<b>EXPENDITURES BY UNIT</b>		
School Facilities Construction Commission	121,775,600	337,835,000
<b>TOTAL EXPENDITURES</b>	<b>121,775,600</b>	<b>337,835,000</b>

The School Facilities Construction Commission (SFCC), created by the 1985 Extraordinary Session of the General Assembly (KRS 157.611 et seq.), exists to assist local school districts with their school building needs. The Commission is responsible for the distribution of state funds via offers of assistance for approved building or renovation projects. The Commission is empowered to act on behalf of local school districts to issue bonds in the name of the Commission and to enter into lease arrangements with local boards of education to finance construction of new facilities or major renovation of existing school facilities.

Offers of assistance are made to eligible local school districts that have demonstrated a reasonable local effort to provide adequate school facilities but still have unmet building needs. Required local effort consists of a levy equivalent to at least five cents per hundred dollars of assessed valuation as well as available funds within a district's capital outlay and building funds and related bonding capacity. Unmet building needs are the costs of projects on a district's facilities plan as approved by the Kentucky Department of Education that remain after the application of local effort. A given district qualifies for offers of assistance based on its unmet need relative to unmet need statewide.

The School Facilities Construction Commission is also charged with distributing state funds allocated to the Kentucky Education Technology System's trust fund to assist local school districts in addressing their unmet education technology needs.

**Policy**

The budget includes sufficient General Fund to support debt service necessary to fulfill commitments made by previous sessions of the General Assembly in authorizing additional bonded indebtedness and related offers of assistance to local school districts.

The Budget of the Commonwealth includes new General Fund debt service in the amount of \$1,070,400 in fiscal year

2021 and \$1,632,400 in fiscal year 2022 to support \$58,000,000 in new regular offers of assistance for school districts. Also included is new General Fund debt service of \$1,876,500 in fiscal year 2021 and \$3,342,200 in fiscal year 2022 to support \$47,527,000 in urgent needs offers of assistance for 4 school districts.

The budget authorizes the School Facilities Construction Commission to make an additional \$58,000,000 in new offers of assistance during the 2020-2022 biennium in anticipation of debt service availability during the 2022-2024 biennium.

House Bill 405 from the 2021 Regular Session of the General Assembly included a special appropriation of \$10,000,000 from the General Fund in fiscal year 2022 to provide assistance grants to school districts that sustained damage due to the February 2021 flooding event (see Executive Order 2021-136).

House Bill 556 from the 2021 Regular Session of the General Assembly included a special appropriation of \$75,000,000 from the General Fund in fiscal year 2022 to support local area vocational education center renovation costs.

House Bill 556 also included an appropriation of federal funds from the Coronavirus Capital Projects Fund of the American Rescue Plan Act of 2021 (P.L. No 117-2) in the amount of \$127,000,000 to the School Facilities Replacement and Renovation Fund to support school facility construction costs. Funds shall be prioritized and be used to help fill the funding gap for schools in the worst condition across the state.

**General Government  
Teachers' Retirement System**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	781,620,000	715,293,700
<b>Total General Fund</b>	<b>781,620,000</b>	<b>715,293,700</b>
<b>Restricted Funds</b>		
Balance Forward	2,225,100	
Non-Revenue Receipts	13,875,200	16,320,600
<b>Total Restricted Funds</b>	<b>16,100,300</b>	<b>16,320,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>797,720,300</b>	<b>731,614,300</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	12,192,900	12,213,200
Operating Expenses	3,781,500	3,981,500
Grants Loans Benefits	729,960,000	682,277,800
Debt Service	51,660,000	33,015,900
Capital Outlay	125,900	125,900
<b>TOTAL EXPENDITURES</b>	<b>797,720,300</b>	<b>731,614,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	781,620,000	715,293,700
Restricted Funds	16,100,300	16,320,600
<b>TOTAL EXPENDITURES</b>	<b>797,720,300</b>	<b>731,614,300</b>
<b>EXPENDITURES BY UNIT</b>		
Teachers' Retirement System	797,720,300	731,614,300
<b>TOTAL EXPENDITURES</b>	<b>797,720,300</b>	<b>731,614,300</b>

The Teachers' Retirement System, as defined in KRS 161.220 161.716, was established in 1940 to provide a broad program of retirement benefits, death and survivor benefits, medical insurance benefits, and disability benefits to its membership.

Administration of the System is the responsibility of the nine member Board of Trustees. Two of the members, the Commissioner of Education and the State Treasurer, are ex officio, serving by reason of their constitutional offices. The members of the Retirement System elect the remaining seven trustees for four year terms. Four of these must be active members of the Retirement System, one must be a retired member, and two must be persons from outside the teaching profession. The Board of Trustees appoints an Executive Secretary who is responsible for the administration of the affairs of the Retirement System under policies established by the Board.

Membership is comprised of all persons occupying positions in the public elementary or secondary schools for which certification is required. In addition, staff members of Western Kentucky University, Eastern Kentucky University, Morehead State University, Murray State University, Kentucky State University, professional staff of the Department of Education, Cabinet for Workforce Development, faculty members of the School for the Deaf, the School for the Blind, as well as faculty of the state and area vocational schools are members. Membership is mandatory for all persons teaching in the public schools or other institutions covered by the statutes governing teachers' retirement.

Benefits are financed through member contributions, contributions by the state, and income accruing from the invested reserves of the system. The General Assembly has set the member contribution rate at 9.855 percent of gross salary for persons other than university faculty members joining the system prior to July 1, 2008. Persons joining on or after that date contribute 10.855 percent of gross salary. University faculty members who joined the system prior to July 1, 2008 contribute 8.375 percent of gross salary and their employer matches this amount. University faculty members joining on or after that date contribute 9.375 percent of gross salary with the employer matching that amount. In addition, each employer contributes an overmatch of 3.25 percent of gross salary to help reduce the system's unfunded liability. The reserves of the agency are invested in a manner that will provide a reasonable rate of return with major emphasis on the protection of the reserves.

HB 540 enacted by the 2010 Regular Session of the General Assembly required additional contributions to ensure the

solvency and stability of the retirement system's medical insurance fund. Members hired prior to July 1, 2008, contribute an additional 3.0% and members hired July 1, 2008 or later contribute an additional 2.0% to the medical insurance fund. This brings the total member contributions for the medical insurance to 3.75% for all members.

The employer match for Department of Education, the Cabinet for Workforce Development, and university employees is budgeted within the Department, the Cabinet, and the affected universities and is then transferred to the Teachers' Retirement System.

Funding for the employer match on behalf of local school district members is provided as an adjunct to the Support Education Excellence in Kentucky program (SEEK) within the Department of Education.

## **Policy**

The 2020-2022 budget is the second biennial budget that fully funds the actuarially determined contribution for the pension plan.

The budget includes General Fund support in the amount of \$51,660,000 in fiscal year 2021 and \$33,015,900 in fiscal year 2022 for debt service on bonds previously issued.

The budget includes sufficient General Fund support to meet the amortized cost of previously enacted cost-of-living adjustments (COLAs) and other benefit improvements for system members.

The budget fulfills the General Assembly's 2014 pledge to use lesser debt service in the amount of \$8,918,400 in fiscal year 2021 and \$27,562,500 in fiscal year 2022 to reduce pension liability.

The budget includes \$61,700,000 in fiscal year 2021 to support single coverage health insurance for retirees under age 65. Budget notwithstanding KRS 161.420 and 161.550 and requires General Fund contributions to the Teachers' Retirement System medical insurance fund in fiscal year 2020-2021 in excess of the actuarially determined contribution to carry forward and be considered the General Fund contribution for fiscal year 2021-2022.

The budget includes \$4,633,100 in fiscal year 2021 and \$9,266,200 in fiscal year 2022 in General Fund support for initial payments on the amortized cost of increased retirement allowances for those recipients retiring during the 2020-2022 biennium who are eligible to add accrued sick leave to their final year of service.

The base budget for fiscal year 2022 was reduced by \$18,979,700 based upon the results of the System's reconciliation of fiscal year 2020 primarily consisting of an over appropriation of the state's portion of the Shared Responsibility funding plan.

**General Government  
Judgments**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	22,500,000	22,500,000
<b>Total General Fund</b>	<b>22,500,000</b>	<b>22,500,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>22,500,000</b>	<b>22,500,000</b>
<b>EXPENDITURES BY CLASS</b>		
Operating Expenses	22,500,000	22,500,000
<b>TOTAL EXPENDITURES</b>	<b>22,500,000</b>	<b>22,500,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	22,500,000	22,500,000
<b>TOTAL EXPENDITURES</b>	<b>22,500,000</b>	<b>22,500,000</b>
<b>EXPENDITURES BY UNIT</b>		
Judgments	22,500,000	22,500,000
<b>TOTAL EXPENDITURES</b>	<b>22,500,000</b>	<b>22,500,000</b>

The Judgments budget unit is for the payment of judgments rendered against the Commonwealth upon a claim filed pursuant to KRS 45A.240 to 45A.270.

**Policy**

The budget includes additional General Fund in the amount of \$22,500,000 in fiscal years 2021 and 2022 for known liabilities.

The Executive branch budget bill, House Bill 192, includes a new provision regarding the payment of Judgments. It requires that the payment of judgments that exceed the appropriation amount shall not be deemed a necessary government expense, which is sourced from a General Fund surplus or the Budget Reserve Trust Fund. This is a significant change from past practice and because of known court judgments that must be paid in fiscal years 2020-2021 and 2021-2022, will result in unbudgeted payments to be made by applicable state agencies or delays in payments. This new budget bill provision does acknowledge that a request for a future appropriation may be made to satisfy all such judgments.



**General Government**  
**Appropriations Not Otherwise Classified**

	<b>Revised</b>	<b>Enacted</b>
	<b>FY 2021</b>	<b>FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	14,526,400	14,526,400
<b>Total General Fund</b>	<b>14,526,400</b>	<b>14,526,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>14,526,400</b>	<b>14,526,400</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	12,139,900	12,139,900
Operating Expenses	2,383,400	2,383,400
Grants Loans Benefits	3,100	3,100
<b>TOTAL EXPENDITURES</b>	<b>14,526,400</b>	<b>14,526,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	14,526,400	14,526,400
<b>TOTAL EXPENDITURES</b>	<b>14,526,400</b>	<b>14,526,400</b>
<b>EXPENDITURES BY UNIT</b>		
Attorney General Expense	450,000	450,000
Kentucky Claims Commission Award	200,000	200,000
Guardian Ad Litem	11,624,900	11,624,900
Prior Year Claims	100,000	100,000
Unredeemed Checks Refunded	1,252,400	1,252,400
Involuntary Commitments-ICF/MR	65,000	65,000
Frankfort In Lieu of Taxes	195,000	195,000
Frankfort Cemetery	3,100	3,100
Survivor Benefits	488,900	488,900
Med Malpractice Liability Ins Reimb	97,100	97,100
Blanket Employee Bonds	50,000	50,000
<b>TOTAL EXPENDITURES</b>	<b>14,526,400</b>	<b>14,526,400</b>

Appropriations Not Otherwise Classified (ANOC) are appropriations not related to particular programs. Each item within this category has been given program status so that expenditures can be budgeted and accounted for separately.

The Attorney General Expense program is used to pay expenses associated with representation of the Commonwealth and payments for expert witnesses pursuant to KRS 12.215.

The Kentucky Claims Commission program pays claims adjudicated under KRS Chapter 49, the only forum through which a citizen can sue the state for alleged negligence and receive payments for damages caused by the Commonwealth. Awards under \$5,000 are paid by the agency at fault. Awards over \$5,000 are paid from the General Fund, and awards against the Transportation Cabinet are paid from the Road Fund. The maximum award on a single claim is \$250,000, and there is a cap of \$400,000 on multiple claims arising from the same incident. See also KRS 49.040-49.180.

Guardians ad Litem appointed by the court under KRS 620.100, 625.080, 403.100, and 199.502 to represent minors in neglect and abuse cases and certain child custody cases are paid the statutory rate of \$500 per case from the General Fund.

KRS 45.231 directs the Finance and Administration Cabinet to determine the validity of expenses incurred by an agency but not paid in the fiscal year in which the expense was incurred. If the claim is valid the Cabinet may pay for the expense from the Prior Year Claims program. All claims are limited to those incurred during the two preceding fiscal years and the total shall not exceed the available balance remaining to the credit of the applicable agency at the close of the fiscal year in which the obligations were incurred.

Un-cashed checks owed by the Commonwealth to a recipient are held for five years and funded by the Unredeemed Checks Refunded program when presented with a claim for reimbursement per KRS 41.370.

The Involuntary Commitments program provides funding for legal representation on behalf of persons requiring involuntary hospitalization pursuant to KRS 202B.210.

The Frankfort in Lieu of Taxes program provides funding for a payment by the Commonwealth to the City of Frankfort in lieu of property taxes normally owed annually per KRS 45.021.

Pursuant to a Memorandum of Agreement between the Frankfort Cemetery and the Commonwealth, a payment from the General Fund is made annually for the maintenance of Daniel Boone's grave.

Survivor Benefits in the amount of \$80,000 are paid from the General Fund to the spouses and/or children of a police officer, firefighter, or member of the Kentucky National Guard who is killed in the line of duty pursuant to KRS 61.315.

The Medical Malpractice Liability Insurance program reimburses clinics and small, regional health care providers for medical malpractice insurance premiums pursuant to KRS 304.40-075.

The Blanket Employee Bonds program fund bonds secured by the Commonwealth to cover damages to the Commonwealth because of criminal actions by an employee pursuant to KRS 62.170.

### **Policy**

If the funds appropriated to pay appropriations not otherwise classified are insufficient, additional funds may be allotted from the General Fund Surplus Account (KRS 48.700) or from any available balance in either the Judgments account or the Budget Reserve Trust Fund Account (KRS 48.705) by the Secretary of the Finance and Administration Cabinet as a necessary governmental expense, subject to the conditions and procedures provided in the Appropriations Act.

**General Government  
KY Communications Network Authority**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	34,220,000	34,222,600
<b>Total General Fund</b>	<b>34,220,000</b>	<b>34,222,600</b>
<b>Restricted Funds</b>		
Balance Forward	2,292,900	1,499,800
Current Receipts	11,240,000	12,106,400
<b>Total Restricted Funds</b>	<b>13,532,900</b>	<b>13,606,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>47,752,900</b>	<b>47,828,800</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	3,337,500	3,706,100
Operating Expenses	42,915,600	42,622,900
<b>TOTAL EXPENDITURES</b>	<b>46,253,100</b>	<b>46,329,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	34,220,000	34,222,600
Restricted Funds	12,033,100	12,106,400
<b>TOTAL EXPENDITURES</b>	<b>46,253,100</b>	<b>46,329,000</b>
<b>EXPENDITURES BY UNIT</b>		
KY Communications Network Authority	46,253,100	46,329,000
<b>TOTAL EXPENDITURES</b>	<b>46,253,100</b>	<b>46,329,000</b>

Executive Order 2015-574 created the Kentucky Communications Network Authority (KCNA), now codified in KRS Chapter 154.15.

KCNA, in conjunction with the Board of the Kentucky Communications Network Authority, will manage and oversee the KentuckyWired network, the Commonwealth's open-access broadband network. KentuckyWired is a Commonwealth public infrastructure project that will be built to provide broadband service using a modern high-capacity fiber infrastructure. The primary purpose of the project will be to provide broadband services to all of the Commonwealth's agencies and its public postsecondary education institutions. The project is designed to have the capacity and ability to service other public sector organizations, like public libraries and public school districts. The network will be comprised of more than 3,000 miles of high-speed internet connectivity throughout Kentucky's 120 counties.

As authorized by the 2014-2016 Executive Branch appropriations act, a public-private partnership has been established to design, build, operate and maintain the network for 30 years. The partnership leverages private sector funding for most of the construction costs of the project. The Commonwealth will shift resources from payments for current services to pay for the new and substantially faster state-owned network. The Commonwealth retains ownership of the network.

KentuckyWired is unique in that it will be an "open access" network. This means cities, partnerships, private companies or other groups may acquire access to these "middle-mile" lines, but the network will not be providing "last mile" services, or the lines that run to individual homes or businesses.

**Policy**

During the 2020-2022 biennium, the Kentucky Communications Network Authority will actively be engaged in transitioning state agencies to the new KentuckyWired network, providing network speeds up to five times current speeds across all regions of the Commonwealth and improving the business capabilities of the Commonwealth's agencies.

# **Economic Development**

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	<b>Economic Development</b>	
	<b>Economic Development</b>	
	<b>Revised</b>	<b>Enacted</b>
	<b>FY 2021</b>	<b>FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	26,054,000	27,040,800
Special Appropriation	3,069,000	23,069,000
Continuing Approp-General Fund	8,042,800	
<b>Total General Fund</b>	<b>37,165,800</b>	<b>50,109,800</b>
<b>Restricted Funds</b>		
Balance Forward	1,482,300	857,300
Current Receipts	3,009,200	3,009,600
Non-Revenue Receipts	482,400	
<b>Total Restricted Funds</b>	<b>4,973,900</b>	<b>3,866,900</b>
<b>Federal Fund</b>		
Balance Forward	120,400	
Current Receipts	401,000	521,400
<b>Total Federal Fund</b>	<b>521,400</b>	<b>521,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>42,661,100</b>	<b>54,498,100</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	12,043,000	12,254,300
Operating Expenses	3,939,800	3,869,600
Grants Loans Benefits	22,752,000	34,011,800
Debt Service	3,069,000	3,352,500
<b>TOTAL EXPENDITURES</b>	<b>41,803,800</b>	<b>53,488,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	37,165,800	50,109,800
Restricted Funds	4,116,600	2,857,000
Federal Fund	521,400	521,400
<b>TOTAL EXPENDITURES</b>	<b>41,803,800</b>	<b>53,488,200</b>
<b>EXPENDITURES BY UNIT</b>		
Economic Development	41,803,800	53,488,200
<b>TOTAL EXPENDITURES</b>	<b>41,803,800</b>	<b>53,488,200</b>

The Cabinet for Economic Development is governed by the Kentucky Economic Development Partnership. The Partnership board has 11 voting members and two non-voting members. The 11 voting members are the Governor, who is chairman, the Secretary of the Finance and Administration Cabinet, the Secretary of the Energy and Environment Cabinet, and eight citizen members appointed by the Governor who represent all sectors of the economic development community. The Secretary of the Cabinet for Economic Development (nominated by the Economic Development Partnership and appointed by the Governor) and the Secretary of the Tourism, Arts and Heritage Cabinet serve as non-voting members.

The budgetary resources for the Cabinet are organized in four programs within a single appropriation unit. Business Development is the Commonwealth's marketing and sales force to both prospective investors and existing businesses. Its resources include Kentucky-based business development agents and representatives in Tokyo, Japan and Hamburg, Germany; a database of available sites; comprehensive market research; targeted programs for small businesses; and support of the statewide network of Innovation and Commercialization Centers. The Bluegrass State Skills Corporation makes matching grants for industry-specific training of employees. Financial Services administers loans, grants and tax incentives available to businesses that invest and create or maintain jobs in Kentucky, and staffs the Kentucky Economic Development Finance Authority. The Office of the Secretary provides strategic direction for Cabinet activities and administrative services such as legal, fiscal, budget, personnel and asset management.

**Policy**

The budget includes General Fund in the amount of \$283,500 in fiscal year 2022 for debt service on new bonds included in the capital budget.

The budget provides General Fund support of \$1,000,000 in each fiscal year for Bluegrass State Skills Corporation to make training grants to Ford Motor Company.

House Bill 99 of the 2020 regular session appropriated \$3,069,000 for new debt service in each fiscal year to support \$35,000,000 in new bonds in fiscal year 2020 for the creation and funding of a Kentucky Economic Development Finance Authority loan for a qualifying public medical center located in a city of the first class.

# Department of Education

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**Department of Education**

**Department of Education**

<b>Revised</b>	<b>Enacted</b>
<b>FY 2021</b>	<b>FY 2022</b>

**SOURCE OF FUNDS**

**General Fund**

Regular Appropriation	4,106,080,500	4,066,103,100
Special Appropriation		140,000,000
Current Year Appropriation	1,500,000	
Other	-165,245,300	
<b>Total General Fund</b>	<b>3,942,335,200</b>	<b>4,206,103,100</b>

**Restricted Funds**

Balance Forward	13,842,300	5,653,700
Current Receipts	14,697,200	20,314,000
Non-Revenue Receipts	20,844,700	23,219,700
Fund Transfers	-200,000	-4,000,000
<b>Total Restricted Funds</b>	<b>49,184,200</b>	<b>45,187,400</b>

**Federal Fund**

Current Receipts	971,699,900	971,677,000
CRF Receipts	130,000,000	
<b>Total Federal Fund</b>	<b>1,101,699,900</b>	<b>971,677,000</b>

**TOTAL SOURCE OF FUNDS**

5,093,219,300	5,222,967,500
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**EXPENDITURES BY CLASS**

Personnel Costs	123,779,200	125,360,700
Operating Expenses	35,805,700	35,966,100
Grants Loans Benefits	4,927,021,200	5,059,438,100
Debt Service	959,500	182,000
<b>TOTAL EXPENDITURES</b>	<b>5,087,565,600</b>	<b>5,220,946,900</b>

**EXPENDITURES BY FUND SOURCE**

General Fund	3,942,335,200	4,206,103,100
Restricted Funds	43,530,500	43,166,800
Federal Fund	1,101,699,900	971,677,000
<b>TOTAL EXPENDITURES</b>	<b>5,087,565,600</b>	<b>5,220,946,900</b>

**EXPENDITURES BY UNIT**

Support Education Excellence in Kentucky (SEEK)	2,949,696,700	3,062,857,900
Operations and Support Services	473,681,300	476,736,400
Learning and Results Services	1,664,187,600	1,681,352,600
<b>TOTAL EXPENDITURES</b>	<b>5,087,565,600</b>	<b>5,220,946,900</b>

In enacting the Kentucky Education Reform Act (KERA), the 1990 General Assembly provided for a reconstituted Department of Education to implement KERA along with existing programs. In accordance with KRS 156.148, the Department of Education is headed by a Commissioner of Education appointed by the Kentucky Board of Education.



**Department of Education**  
**Support Education Excellence in Kentucky (SEEK)**

	<b>Revised</b>	<b>Enacted</b>
	<b>FY 2021</b>	<b>FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	2,973,696,700	2,922,857,900
Special Appropriation		140,000,000
Other	-154,000,000	
<b>Total General Fund</b>	<b>2,819,696,700</b>	<b>3,062,857,900</b>
<b>Federal Fund</b>		
CRF Receipts	130,000,000	
<b>Total Federal Fund</b>	<b>130,000,000</b>	
<b>TOTAL SOURCE OF FUNDS</b>	<b>2,949,696,700</b>	<b>3,062,857,900</b>
<b>EXPENDITURES BY CLASS</b>		
Grants Loans Benefits	2,949,696,700	3,062,857,900
<b>TOTAL EXPENDITURES</b>	<b>2,949,696,700</b>	<b>3,062,857,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	2,819,696,700	3,062,857,900
Federal Fund	130,000,000	
<b>TOTAL EXPENDITURES</b>	<b>2,949,696,700</b>	<b>3,062,857,900</b>
<b>EXPENDITURES BY UNIT</b>		
Base Funding	1,966,553,400	2,081,876,500
Pupil Transportation	214,752,800	214,752,800
Equalized Facilities	162,911,800	157,094,700
Tier I Equalization	174,746,300	168,881,500
National Board Certification Salary Supplement	2,750,000	2,750,000
Vocational Education Transportation	2,416,900	2,416,900
Local District Teachers' Retirement Match	425,565,500	435,085,500
<b>TOTAL EXPENDITURES</b>	<b>2,949,696,700</b>	<b>3,062,857,900</b>

The budget provides funding to accommodate a projected average daily attendance of 586,809 in each fiscal year. The base SEEK per pupil guarantee amount is \$4,000 for each fiscal year. The projected total local school district assessed property valuation is \$362.9 billion in fiscal year 2021 and \$372.4 billion in fiscal year 2022. Projected numbers are based on a consensus reached by the Department of Education and the Office of State Budget Director.

The budget provides funding of \$214,752,800 in each fiscal year for the pupil transportation program. The budget includes \$174,746,300 in fiscal year 2021 and \$168,881,500 in fiscal year 2022 to provide Tier I funding to local school districts to equalize local revenues raised under this SEEK component at a level of \$916,000 of assessed property valuation per student (150 percent of the projected statewide average per pupil).

The budget provides funding for the Facilities Support Program of Kentucky (FSPK) in the amount of \$162,911,800 in fiscal year 2021 and \$157,094,700 in fiscal year 2022 to provide equalization funding for local district revenues from the equivalent nickel levy. This funding includes equalization of growth, retroactive, and equalized facility nickels levied before January 1, 2020, up to three nickels, as well as equalization of 33 new districts at 25%. Retroactive nickels that were levied between January, 2020 and January, 2021 are equalized at 25% in fiscal year 2022. Nickels that are partially equalized in the 2020-22 biennium are intended to be fully equalized in the 2022-2024 fiscal biennium. The budget maintains funding for vocational education transportation at the fiscal year 2020 level of \$2,416,900 in each fiscal year.

The budget includes \$425,565,500 in fiscal year 2021 and \$435,085,500 in fiscal year 2022 for the Teachers' Retirement employer match on behalf of local school districts.

The budget provides \$2,750,000 in each fiscal year for annual salary supplements to teachers achieving and maintaining certification by the National Board for Professional Teaching Standards.

The budget provides an additional \$140 million through House Bill 382 from the 2021 legislative session to provide funding for all-day kindergarten in fiscal year 2022 through the SEEK formula. The Department of Education will count each kindergarten pupil in full rather than the current status of counting each pupil at 50 percent.

**Department of Education  
Operations and Support Services**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	55,615,100	58,459,100
<b>Total General Fund</b>	<b>55,615,100</b>	<b>58,459,100</b>
<b>Restricted Funds</b>		
Balance Forward	2,481,400	700
Current Receipts	5,125,200	5,266,900
Non-Revenue Receipts	507,500	2,882,500
Fund Transfers	-200,000	
<b>Total Restricted Funds</b>	<b>7,914,100</b>	<b>8,150,100</b>
<b>Federal Fund</b>		
Current Receipts	410,152,800	410,127,200
<b>Total Federal Fund</b>	<b>410,152,800</b>	<b>410,127,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>473,682,000</b>	<b>476,736,400</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	19,324,700	20,244,400
Operating Expenses	23,180,000	23,186,900
Grants Loans Benefits	430,217,100	433,123,100
Debt Service	959,500	182,000
<b>TOTAL EXPENDITURES</b>	<b>473,681,300</b>	<b>476,736,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	55,615,100	58,459,100
Restricted Funds	7,913,400	8,150,100
Federal Fund	410,152,800	410,127,200
<b>TOTAL EXPENDITURES</b>	<b>473,681,300</b>	<b>476,736,400</b>
<b>EXPENDITURES BY UNIT</b>		
Commissioner's Office/Board of Education	2,715,400	2,734,000
Finance & Operations	432,525,400	435,478,000
Legal Services	1,393,100	1,428,100
Education Technology	37,047,400	37,096,300
<b>TOTAL EXPENDITURES</b>	<b>473,681,300</b>	<b>476,736,400</b>

The Operations and Support Services program area consists of the Office of Finance and Operations; the Office of Education Technology; the Office of Legal Services; Commissioner of Education, and the Kentucky Board of Education.

**Department of Education  
Operations and Support Services  
Commissioner's Office/Board of Education**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	2,610,500	2,629,100
<b>Total General Fund</b>	<b>2,610,500</b>	<b>2,629,100</b>
<b>Restricted Funds</b>		
Balance Forward	105,600	700
Current Receipts		104,200
<b>Total Restricted Funds</b>	<b>105,600</b>	<b>104,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>2,716,100</b>	<b>2,734,000</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	2,413,100	2,431,600
Operating Expenses	302,300	302,400
<b>TOTAL EXPENDITURES</b>	<b>2,715,400</b>	<b>2,734,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	2,610,500	2,629,100
Restricted Funds	104,900	104,900
<b>TOTAL EXPENDITURES</b>	<b>2,715,400</b>	<b>2,734,000</b>

The 1990 General Assembly, as part of the Kentucky Education Reform Act (KERA), provided in KRS 156.148 for the appointment of a Commissioner of Education by the Kentucky Board of Education (KBE) to serve as the chief state school officer.

The Kentucky Board of Education consists of 14 members. The governor appoints 11 voting members – four represent the state at large and seven represent the Supreme Court districts. The remaining three members, the Secretary of the Education and Workforce Development Cabinet, the President of the Council on Postsecondary Education (CPE), and an active elementary or secondary school teacher, serve as non-voting members. Each member serves a four-year term and may be reappointed. The Kentucky Board of Education members elect a board chair and vice chair at the beginning of each fiscal year.

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

**Department of Education  
Operations and Support Services  
Finance & Operations**

<b>SOURCE OF FUNDS</b>	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>General Fund</b>		
Regular Appropriation	14,564,100	17,305,600
<b>Total General Fund</b>	<b>14,564,100</b>	<b>17,305,600</b>
<b>Restricted Funds</b>		
Balance Forward	2,375,800	
Current Receipts	5,125,200	5,162,700
Non-Revenue Receipts	507,500	2,882,500
Fund Transfers	-200,000	
<b>Total Restricted Funds</b>	<b>7,808,500</b>	<b>8,045,200</b>
<b>Federal Fund</b>		
Current Receipts	410,152,800	410,127,200
<b>Total Federal Fund</b>	<b>410,152,800</b>	<b>410,127,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>432,525,400</b>	<b>435,478,000</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	12,337,600	13,154,900
Operating Expenses	4,751,600	4,758,400
Grants Loans Benefits	414,476,700	417,382,700
Debt Service	959,500	182,000
<b>TOTAL EXPENDITURES</b>	<b>432,525,400</b>	<b>435,478,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	14,564,100	17,305,600
Restricted Funds	7,808,500	8,045,200
Federal Fund	410,152,800	410,127,200
<b>TOTAL EXPENDITURES</b>	<b>432,525,400</b>	<b>435,478,000</b>
<b>EXPENDITURES BY UNIT</b>		
Finance & Operations	12,524,800	13,742,900
District Support	6,476,400	8,185,700
School & Community Nutrition	413,524,200	413,549,400
<b>TOTAL EXPENDITURES</b>	<b>432,525,400</b>	<b>435,478,000</b>

The Office of Finance and Operations consists of the following divisions: the Division of Budget and Financial Management, the Division of District Support, the Division of Resource Management, and the Division of School and Community Nutrition.

The Division of Budget and Financial Management supervises the department's annual and biennial budget creation, budget analysis and forecasting, expenditure authorizations, personnel approvals, and allotment as well as appropriation adjustments. The Division also supervises expenditure and accounting transactions, purchasing and document preparation, and pre-audit functions. The Division serves as agency liaison with the Auditor of Public Accounts, the Finance and Administration Cabinet, the Office of State Budget Director, and the Legislative Research Commission budget staff.

The Division of District Support distributes state SEEK funds to local school districts and provides districts with assistance on salary schedules, data management, facility management, and budgeting. Staff of the Division work with various Department of Education, Council for Postsecondary Education, and Professional Standards Board program areas in analyzing data and determining requirements for data entered in the Department's enterprise data system. The Division also reviews local school district facility plans and compiles information on school district construction needs for the School Facilities Construction Commission.

The Division of Resource Management provides personnel and payroll services to Department staff. These services include the administration of the state merit system, Family Medical Leave Act, Workers' Compensation, sick leave sharing, tuition assistance, employee training, Fair Labor Standards Act, Americans with Disabilities Act, and all other related employment laws and regulations.

The Division of School and Community Nutrition oversees the administration of the following National School Lunch Act and Child Nutrition Act programs in local school districts and other eligible agencies: National School Lunch program, School Breakfast program, Special Milk program, Child Care Food program, Summer Food Service program, and the Nutrition Education and Training program.

### **Policy**

The budget includes General Fund of \$959,500 in fiscal year 2021 and \$182,000 in fiscal year 2022 for new debt service to support new bonds.

The budget includes \$600,000 in each fiscal year for the evaluation of primary and secondary school buildings.

The budget includes General Fund in the amount of \$2,600,000 in fiscal year 2022 to pay cost of Advance Placement examinations on a first-come, first-served basis.

The budget includes General Fund in the base budget for the following areas:

- \$492,300 for the Blind/Deaf Residential Travel Program
- \$1,000,000 to pay Advanced Placement and International Baccalaureate examination costs for students who qualify for the free and reduced lunch programs
- \$3,555,900 for the School Food Service Program to match federal funds

**Department of Education  
Operations and Support Services  
Legal Services**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	1,393,100	1,428,100
<b>Total General Fund</b>	<b>1,393,100</b>	<b>1,428,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,393,100</b>	<b>1,428,100</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	1,245,700	1,280,700
Operating Expenses	147,400	147,400
<b>TOTAL EXPENDITURES</b>	<b>1,393,100</b>	<b>1,428,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	1,393,100	1,428,100
<b>TOTAL EXPENDITURES</b>	<b>1,393,100</b>	<b>1,428,100</b>

The Office of Legal Services provides a variety of legal, legislative, and communication services for the Department of Education. These services include: providing in-house counsel and advice for the Department and the Kentucky Board of Education; representing the Department and the Kentucky Board of Education before administrative agencies and courts of law; offering informal legal advice to local school districts and the general public; overseeing news media relations for the Commissioner and the Department of Education; creating print and electronic publications; providing photographic services for the Department, and maintaining the Department of Education's website.

**Department of Education  
Operations and Support Services  
Education Technology**

	<b>Revised</b>	<b>Enacted</b>
	<b>FY 2021</b>	<b>FY 2022</b>

**SOURCE OF FUNDS**

**General Fund**

Regular Appropriation	37,047,400	37,096,300
<b>Total General Fund</b>	<b>37,047,400</b>	<b>37,096,300</b>

**TOTAL SOURCE OF FUNDS**

	37,047,400	37,096,300
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**EXPENDITURES BY CLASS**

Personnel Costs	3,328,300	3,377,200
Operating Expenses	17,978,700	17,978,700
Grants Loans Benefits	15,740,400	15,740,400
<b>TOTAL EXPENDITURES</b>	<b>37,047,400</b>	<b>37,096,300</b>

**EXPENDITURES BY FUND SOURCE**

General Fund	37,047,400	37,096,300
<b>TOTAL EXPENDITURES</b>	<b>37,047,400</b>	<b>37,096,300</b>

The Office of Education Technology (OET) provides planning, administration, and quality assurance for the Kentucky Education Technology System (KETS). OET consists of four areas: the Division of School Technology Services; the Division of School Technology Planning and Project Management; the Division of School Data Services, and KETS Field Services.

The Division of School Technology Planning and Project Management develops and implements the KETS Master Plan, oversees the KETS Offers of Assistance program, and manages the Kentucky Education Network (KEN).

The KETS Offers of Assistance program provides school districts with state funds for education technology purchases. The Division of Engineering and Management determines which districts are eligible to receive KETS offers of assistance and submits this information to the School Facilities Construction Commission (SFCC). The SFCC distributes KETS offers of assistance to eligible districts based on each district's average daily attendance. School districts must spend the offers on appropriate education technology items or services and the districts are required to match funds dollar for dollar.

KEN is the wide-area-network that provides high speed network connectivity and Internet access to Kentucky school districts, the Kentucky School for the Blind, the Kentucky School for the Deaf, and the Department of Education.

The Division of School Technology Services manages the technical support Customer Service Center, oversees school networking, messaging and security services as well as supports the School District Financial Management System (MUNIS) and other systems,

The Division of School Data Services manages the Kentucky Student Information System (KSIS), Department of Education Enterprise Data Dictionary, and master reporting schedule. The Division is also responsible for handling systematic data quality issues that cross all agency and district data systems.

KETS Field Services interact directly with District Technology Coordinators and school district technical staff to support the Student Technology Leadership Program (STLP), Microsoft IT Academy and other education technology programs.

STLP is an education technology program focused on project-based learning to empower students in all grade levels to use technology.

The Microsoft IT Academy is an educational technology program that prepares educators and students for industry recognized certifications.

**Department of Education  
Learning and Results Services**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	1,076,768,700	1,084,786,100
Current Year Appropriation	1,500,000	
Other	-11,245,300	
<b>Total General Fund</b>	<b>1,067,023,400</b>	<b>1,084,786,100</b>
<b>Restricted Funds</b>		
Balance Forward	11,360,900	5,653,000
Current Receipts	9,572,000	15,047,100
Non-Revenue Receipts	20,337,200	20,337,200
Fund Transfers		-4,000,000
<b>Total Restricted Funds</b>	<b>41,270,100</b>	<b>37,037,300</b>
<b>Federal Fund</b>		
Current Receipts	561,547,100	561,549,800
<b>Total Federal Fund</b>	<b>561,547,100</b>	<b>561,549,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,669,840,600</b>	<b>1,683,373,200</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	104,454,500	105,116,300
Operating Expenses	12,625,700	12,779,200
Grants Loans Benefits	1,547,107,400	1,563,457,100
<b>TOTAL EXPENDITURES</b>	<b>1,664,187,600</b>	<b>1,681,352,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	1,067,023,400	1,084,786,100
Restricted Funds	35,617,100	35,016,700
Federal Fund	561,547,100	561,549,800
<b>TOTAL EXPENDITURES</b>	<b>1,664,187,600</b>	<b>1,681,352,600</b>
<b>EXPENDITURES BY UNIT</b>		
Continuous Improvement & Support	378,985,600	379,011,400
Special Education & Early Learning	302,070,800	302,100,400
Educator Licensure and Effectiveness	30,949,300	31,954,300
Standards, Assessment & Accountability	79,068,600	79,966,000
Career & Technical Education & Student Transition	112,571,900	113,793,400
Local District Health and Life Insurance	739,990,100	753,972,300
State Schools	20,551,300	20,554,800
<b>TOTAL EXPENDITURES</b>	<b>1,664,187,600</b>	<b>1,681,352,600</b>

The Learning and Results Services program area consists of the following offices: Office of Continuous Improvement and Support; Office of Special Education and Early Learning; Office of Educator Licensure and Effectiveness; Office of Standards, Assessment and Accountability; and Office of Career and Technical Education and Student Transition.



**Department of Education  
Learning and Results Services  
Continuous Improvement & Support**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	63,044,600	63,044,600
<b>Total General Fund</b>	<b>63,044,600</b>	<b>63,044,600</b>
<b>Restricted Funds</b>		
Current Receipts	768,200	768,200
<b>Total Restricted Funds</b>	<b>768,200</b>	<b>768,200</b>
<b>Federal Fund</b>		
Current Receipts	315,172,800	315,198,600
<b>Total Federal Fund</b>	<b>315,172,800</b>	<b>315,198,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>378,985,600</b>	<b>379,011,400</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	9,721,500	9,721,500
Operating Expenses	1,428,000	1,428,000
Grants Loans Benefits	367,836,100	367,861,900
<b>TOTAL EXPENDITURES</b>	<b>378,985,600</b>	<b>379,011,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	63,044,600	63,044,600
Restricted Funds	768,200	768,200
Federal Fund	315,172,800	315,198,600
<b>TOTAL EXPENDITURES</b>	<b>378,985,600</b>	<b>379,011,400</b>
<b>EXPENDITURES BY UNIT</b>		
School & Program Improvement	276,873,300	276,894,900
Continuous Improvement & Support	18,392,800	18,397,000
Community Education & Service	25,365,000	25,365,000
Family Resource and Youth Services Centers	48,889,000	48,889,000
Education of State Agency Children	9,465,500	9,465,500
<b>TOTAL EXPENDITURES</b>	<b>378,985,600</b>	<b>379,011,400</b>

The Office of Continuous Improvement and Support consists of three divisions: the Division of School and Program Improvement, the Division of Student Success, and the Division of Innovation.

The Division of School and Program Improvement implements and monitors the following federal and state programs: School-Based Decision-Making councils, Every Student Succeeds Act (ESSA); Title I, Parts A (Improving the Academic Achievement of the Disadvantaged), C (Education of Migrant Children), D (Programs for Children and Youth who are Neglected and Delinquent), F (Comprehensive School Reform), and the Stewart B. McKinney Homeless Assistance Act for the Education of Homeless Children and Youth. The Division also provides assistance to school and districts in need of improvement through the use of diagnostic reviews and comprehensive improvement planning.

The Division of Student Success provides guidance and assistance to Kentucky Alternative Education programs and ensures continuous improvement in instruction, practices and curriculum to help all Kentucky students to be college and career ready. The Division also provides assistance on school safety and safe schools data collection, bullying prevention, suicide prevention, chronic absenteeism, juvenile justice, human trafficking and Title IV, Part A, Student Support and Academic Enrichment.

The Division of Innovation implements and oversees Kentucky's Districts of Innovation as well as assists and monitors nontraditional instruction.

## **Policy**

The budget includes General Fund in the base budget for the following areas:

- \$48,889,000 for the Family Resource and Youth Service Centers (FRYSC) program
- \$1,850,000 for the Community Education program
- \$9,465,500 for the Kentucky Educational Collaborative for State Agency Children

In accordance with all appropriation bills since the Kentucky Education Reform Act was passed in 1990, the General Fund amounts for the FRYSC program are transferred to the Cabinet for Health and Family Services, Department for Family Resource Centers and Volunteer Services, to be administered.

**Department of Education  
Learning and Results Services  
Special Education & Early Learning**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	115,223,700	115,223,700
<b>Total General Fund</b>	<b>115,223,700</b>	<b>115,223,700</b>
<b>Federal Fund</b>		
Current Receipts	186,847,100	186,876,700
<b>Total Federal Fund</b>	<b>186,847,100</b>	<b>186,876,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>302,070,800</b>	<b>302,100,400</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	2,577,100	2,577,100
Operating Expenses	375,100	375,100
Grants Loans Benefits	299,118,600	299,148,200
<b>TOTAL EXPENDITURES</b>	<b>302,070,800</b>	<b>302,100,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	115,223,700	115,223,700
Federal Fund	186,847,100	186,876,700
<b>TOTAL EXPENDITURES</b>	<b>302,070,800</b>	<b>302,100,400</b>

The Office of Special Education and Early Learning consists of the Division of IDEA Monitoring and Results, the Division of State Schools and the Division of IDEA Implementation and Preschool. This Office oversees several educational programs and funds.

The Extended Learning Services or Extended School Services (ESS) Fund was established by KRS 158.070 to provide struggling learners with additional instructional time and assistance to achieve their learning goals. The program offers instructional time outside regular school hours and takes many forms including after-school and before-school instruction, evening sessions, Saturday learning activities, summer programs, and learning inter-sessions in year-round schools.

The Gifted and Talented Fund provides support to school districts for educational services to students who are gifted and talented.

The Office of Special Education and Early Learning provides schools with assistance in the development and implementation of services for children and youth with disabilities, including services associated with the federal Individuals with Disabilities Education Act. Program areas include Individuals with Disabilities Education, Preschool Special Education, and Special Education Program Improvement.

The Preschool Fund provides grants to local school districts for the education of four-year-old children whose families meet qualifying poverty guidelines as well as three and four-year-old children with developmental delays or other disabilities.

**Policy**

The budget includes General Fund for the following programs:

- \$84,481,100 for the Preschool program in each fiscal year
- \$23,916,300 for the Extended School Services program in each fiscal year
- \$6,208,400 for the Gifted and Talented program in each fiscal year

**Department of Education  
Learning and Results Services  
Educator Licensure and Effectiveness**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	2,179,100	4,179,100
<b>Total General Fund</b>	<b>2,179,100</b>	<b>4,179,100</b>
<b>Restricted Funds</b>		
Balance Forward	6,285,400	5,653,000
Current Receipts	1,400,000	1,400,000
Non-Revenue Receipts	267,600	267,600
Fund Transfers		-4,000,000
<b>Total Restricted Funds</b>	<b>7,953,000</b>	<b>3,320,600</b>
<b>Federal Fund</b>		
Current Receipts	26,470,200	26,475,200
<b>Total Federal Fund</b>	<b>26,470,200</b>	<b>26,475,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>36,602,300</b>	<b>33,974,900</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	2,748,900	2,748,900
Operating Expenses	583,000	583,000
Grants Loans Benefits	27,617,400	28,622,400
<b>TOTAL EXPENDITURES</b>	<b>30,949,300</b>	<b>31,954,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	2,179,100	4,179,100
Restricted Funds	2,300,000	1,300,000
Federal Fund	26,470,200	26,475,200
<b>TOTAL EXPENDITURES</b>	<b>30,949,300</b>	<b>31,954,300</b>

The Office of Educator Licensure and Effectiveness was created in the Department of Education by Executive Order 2019-464 on June 19, 2019. This Office has two divisions, the Division of Educator Preparation, Assessment and Internship and the Division of Educator Licensure and Quality. This Executive Order abolished the Office of the Education Professional Standards Board within the Education and Workforce Development Cabinet and transferred it to the Office of Educator Licensure and Effectiveness.

The Office is responsible for issuing, suspending and revoking certificates of Kentucky's more than 50,000 Kentucky educators.

**Department of Education  
Learning and Results Services  
Standards, Assessment & Accountability**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	64,002,500	64,899,900
<b>Total General Fund</b>	<b>64,002,500</b>	<b>64,899,900</b>
<b>Federal Fund</b>		
Current Receipts	15,066,100	15,066,100
<b>Total Federal Fund</b>	<b>15,066,100</b>	<b>15,066,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>79,068,600</b>	<b>79,966,000</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	28,192,100	28,754,100
Operating Expenses	564,000	564,000
Grants Loans Benefits	50,312,500	50,647,900
<b>TOTAL EXPENDITURES</b>	<b>79,068,600</b>	<b>79,966,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	64,002,500	64,899,900
Federal Fund	15,066,100	15,066,100
<b>TOTAL EXPENDITURES</b>	<b>79,068,600</b>	<b>79,966,000</b>

The Office of Standards, Assessment and Accountability is responsible for developing and implementing Kentucky's system of assessing progress by students, schools, and districts. The Office supplies information on regulations, policies and procedures, a calendar of important assessment dates, manuals, and information for districts and schools on using testing data to improve instruction. The Office of Assessment and Accountability also oversees the implementation of testing and data requirements enacted by Senate Bill 1 of the 2017 Regular Session of the General Assembly.

The Office consists of three divisions: the Division of Accountability Data and Analysis, the Division of Assessment and Accountability Support and the Division of Academic Program Standards.

The Office of Standards, Assessment and Accountability assists districts design and implement curriculum based on new academic standards.

The Read to Achieve Fund provides grants to schools to implement research-based reading diagnostic and intervention programs for struggling readers within the state primary program. The early reading intervention program selected by the funded school must be based on reliable, replicable research and offer short-term intensive one-on-one or small group instruction in essential skills necessary for reading proficiency.

The Learning and Results Services Programs consist of a variety of grant programs.

The Mathematics Achievement Fund provides two-year renewable grants to local school districts for training teachers in diagnostic assessment and intervention skills. To qualify, a district must employ standards-based and research-based math instructional practices, use intervention and support services to supplement regular classroom instruction, and provide intervention services to primary program and other students at risk of mathematics failure based on ongoing assessments of their needs.

The Instructional Resources/Textbook Fund provides support to local school districts to obtain instructional material for students in kindergarten through eighth grades.

**Policy**

The budget includes General Fund in the base budget for the following programs:

- \$15,936,600 for the Read to Achieve Program
- \$13,000,000 for the Center for School Safety

- \$5,019,000 for the Mathematics Achievement Fund.
- \$1,700,000 for AdvanceKentucky
- \$1,300,000 for the Save the Children program
- \$1,200,000 for the Collaborative Center for Literacy Development
- \$100,000 for the Heuser Hearing and Language Academy
- \$100,000 for the Hearing and Speech Center

Increased funding was provided in each fiscal year for the following programs:

- \$500,000 for Teach for America, an increase of \$250,000
- \$250,000 for Visually Impaired Preschool Services, an increase of \$156,200

New funding was provided in each fiscal for the following programs:

- \$7,412,500 to fund additional school-based mental health services provider positions on a reimbursement basis. The Kentucky Center for School Safety, in consultation with the Office of the State School Security Marshal, shall develop criteria to determine which school districts receive funding to meet the requirements of KRS 158.4416(3), enacted as part of Senate Bill 1 from the 2019 Regular Session of the General Assembly.
- \$250,000 for the Kentucky Alliance of Boys and Girls Clubs.

The budget includes General Fund in the amount of \$800,000 in fiscal year 2021-2022 for Dolly Parton's Imagination Library.

**Department of Education  
Learning and Results Services  
State Schools**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	16,933,700	18,433,700
Current Year Appropriation	1,500,000	
<b>Total General Fund</b>	<b>18,433,700</b>	<b>18,433,700</b>
<b>Restricted Funds</b>		
Balance Forward	1,263,100	
Current Receipts	854,500	2,121,100
<b>Total Restricted Funds</b>	<b>2,117,600</b>	<b>2,121,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>20,551,300</b>	<b>20,554,800</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	17,135,200	17,135,200
Operating Expenses	3,416,100	3,419,600
<b>TOTAL EXPENDITURES</b>	<b>20,551,300</b>	<b>20,554,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	18,433,700	18,433,700
Restricted Funds	2,117,600	2,121,100
<b>TOTAL EXPENDITURES</b>	<b>20,551,300</b>	<b>20,554,800</b>

The **Kentucky School for the Blind**, located in Louisville, Kentucky, provides instructional and residential programs for blind and visually impaired students throughout Kentucky. All instructional programs follow the Kentucky Academic Standards and Academic Expectations and are geared to meet students' individualized needs as set forth in their Individual Education Program (IEP).

The Kentucky School for the Blind residential program offers housing, after-school supervision, health center services, daily living skills experiences and leisure and recreational activities, which help in the development of social skills for independence.

The Kentucky School for the Blind Outreach Services provide assessments, consultations and professional development opportunities for school districts and teachers of the visually impaired. The Kentucky Instructional Materials Resource Center (KIMRC), a part of Outreach Services, purchases and distributes textbooks for school districts using federal quota funds. The KIMRC is responsible for the federal quota registration for the state. Braille production and the Parent Resource Center also are provided through Outreach Services.

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

Students at the Kentucky School for the Deaf are housed in campus dormitories supervised by houseparents. The students receive practical living skill instruction in personal safety, hygiene, and independent living skills.

The Kentucky School for the Deaf also supports an Outreach Program which provides consultative, technical, and evaluative support to local school districts on how to provide effective educational services to deaf children attending school in a local district. The Kentucky School for the Deaf is the designated Statewide Educational Resource Center on Deafness.

**Policy**

The budget includes General Fund in the amount of \$7,853,100 in each fiscal year for the Kentucky School for the Blind, an increase of \$1,000,000 each year. The budget includes General Fund in the amount of \$10,580,600 in each fiscal year for the Kentucky School for the Deaf, an increase of \$500,000 each year.

**Department of Education  
Learning and Results Services  
Career & Technical Education & Student Transition**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	64,149,700	65,032,800
<b>Total General Fund</b>	<b>64,149,700</b>	<b>65,032,800</b>
<b>Restricted Funds</b>		
Balance Forward	3,812,400	
Current Receipts	6,549,300	10,757,800
Non-Revenue Receipts	20,069,600	20,069,600
<b>Total Restricted Funds</b>	<b>30,431,300</b>	<b>30,827,400</b>
<b>Federal Fund</b>		
Current Receipts	17,990,900	17,933,200
<b>Total Federal Fund</b>	<b>17,990,900</b>	<b>17,933,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>112,571,900</b>	<b>113,793,400</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	44,079,700	44,179,500
Operating Expenses	6,259,500	6,409,500
Grants Loans Benefits	62,232,700	63,204,400
<b>TOTAL EXPENDITURES</b>	<b>112,571,900</b>	<b>113,793,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	64,149,700	65,032,800
Restricted Funds	30,431,300	30,827,400
Federal Fund	17,990,900	17,933,200
<b>TOTAL EXPENDITURES</b>	<b>112,571,900</b>	<b>113,793,400</b>

The Office of Career and Technical Education and Student Transition provides occupational-specific education and training for Kentucky's citizens in order to develop a skilled and versatile workforce. The main responsibility is providing education and technical training to youth and incumbent workers that match the needs of Kentucky business and industry. The Office of Career and Technical Education and Student Transition manages 53 area technology centers. These area technology centers prepare students for postsecondary technical training leading to a certificate or an associate's degree, academic pursuits at a four-year college or university, or entry into the labor market with an industry-recognized qualification. The Office of Career and Technical Education and Student Transition is also responsible for programs under the Carl D. Perkins Vocational and Applied Technology Education Act of 1998 (Public Law 105-332).

**Policy**

The budget includes General Fund in the amount of \$64,149,700 in fiscal year 2021 and \$65,032,800 in fiscal year 2022 for career and technical education. Of this amount, \$12,043,500 in each fiscal year shall be distributed as supplemental funding to local vocational education centers.

The budget added General Fund from Lottery funds in the amount of \$250,000 in fiscal year 2021 and \$500,000 in fiscal year 2022 for the Jobs for America's Graduates (JAG) program.

General Fund in the amount of \$22,881,900 for state-run vocational schools reimbursement is included in the Learning and Results Services Career and Technical Education budget unit. This funding was previously included in the Support for Education Excellence in Kentucky (SEEK) budget unit.



**Department of Education  
Learning and Results Services  
Local District Health and Life Insurance**

<b>SOURCE OF FUNDS</b>	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>General Fund</b>		
Regular Appropriation	751,235,400	753,972,300
Other	-11,245,300	
<b>Total General Fund</b>	<u>739,990,100</u>	<u>753,972,300</u>
<b>TOTAL SOURCE OF FUNDS</b>	<u>739,990,100</u>	<u>753,972,300</u>
<b>EXPENDITURES BY CLASS</b>		
Grants Loans Benefits	<u>739,990,100</u>	<u>753,972,300</u>
<b>TOTAL EXPENDITURES</b>	<u>739,990,100</u>	<u>753,972,300</u>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	<u>739,990,100</u>	<u>753,972,300</u>
<b>TOTAL EXPENDITURES</b>	<u>739,990,100</u>	<u>753,972,300</u>

Local District Health Insurance

Employees of local school districts have the option of participating in the Kentucky Employees' Health Plan (KEHP). KEHP is a self-insured program providing health insurance benefits to the employees and retirees of the Commonwealth of Kentucky, as well as local school boards, local health departments, and other quasi governmental agencies. School district employees make up the largest portion of public employees covered by the KEHP.

Local District Life Insurance Fund

Funds in this program are used to pay, on behalf of school districts, the employer's portion of life insurance premiums to the Personnel Cabinet for full-time, qualified school district employees.

**Policy**

The budget includes General Fund in the amount of \$738,599,100 in fiscal year 2021 and \$752,581,300 in fiscal year 2022 for health insurance. Of this amount, \$4,909,000 is to pay for under budgeted costs from fiscal years 2018-2019 and 2019-2020. The budget includes General Fund in the amount of \$1,391,000 in each fiscal year for life insurance benefits to qualified local district employees.

# **Education and Workforce Development**

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**Education and Workforce Development**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	66,674,200	70,252,500
Continuing Approp-General Fund	2,622,000	
Reorganization Adjustment	-289,700	
<b>Total General Fund</b>	<b>69,006,500</b>	<b>70,252,500</b>
<b>Tobacco Fund</b>		
Tobacco Settlement - Phase I	1,400,000	1,400,000
Continuing Approp-Tob Settlement	4,297,000	
<b>Total Tobacco Fund</b>	<b>5,697,000</b>	<b>1,400,000</b>
<b>Restricted Funds</b>		
Balance Forward	9,626,200	7,846,200
Current Receipts	10,843,500	10,734,900
Non-Revenue Receipts	9,630,300	12,016,000
<b>Total Restricted Funds</b>	<b>30,100,000</b>	<b>30,597,100</b>
<b>Federal Fund</b>		
Current Receipts	132,632,000	133,002,300
CRF Receipts	1,560,000	
<b>Total Federal Fund</b>	<b>134,192,000</b>	<b>133,002,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>238,995,500</b>	<b>235,251,900</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	73,012,100	71,681,900
Operating Expenses	24,155,600	25,903,400
Grants Loans Benefits	133,924,500	126,422,200
Debt Service		83,500
Capital Outlay	57,100	57,100
<b>TOTAL EXPENDITURES</b>	<b>231,149,300</b>	<b>224,148,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	69,006,500	70,252,500
Tobacco Fund	5,697,000	1,400,000
Restricted Funds	22,253,800	19,493,300
Federal Fund	134,192,000	133,002,300
<b>TOTAL EXPENDITURES</b>	<b>231,149,300</b>	<b>224,148,100</b>
<b>EXPENDITURES BY UNIT</b>		
General Administration and Program Support	33,212,000	30,049,900
Commission on Proprietary Education	331,900	508,100
Deaf and Hard of Hearing	2,348,400	2,337,300
Kentucky Educational Television	16,578,800	16,599,400
Environmental Education Council	822,900	816,900
Libraries and Archives	15,871,400	15,175,800
Department of Workforce Investment	161,983,900	158,660,700
<b>TOTAL EXPENDITURES</b>	<b>231,149,300</b>	<b>224,148,100</b>

During the 2006 Regular Session of the General Assembly, Senate Bill 105 combined several departments and offices from the former Education, Arts, and Humanities Cabinet and the former Workforce Development Cabinet to create the Education Cabinet. Senate Bill 78 from the 2009 Regular Session of the General Assembly renamed the cabinet to the Education and Workforce Development Cabinet to emphasize the important connection between education and workforce development. Since that time, other changes have been implemented via enacted legislation including moving the Council on Postsecondary Education from the Education and Workforce Development Cabinet to the Governor's Office, for

administrative purposes; moving the Governor's Scholars Program from the Governor's Office to the Education and Workforce Development Cabinet; and dissolving the Board for Proprietary Education and creating the Commission on Proprietary Education, and moving it to the Education and Workforce Development Cabinet for administrative purposes.

The following agencies comprise the Education and Workforce Development Cabinet:

- Department of Education
- Kentucky Center for School Safety
- Governor's Scholars Program
- Education Professional Standards Board
- Kentucky Commission on the Deaf and Hard of Hearing
- Environmental Education Council
- Department for Workforce Investment
- Kentucky Commission on Proprietary Education
- Kentucky Educational Television
- Department for Libraries and Archives

**Education and Workforce Development  
General Administration and Program Support**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	6,705,400	8,744,000
Reorganization Adjustment	-289,700	
<b>Total General Fund</b>	<b>6,415,700</b>	<b>8,744,000</b>
<b>Tobacco Fund</b>		
Tobacco Settlement - Phase I	1,400,000	1,400,000
Continuing Approp-Tob Settlement	4,297,000	
<b>Total Tobacco Fund</b>	<b>5,697,000</b>	<b>1,400,000</b>
<b>Restricted Funds</b>		
Balance Forward	1,371,500	1,557,500
Current Receipts	414,500	414,400
Non-Revenue Receipts	9,355,300	11,741,000
<b>Total Restricted Funds</b>	<b>11,141,300</b>	<b>13,712,900</b>
<b>Federal Fund</b>		
Current Receipts	9,955,500	10,995,800
CRF Receipts	1,560,000	
<b>Total Federal Fund</b>	<b>11,515,500</b>	<b>10,995,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>34,769,500</b>	<b>34,852,700</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	17,062,900	17,186,600
Operating Expenses	4,134,300	5,158,000
Grants Loans Benefits	12,014,800	7,705,300
<b>TOTAL EXPENDITURES</b>	<b>33,212,000</b>	<b>30,049,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	6,415,700	8,744,000
Tobacco Fund	5,697,000	1,400,000
Restricted Funds	9,583,800	8,910,100
Federal Fund	11,515,500	10,995,800
<b>TOTAL EXPENDITURES</b>	<b>33,212,000</b>	<b>30,049,900</b>
<b>EXPENDITURES BY UNIT</b>		
Secretary	13,074,400	12,072,200
Governor's Scholars	1,758,700	1,758,700
Kentucky Center for Statistics	6,308,800	6,642,900
Early Childhood Advisory Council	12,070,100	9,576,100
<b>TOTAL EXPENDITURES</b>	<b>33,212,000</b>	<b>30,049,900</b>

General Administration and Program Support provides the central coordination and direction for the overall planning, management and oversight of the agencies within the Cabinet. It is responsible for policy and budget development and personnel transactions; legal services including legislative and regulatory development and oversight; a communications strategy with the public, business, and industry; economic analysis and research; accounting, purchasing, and facilities management; and information technology and other administrative support services.

The program includes the following units:

- The Office of the Secretary provides strategic direction and leadership to establish the focus for policy development, implementation, and program priorities. The Office coordinates Cabinet activities among its departments and agencies to ensure continuous improvement in administration and efficient service to the citizens of the Commonwealth. The Secretary serves as the Chief Executive Officer of the Cabinet and is an advisor to the Governor and the General Assembly.

- The Office of Educational Programs assists in maintaining the Cabinet's presence with educational agencies and managing state-wide educational programs, among other responsibilities.
- The Office of Legal and Legislative Services oversees the Cabinet's legislative agenda and issues, including constituent services and board and commissions responsibilities.
- The Office of Administrative Service is the Cabinet's chief financial and administrative office. The Division of Operations and Support Services and the Division of Fiscal Management is responsible for the management of all state-owned/state-operated facilities, equipment, and property assigned to the Cabinet, The Division of Fiscal Management responsible for all central office purchasing, auditing and processing financial documents, compliance with the Federal Cash Management Act, federal reporting, development of the Indirect Cost Plan, monitoring and reconciliation of all financial transactions, and compliance with state and federal guidelines. The Division of Human Resources is responsible for all Cabinet personnel activities including personnel and payroll processing, providing benefits services to Cabinet employees and developing workshops and training programs for employees.
- The Office of Technology Services oversees and assists with the Cabinet's application development needs and serves as the central location for all Cabinet data processing programs statewide. The Office works with the Commonwealth Office of Technology to effectuate the Cabinet's information technology infrastructure objectives.
- The Office of Communication provides internal and external communications, marketing support and media advisory services to the Cabinet, Executive Offices, Department for Workforce Investment and other Cabinet agencies. The Office interprets and disseminates information about the Cabinet and its components to employees, the media and the general public.
- The Office of the Kentucky Center for Statistics and the Board of the Kentucky Center for Statistics manage and oversee the Kentucky Longitudinal Data System. The System is a data repository housing early childhood through postsecondary education, and training and employment information. The Office removes individual identifiers from the data and links information across agencies, schools, and institutions to provide a complete picture of the education-to-employment process to better inform decisions made by state and local policy makers, the general public, and other stakeholders. The office conducts studies and provides feedback about the performance of high school graduates after they go to college; the outcome of teacher preparation, college, adult education, and other programs; and develops the Kentucky County Profiles book. The Kentucky Center for Statistics Board is comprised of the heads of the five participating agencies and includes the commissioner of the Department of Education, the president of the Kentucky Council on Postsecondary Education, the secretary of the Education and Workforce Development Cabinet, the secretary of the Cabinet for Health and Family Services and the CEO/Executive Director of the Kentucky Higher Education Assistance Authority. The board is charged with developing a detailed access and use policy for data and information request, overseeing the Office and establishing its research agenda, and overseeing compliance by the Office with the federal Family Educational Rights and Privacy Act and other relevant federal and state privacy laws.
- The Governor's Scholars Program (GSP) is designed to motivate and empower Kentucky's brightest young people to become effective thinkers and citizen leaders with a zeal for excellence and a mind for innovation. The program provides an intensive residential summer academic and personal growth program for academically talented rising high school seniors. The scholars, chosen competitively, spend five uninterrupted weeks in the program on three college campuses. The Program served 1,078 students in the summer of 2017.

The Early Childhood Advisory Council (KRS 200.700) was established in the Governor's Office in 2011 and reorganized to the Education and Workforce Development Cabinet in 2019. The office coordinates development and continuing activities of Community Early Childhood Councils. The Councils work toward implementation of Kentucky's long-range strategic plan for early childhood development on the local level. The councils build upon existing resources, foster public-private partnerships, and work within their communities toward such goals as the availability of high quality, accessible, and affordable early childhood care options. The Early Childhood Advisory Council provides technical assistance, monitoring, evaluations of the local partnerships and provides financial assistance to local councils through Tobacco funds.

## **Policy**

The budget includes additional General Fund in the amount of \$100,000 in each fiscal year to support the Hope Center. The Hope Center provides a wide array of services to persons who are homeless or at risk of becoming homeless.

The budget includes additional General Fund in the amount of \$1,200,000 in fiscal year 2021 and \$2,563,200 in fiscal year 2022 for the State Longitudinal Data System. Due to the expiration of federal funding, the General Fund is necessary to support the operating costs of the system. The Kentucky Center for Statistics collects and integrates education and workforce data so that policymakers, practitioners, and the public can make the best informed decisions possible.

The budget includes General Fund in the amount of \$362,700 in fiscal year 2021 and \$495,200 in fiscal year 2022 for the Governor's School for Entrepreneurs.

Additional restricted fund appropriation has been added to accommodate the Cabinet's adoption of an indirect cost model from a cost allocation model.

An additional \$1,000,000 from the General Fund appropriation is provided in fiscal year 2022 for a Kentucky Adult Learner Pilot Program. The purpose of this pilot program is to provide adults, 18 years of age or older, who have not graduated high school, the opportunity to earn a high school diploma. The program is limited to not more than 350 adult learners, and will be administered by a non-profit organization.

**Education and Workforce Development**

**Proprietary Education**

	<b>Revised</b>	<b>Enacted</b>
	<b>FY 2021</b>	<b>FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>Restricted Funds</b>		
Balance Forward	588,200	491,000
Current Receipts	234,700	235,300
<b>Total Restricted Funds</b>	<u>822,900</u>	<u>726,300</u>
<b>TOTAL SOURCE OF FUNDS</b>	<u>822,900</u>	<u>726,300</u>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	266,200	442,400
Operating Expenses	65,700	65,700
<b>TOTAL EXPENDITURES</b>	<u>331,900</u>	<u>508,100</u>
<b>EXPENDITURES BY FUND SOURCE</b>		
Restricted Funds	331,900	508,100
<b>TOTAL EXPENDITURES</b>	<u>331,900</u>	<u>508,100</u>
<b>EXPENDITURES BY UNIT</b>		
Proprietary Education	331,900	508,100
<b>TOTAL EXPENDITURES</b>	<u>331,900</u>	<u>508,100</u>

The Kentucky Commission on Proprietary Education was established by action of the 2012 Kentucky General Assembly; it replaced the Board of Proprietary Education. The 11-member commission is charged with licensing and regulating all proprietary schools, doing business in Kentucky, other than those that offer a four year bachelor's degree. The duties of the Commission include issuing and renewing licenses to eligible proprietary schools, investigating complaints from students and schools, and administering and enforcing the provisions of KRS Chapter 165A pertaining to the conduct, operation, maintenance, and establishment of proprietary education institutions and the activities of agents of the schools.

The Commission also administers the Student Protection Fund. Each licensed school is obligated to contribute to the fund which reimburses eligible students in the event a school closes, loses its accreditation, or discontinues a program.

**Policy**

House Bill 405 of the 2021 Regular Session of the General Assembly added an additional \$133,000 restricted fund spending authority to hire one additional position.



**Education and Workforce Development**

**Deaf and Hard of Hearing**

**Revised                      Enacted**  
**FY 2021                      FY 2022**

**SOURCE OF FUNDS**

**General Fund**

Regular Appropriation	970,200	971,700
<b>Total General Fund</b>	<b>970,200</b>	<b>971,700</b>

**Restricted Funds**

Balance Forward		1,500
Current Receipts	1,379,700	1,379,700
<b>Total Restricted Funds</b>	<b>1,379,700</b>	<b>1,381,200</b>

**TOTAL SOURCE OF FUNDS**

2,349,900	2,352,900
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**EXPENDITURES BY CLASS**

Personnel Costs	1,308,800	1,298,500
Operating Expenses	1,039,600	1,038,800
<b>TOTAL EXPENDITURES</b>	<b>2,348,400</b>	<b>2,337,300</b>

**EXPENDITURES BY FUND SOURCE**

General Fund	970,200	971,700
Restricted Funds	1,378,200	1,365,600
<b>TOTAL EXPENDITURES</b>	<b>2,348,400</b>	<b>2,337,300</b>

**EXPENDITURES BY UNIT**

Commission on the Deaf and Hard of Hearing	2,348,400	2,337,300
<b>TOTAL EXPENDITURES</b>	<b>2,348,400</b>	<b>2,337,300</b>

In accordance with KRS 163.510, the Commission on the Deaf and Hard of Hearing advises the Governor and the General Assembly concerning policies and programs to enhance the quality and coordination of services for deaf and hard of hearing individuals in both the public and private sectors. The Commission oversees the provision of interpreter services to deaf and hard of hearing individuals; identifies and evaluates public and private entities that provide services to deaf and hard of hearing residents of Kentucky for information, referral, and advocacy services; administers a Telecommunications Access Program which provides specialized telecommunications equipment to qualified deaf, hard of hearing, and speech-impaired residents of Kentucky; assists local, state, and federal governments and public and private agencies in the development of programs for the deaf and hard of hearing; and reviews legislative programs relating to services for deaf and hard of hearing persons and conducts studies of conditions affecting the health and welfare of the deaf and hard of hearing.

**Education and Workforce Development  
Kentucky Educational Television**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	15,054,000	15,074,600
<b>Total General Fund</b>	<b>15,054,000</b>	<b>15,074,600</b>
<b>Restricted Funds</b>		
Current Receipts	1,524,800	1,524,800
<b>Total Restricted Funds</b>	<b>1,524,800</b>	<b>1,524,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>16,578,800</b>	<b>16,599,400</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	13,423,800	13,526,900
Operating Expenses	3,105,000	2,939,000
Debt Service	0	83,500
Capital Outlay	50,000	50,000
<b>TOTAL EXPENDITURES</b>	<b>16,578,800</b>	<b>16,599,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	15,054,000	15,074,600
Restricted Funds	1,524,800	1,524,800
<b>TOTAL EXPENDITURES</b>	<b>16,578,800</b>	<b>16,599,400</b>
<b>EXPENDITURES BY UNIT</b>		
General Administration and Support	3,502,100	3,618,500
Broadcasting and Education	11,158,800	11,117,500
Engineering	1,917,900	1,863,400
<b>TOTAL EXPENDITURES</b>	<b>16,578,800</b>	<b>16,599,400</b>

KET was established by the Kentucky General Assembly in the early 1960s for the purpose of supporting educational excellence in the Commonwealth. The agency's mission includes service to citizens of the Commonwealth in the home, in institutions of education, and in the workplace. As required by KRS 168, the Kentucky Authority for Educational Television (KET) produces and transmits educational programming for students in public schools, state supported institutions of higher education, and others desiring broadcast programs and services. KET is divided into three program areas: General Administration and Support, Broadcasting and Education, and Engineering.

The Broadcasting and Education unit acquires and produces programs and related support material which will most effectively carry out the mission and policies set by the Kentucky Authority for Educational Television. This process includes soliciting feedback from appropriate audiences and seeking input from agencies and groups such as the Kentucky Department of Education and the Higher Education Telecommunications Consortium. The unit assembles three channels of television programming: KET1 carries educational and informational programs for all Kentucky citizens; KET2 carries additional programs and repeats of important programs carried on KET1; and KETKY carries programs about Kentucky and Kentuckians and overnight feeds of instructional programs for schools. KETKY also carries the Kentucky General Assembly when in session or in committee, as well as, occasional special feeds for the State Department of Education, Kentucky Community and Technical College System or other partners as needed.

Instructional programming for elementary and secondary schools directly supports the learning goals and outcomes of Kentucky's Common Core Standards, adopted in February 2010. The Broadcasting and Education unit produces interactive and other distance learning courses designed to provide equal access to a variety of learning opportunities for all students. It produces professional development opportunities for educators throughout the state and broadcasts programs designed to help people in the workplace. Acquired and/or locally produced programming services are delivered to under-educated adults, professionals in need of training, and other citizens with various needs related to their jobs and professions. The unit also produces multiple schedules of nationally- and locally-produced programs for citizens at home and in the workplace. This includes educational and public affairs programming as well as quality arts experiences for all Kentuckians. A full line-up of children's educational programs offers a quality alternative to commercial television viewing.

KET's Engineering Service unit oversees the delivery of KET programs and other services. It operates and maintains a land-based broadcast network of 16 digital transmitters and three translators capable of delivering multiple channels of content and data into all parts of the state. The Engineering Service unit operates all technical equipment to specifications mandated by the Federal Communications Commission.

The General Administration and Support unit oversees the implementation of KET's mission as directed by the Kentucky Authority for Educational Television and recommends and carries out the policies of the Authority in all matters of the agency. The unit assures that the agency is in compliance with pertinent state regulations and federal broadcast laws and works to ascertain the desires of the citizens of the Commonwealth. The unit conducts research and planning activities to verify the needs of current and potential audiences then works to assure effective, efficient, and appropriate service to those audiences.

**Education and Workforce Development  
Environmental Education Council**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>Restricted Funds</b>		
Balance Forward	561,500	468,600
Current Receipts	139,000	141,300
Non-Revenue Receipts	275,000	275,000
<b>Total Restricted Funds</b>	<b>975,500</b>	<b>884,900</b>
<b>Federal Fund</b>		
Current Receipts	316,000	316,000
<b>Total Federal Fund</b>	<b>316,000</b>	<b>316,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,291,500</b>	<b>1,200,900</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	415,600	409,600
Operating Expenses	44,800	44,800
Grants Loans Benefits	362,500	362,500
<b>TOTAL EXPENDITURES</b>	<b>822,900</b>	<b>816,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
Restricted Funds	506,900	500,900
Federal Fund	316,000	316,000
<b>TOTAL EXPENDITURES</b>	<b>822,900</b>	<b>816,900</b>
<b>EXPENDITURES BY UNIT</b>		
Ky Environmental Education Council	822,900	816,900
<b>TOTAL EXPENDITURES</b>	<b>822,900</b>	<b>816,900</b>

The Kentucky Environmental Education Council was established in 1990 by KRS 157.910 and is charged with improving the environmental literacy of all Kentuckians. The Council provides opportunities for all Kentuckians to understand both that environmental problems exist and how each person's actions contribute to the health of the environment. In accordance with KRS 224.10-250, the Council receives the first \$150,000 in environmental fines and penalties collected by the Energy and Environment Cabinet for funding programs and activities that improve the quality of environmental education in the Commonwealth. These programs and activities include:

- Working with citizens, especially those engaged in environmental education, to implement the master plan for improving environmental education and environmental literacy.
- Working with the Kentucky Department of Education, the Education Professional Standards Board, and agencies that make up the Environmental Education Interagency Committee to establish guidelines for improving professional development in environmental education for educators.
- Establishing standards for environmental education that fit within the Kentucky Department of Education's instructional standards and help insure balanced, ecologically-based curriculum and instruction.
- Working to ensure that environmental education is equitably distributed to all Kentuckians.

Additionally, in accordance with KRS 224.43-505, the Council provides interest accrued on the Kentucky Pride Fund, a fund that receives environmental remediation fees charged on each ton of waste disposed of at Kentucky landfills, to the eight state public universities to operate environmental education centers.

**Education and Workforce Development  
Libraries and Archives**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	9,076,700	10,583,100
<b>Total General Fund</b>	<b>9,076,700</b>	<b>10,583,100</b>
<b>Restricted Funds</b>		
Balance Forward	6,562,800	4,892,800
Current Receipts	2,538,300	2,446,000
<b>Total Restricted Funds</b>	<b>9,101,100</b>	<b>7,338,800</b>
<b>Federal Fund</b>		
Current Receipts	2,586,400	2,578,700
<b>Total Federal Fund</b>	<b>2,586,400</b>	<b>2,578,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>20,764,200</b>	<b>20,500,600</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	5,138,400	5,142,700
Operating Expenses	4,151,900	4,152,000
Grants Loans Benefits	6,574,000	5,874,000
Capital Outlay	7,100	7,100
<b>TOTAL EXPENDITURES</b>	<b>15,871,400</b>	<b>15,175,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	9,076,700	10,583,100
Restricted Funds	4,208,300	2,014,000
Federal Fund	2,586,400	2,578,700
<b>TOTAL EXPENDITURES</b>	<b>15,871,400</b>	<b>15,175,800</b>
<b>EXPENDITURES BY UNIT</b>		
Libraries and Archives	10,494,900	9,799,300
Direct Local Aid	5,376,500	5,376,500
<b>TOTAL EXPENDITURES</b>	<b>15,871,400</b>	<b>15,175,800</b>

The Department for Libraries and Archives supports and promotes equitable access to quality library services and information resources, and ensures that adequate documentation of government programs is created, maintained, and available for public use.

The Department is directed by three goals:

- To provide effective services that meet the needs of library and public records customers,
- To build effective and productive partnerships with other organizations and public agencies for enhanced management of and access to information and services, and
- To improve employee job satisfaction and agency operations.

The Department serves both governmental agencies and the people of Kentucky directly through local public libraries. The Department also serves several distinct customer populations including the general public, the blind and physically disabled, institutionalized persons, state government personnel, state and local public agencies, and researchers needing historic public records.

**Education and Workforce Development  
Libraries and Archives**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	4,747,100	6,253,500
<b>Total General Fund</b>	<b>4,747,100</b>	<b>6,253,500</b>
<b>Restricted Funds</b>		
Balance Forward	5,874,500	4,206,400
Current Receipts	1,493,300	1,492,900
<b>Total Restricted Funds</b>	<b>7,367,800</b>	<b>5,699,300</b>
<b>Federal Fund</b>		
Current Receipts	2,586,400	2,578,700
<b>Total Federal Fund</b>	<b>2,586,400</b>	<b>2,578,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>14,701,300</b>	<b>14,531,500</b>
<b>EXPENDITURES BY CLASS</b>		
Personnel Costs	5,138,400	5,142,700
Operating Expenses	4,151,900	4,152,000
Grants Loans Benefits	1,197,500	497,500
Capital Outlay	7,100	7,100
<b>TOTAL EXPENDITURES</b>	<b>10,494,900</b>	<b>9,799,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	4,747,100	6,253,500
Restricted Funds	3,161,400	967,100
Federal Fund	2,586,400	2,578,700
<b>TOTAL EXPENDITURES</b>	<b>10,494,900</b>	<b>9,799,300</b>
<b>EXPENDITURES BY UNIT</b>		
Administrative Services	2,340,800	2,343,000
Field Services	2,473,200	2,487,200
Library Services	1,394,900	1,407,100
Archives & Records Management	4,286,000	3,562,000
<b>TOTAL EXPENDITURES</b>	<b>10,494,900</b>	<b>9,799,300</b>

The Department for Libraries and Archives supports and promotes equitable access to quality library services and information resources, and ensures that adequate documentation of government programs is created, maintained, and available for public use.

**Administrative Services**

The Libraries and Archives Commissioner's Office sets overall policy and direction for the Department and provides communication advice and support to each division. The Office supports the activities of the State Advisory Council on Libraries, chairs the Archives and Records Commission, and serves on the State Information Systems Commission, the Communications Advisory Committee, and the Oral History Commission.

The Division of Administrative Services formulates and implements executive direction for planning, policy, and procedures for the Department in accordance with KRS Chapter 171. The Division provides administrative support to the program areas of the Department. This division funds and supports the activities of the Commissioner's Office, as well as those of the Financial, Personnel and Payroll, Federal Grants Management, Information Systems, Building Facilities, and Administrative Support units.

**Field Services**

The Division of Field Services supports Kentucky's public libraries for the improvement of library services by providing consultation, technical assistance, and financial aid. The Division provides services pursuant to KRS Chapter 171.

This division's Public Library Development Branch includes professional and technical staff who provide consultative and

technical assistance concerning public library services and programs provided by the Department. The staff is located in regional offices that are mainly housed in local public libraries.

The Program Development Branch provides statewide guidance in specialized library services. This office plans and implements statewide continuing education programs. Services are also provided for technological development, automated operations, and statistical analysis. Branch staff provide consulting services in the areas of library construction; assistance in developing early childhood, children's, and young adult programs and materials; and provides administrative support to the Kentucky State Board for the Certification of Librarians.

The Kentucky Talking Book Library and Institutions Branch provides special library materials and playback equipment to eligible service clientele. Volunteers record materials that are of special interest to Kentucky Talking Book patrons, and department staff coordinate distribution. The Branch also provides library materials and professional consultation to state residential institution libraries.

## **State Library Services**

The Division of State Library Services operates the State Library that serves state government personnel, public libraries, other institutions, and individuals. In an effort to equalize library services and access to information across the state, this division promotes and maintains cooperative arrangements for information and resource sharing among all types of libraries, library consortia, and information centers including state agencies as mandated by Chapter 171.

State Library Support is the administrative unit of the Division and provides coordinated program planning and control to ensure the best service in a cost-effective manner. The unit directs the statewide library resource-sharing activities of the Department, including direct service delivery, coordination of activities on a statewide basis, and support via direct local aid. The Department works closely with the Kentucky Virtual Library (KYVL) in the delivery of services and coordination of activities, and also participates as an individual library institution.

The Public Services Branch is committed to providing resources, research, consultation, and assistance to state agencies and public libraries through use of a variety of information formats including the Internet. The State Library partners with the Governmental Services Center (GSC) and the Kentucky Employee Assistance Program (KEAP) to provide supplementary information resources for those agencies' clients through the Library's web site.

The Audiovisual unit of the Branch provides a centralized collection of videos and films that are loaned without a fee to public libraries, state agencies, and walk-in customers. The unit is unique in that it is the only major source of films and "public performance" videos in the Commonwealth. The primary needs are for children's films suitable for large audience viewing and videos designed for adult training and education.

The Technical Support Branch provides computerized access to information for the State Library's collections and public libraries. The Branch serves as a model for quality control throughout the state, and supplies training and consulting services to librarians and state agency personnel involved in the organization of reference materials.

## **Public Records**

The Division of Public Records, under KRS 171.410-740, works with government agencies to create and preserve documentation of agencies' organizational functions, policies, decisions, procedures, and essential transactions, as well as information that protects the legal and financial rights of government and of individuals directly affected by an agency's activities. The Division establishes standards, procedures, and administrative regulations for recording, managing, preserving, and reproducing government records. It works with the heads of state and local government agencies to ensure that the agencies create and maintain active programs for efficient records management.

The Public Records Support Office provides overall policy development, coordination of program planning, and administrative direction of division programs in public records administration and archival management.

The State Records Branch assists state agencies, boards and commissions, public universities, and judicial offices in developing and maintaining programs to manage government information. Branch staff manage the State Records Center for high volume storage of non-permanent records still in business use.

The Archival Services Branch operates the state's central repository for valuable government records. It serves as the official point of access for state government information. The Branch is also involved in a variety of outreach and educational activities that inform public officials and the general public about the wealth and range of materials housed at the State Archives.

The Technology Analysis and Support Branch provides support to agencies on archival and records management

considerations in the application of information technology. It works with other units to provide guidance to public agencies on the management of electronic records and oversees the work of the Department's Document Preservation Laboratory. This includes professional consulting, education and training programs, records disaster recovery assistance, and laboratory conservation treatment.

The Image Management Branch provides centralized image management and micrographics services to state and local government agencies on a cost recovery basis. These central services help improve access to information, reduce the volume of paper-based files, and ensure archival preservation of information contained in fragile paper records.

The Local Records Branch assists local government agencies in implementing and maintaining archives and records management programs.



**Education and Workforce Development**

**Direct Local Aid**

	<b>Revised FY 2021</b>	<b>Enacted FY 2022</b>
<b>SOURCE OF FUNDS</b>		
<b>General Fund</b>		
Regular Appropriation	4,329,600	4,329,600
<b>Total General Fund</b>	<b>4,329,600</b>	<b>4,329,600</b>
<b>Restricted Funds</b>		
Balance Forward	688,300	686,400
Current Receipts	1,045,000	953,100
<b>Total Restricted Funds</b>	<b>1,733,300</b>	<b>1,639,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>6,062,900</b>	<b>5,969,100</b>
<b>EXPENDITURES BY CLASS</b>		
Grants Loans Benefits	5,376,500	5,376,500
<b>TOTAL EXPENDITURES</b>	<b>5,376,500</b>	<b>5,376,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>		
General Fund	4,329,600	4,329,600
Restricted Funds	1,046,900	1,046,900
<b>TOTAL EXPENDITURES</b>	<b>5,376,500</b>	<b>5,376,500</b>
<b>EXPENDITURES BY UNIT</b>		
Libraries Support	4,329,600	4,329,600
Public Records	1,046,900	1,046,900
<b>TOTAL EXPENDITURES</b>	<b>5,376,500</b>	<b>5,376,500</b>

Direct Local Aid provides the following services to citizens of the Commonwealth:

- Federal grants are provided for continuing education, training, and demonstration projects.
- State aid provides cash grants to all counties with legally established public libraries. The grant funds may be used for the following purposes: purchase, upgrade, and maintenance of technology resources; purchase of library materials and equipment; maintenance and operation of bookmobiles and extension programs; staff and trustee training and compensation; building maintenance; debt service; resource-sharing; program development; and certain other local library needs and services.
- The Bookmobile program furnishes and replaces bookmobiles used by Kentucky's public libraries. The bookmobiles provide informational and educational resources to those who cannot physically reach a public library. Bookmobiles make regular stops at schools, daycare centers, and after-school centers. Services are also provided to the elderly and homebound individuals. Funds are also provided for maintenance and repair of existing bookmobiles. Services are provided as funds are available.
- Construction grants are available through a competitive application process to assist with retiring debt associated with the construction or repair of library facilities.
- Institution grants are given to two local libraries to administer library service in three state prisons. The Danville Library works with the Northpoint Training Center, and the Oldham County Public Library works with the Kentucky State Reformatory and the Kentucky Correctional Institution for Women.
- Kentucky Talking Book Library grants are given to assist in the delivery of services directly to blind and physically disabled library patrons.
- Local Records grants provide funds to assist local governments with the protection and preservation of public records, and the improvement of local government records management programs.

These services are administered by the Department's program divisions: Field Services, State Library Services, and Public Records. Direct services include cash grants, library materials, and bookmobiles.

**Policy**

The budget eliminated all of the \$2,500,000 in annual funding for per capita grants to local libraries mandated by KRS 171.201.