

# TEAM KENTUCKY™

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Single largest investment in  
Kentucky history



## 2022-2024 EXECUTIVE BUDGET

**Andy Beshear**  
GOVERNOR

**John Hicks**  
STATE BUDGET DIRECTOR

Volume I

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**Executive Branch**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	11,359,021,200	11,434,589,000	11,502,796,400	15,229,023,200	14,243,737,600
Surplus Expenditure Plan	130,094,500	162,469,000	1,162,652,200		
Special Appropriation	-12,370,000	3,069,000	929,243,700		
Current Year Appropriation	45,749,300	60,324,100	170,661,800		
Continuing Approp-General Fund	202,891,080	354,673,118	678,057,200	1,521,919,700	1,764,419,700
Mandated Allotments	406,059	2,589,600			
Other	10,922,429	-352,169,141	-398,838,600		
<b>Total General Fund</b>	<b>11,736,714,568</b>	<b>11,665,544,676</b>	<b>14,044,572,700</b>	<b>16,750,942,900</b>	<b>16,008,157,300</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	120,087,500	108,226,600	104,785,700	110,066,700	103,698,900
Current Year Appropriation			11,900,000		
Continuing Approp-Tob Settlement	62,788,809	67,886,166	75,854,700		
Other	-5,440,281	19,982,288			
<b>Total Tobacco Fund</b>	<b>177,436,028</b>	<b>196,095,054</b>	<b>192,540,400</b>	<b>110,066,700</b>	<b>103,698,900</b>
<b>Restricted Funds</b>					
Balance Forward	879,478,702	992,510,151	1,019,791,367	1,229,707,906	661,821,006
Current Receipts	7,256,916,559	7,426,133,743	9,112,368,800	11,665,586,600	15,845,515,800
Non-Revenue Receipts	670,855,043	595,965,847	1,368,866,839	1,058,846,800	1,247,685,400
Fund Transfers	-50,917,800	-102,748,140	-59,830,900	-421,100	-453,000
<b>Total Restricted Funds</b>	<b>8,756,332,503</b>	<b>8,911,861,601</b>	<b>11,441,196,106</b>	<b>13,953,720,206</b>	<b>17,754,569,206</b>
<b>Federal Fund</b>					
Special Appropriation			506,111,600		
Balance Forward	-15,553,449	1,459,575,566	1,333,486,689	1,385,374,100	19,710,400
Current Receipts	18,883,826,808	21,351,383,859	21,093,315,411	19,054,526,600	19,269,302,400
Non-Revenue Receipts	-21,207,199	88,043,156	-4,100	182,500,200	2,644,600
CRF Receipts		38,643,053			
<b>Total Federal Fund</b>	<b>18,847,066,160</b>	<b>22,937,645,633</b>	<b>22,932,909,600</b>	<b>20,622,400,900</b>	<b>19,291,657,400</b>
<b>Road Fund</b>					
Regular Appropriation	1,513,697,500	1,586,160,200	1,606,029,600	1,729,664,000	1,680,088,300
Surplus Expenditure Plan	75,238,050	139,829	97,267,300		
Current Year Appropriation	5,065,500	64,067,100	61,262,200		
Continuing Approp-Road Fund	397,544,504	416,116,216			
Other	-8,212,532	-33,350,999	9,137,500		
<b>Total Road Fund</b>	<b>1,983,333,022</b>	<b>2,033,132,346</b>	<b>1,773,696,600</b>	<b>1,729,664,000</b>	<b>1,680,088,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>41,500,882,281</b>	<b>45,744,279,311</b>	<b>50,384,915,406</b>	<b>53,166,794,706</b>	<b>54,838,171,106</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	7,372,237,580	7,709,175,849	8,485,499,900	9,700,978,100	10,953,673,000
Operating Expenses	3,161,529,217	3,519,964,851	4,532,729,500	6,428,728,700	9,485,711,000
Grants Loans Benefits	24,305,933,592	27,539,006,514	29,819,214,700	30,008,036,300	28,684,031,400
Debt Service	1,122,073,995	1,124,391,635	1,079,323,400	1,017,811,700	1,058,080,600
Capital Outlay	373,298,656	380,658,363	457,971,200	1,713,982,400	738,546,800
Construction	1,166,755,360	1,085,286,141	1,785,390,100	1,829,798,500	1,566,969,900
<b>TOTAL EXPENDITURES</b>	<b>37,501,828,399</b>	<b>41,358,483,354</b>	<b>46,160,128,800</b>	<b>50,699,335,700</b>	<b>52,487,012,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	11,168,035,110	10,932,849,234	12,445,389,600	14,969,510,600	14,235,156,700
Tobacco Fund	107,562,362	118,313,542	190,754,700	108,400,000	102,200,000
Restricted Funds	7,322,407,752	7,448,814,166	10,211,488,200	13,291,899,200	17,196,802,200
Federal Fund	17,389,093,995	21,471,947,164	21,547,522,500	20,602,690,500	19,275,318,500

**EXPENDITURES BY FUND SOURCE**

Road Fund	1,514,729,181	1,386,559,248	1,764,973,800	1,726,835,400	1,677,535,300
<b>TOTAL EXPENDITURES</b>	<b>37,501,828,399</b>	<b>41,358,483,354</b>	<b>46,160,128,800</b>	<b>50,699,335,700</b>	<b>52,487,012,700</b>

**EXPENDITURES BY UNIT**

General Government	1,783,082,158	2,128,902,487	2,407,476,400	2,734,814,100	2,026,130,000
Economic Development	27,172,199	27,930,403	441,845,300	377,258,800	32,308,300
Department of Education	5,003,461,031	5,220,480,246	5,974,943,600	6,791,287,300	6,938,460,600
Education and Labor	3,805,915,757	3,844,550,771	1,929,594,200	861,376,300	818,991,800
Energy and Environment	253,237,880	252,381,660	308,031,800	376,764,800	408,715,000
Finance and Administration	922,766,135	1,008,603,744	1,277,588,500	960,096,700	959,861,000
Health and Family Services	14,483,885,954	17,440,843,555	18,955,035,500	19,274,164,200	19,298,686,100
Justice and Public Safety	1,256,881,990	1,202,220,252	1,379,539,700	1,469,293,300	1,464,740,800
Personnel	50,805,419	50,598,044	165,845,400	64,491,800	64,591,400
Postsecondary Education	6,979,489,846	7,353,475,923	9,500,803,200	12,002,229,200	16,285,701,700
Public Protection	121,053,213	155,961,635	148,393,000	613,390,000	135,338,300
Tourism, Arts and Heritage	253,777,276	223,868,214	274,724,800	315,119,300	306,239,000
Transportation	2,557,799,540	2,447,966,421	3,362,462,400	3,546,795,700	3,216,484,200
Statewide	2,500,000	700,000	33,845,000	1,312,254,200	530,764,500
<b>TOTAL EXPENDITURES</b>	<b>37,501,828,399</b>	<b>41,358,483,354</b>	<b>46,160,128,800</b>	<b>50,699,335,700</b>	<b>52,487,012,700</b>

# General Government

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	<b>General Government</b>				
	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,159,157,500	1,237,318,900	1,180,918,100	1,620,664,400	1,488,684,300
Surplus Expenditure Plan	130,094,500				
Special Appropriation			246,500,000		
Current Year Appropriation	21,535,000		104,157,600		
Continuing Approp-General Fund	15,144,462	7,732	7,700	15,000,000	7,500,000
Reorganization Adjustment	151,800				
Mandated Allotments	406,059	2,487,000			
Other	-1,534,815	-1,161,541	11,801,000		
<b>Total General Fund</b>	<b>1,324,954,506</b>	<b>1,238,652,090</b>	<b>1,543,384,400</b>	<b>1,635,664,400</b>	<b>1,496,184,300</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	38,879,300	35,244,800	35,618,800	38,923,100	36,540,400
Current Year Appropriation			5,950,000		
Continuing Approp-Tob Settlement	24,801,866	31,044,714	33,974,000		
Other	-2,477,587	9,991,144			
<b>Total Tobacco Fund</b>	<b>61,203,579</b>	<b>76,280,658</b>	<b>75,542,800</b>	<b>38,923,100</b>	<b>36,540,400</b>
<b>Restricted Funds</b>					
Balance Forward	131,068,546	147,428,551	142,078,682	108,983,321	83,351,221
Current Receipts	175,159,415	172,871,550	169,435,500	190,955,300	193,071,900
Non-Revenue Receipts	71,799,744	55,030,885	77,368,639	74,842,200	81,454,800
Fund Transfers	-1,500,000	-6,400,000	-2,000,000		
<b>Total Restricted Funds</b>	<b>376,527,705</b>	<b>368,930,987</b>	<b>386,882,821</b>	<b>374,780,821</b>	<b>357,877,921</b>
<b>Federal Fund</b>					
Balance Forward	7,285,166	1,522,530,329	1,324,399,300	1,376,389,000	11,694,400
Current Receipts	1,719,827,656	471,781,083	577,652,300	-588,397,600	204,371,200
Non-Revenue Receipts	124,800	-44,888,089			
<b>Total Federal Fund</b>	<b>1,727,237,622</b>	<b>1,949,423,323</b>	<b>1,902,051,600</b>	<b>787,991,400</b>	<b>216,065,600</b>
<b>Road Fund</b>					
Regular Appropriation	562,000	571,600			
<b>Total Road Fund</b>	<b>562,000</b>	<b>571,600</b>			
<b>TOTAL SOURCE OF FUNDS</b>	<b>3,490,485,412</b>	<b>3,633,858,658</b>	<b>3,907,861,621</b>	<b>2,837,359,721</b>	<b>2,106,668,221</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	416,064,102	461,722,448	460,280,900	497,009,100	501,170,800
Operating Expenses	154,760,181	207,215,952	121,797,100	137,794,800	138,692,500
Grants Loans Benefits	1,005,321,006	1,258,011,995	1,680,161,000	1,938,112,500	1,243,540,200
Debt Service	195,740,496	178,984,864	131,126,900	148,282,200	132,419,600
Capital Outlay	10,207,802	22,833,153	14,110,500	13,615,500	10,306,900
Construction	988,571	134,075			
<b>TOTAL EXPENDITURES</b>	<b>1,783,082,158</b>	<b>2,128,902,487</b>	<b>2,407,476,400</b>	<b>2,734,814,100</b>	<b>2,026,130,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,318,554,847	1,235,079,999	1,528,384,400	1,628,164,400	1,496,184,300
Tobacco Fund	30,158,865	42,306,651	75,542,800	38,923,100	36,540,400
Restricted Funds	229,099,154	226,852,003	277,899,500	291,429,600	286,734,100
Federal Fund	204,707,292	624,115,181	525,649,700	776,297,000	206,671,200
Road Fund	562,000	548,654			
<b>TOTAL EXPENDITURES</b>	<b>1,783,082,158</b>	<b>2,128,902,487</b>	<b>2,407,476,400</b>	<b>2,734,814,100</b>	<b>2,026,130,000</b>

**EXPENDITURES BY UNIT**

Office of the Governor	6,784,766	6,877,109	6,916,100	7,160,300	7,177,500
Office of State Budget Director	5,234,587	66,970,753	161,981,400	4,062,300	4,074,000
Homeland Security	5,662,858	5,446,117	9,496,200	8,603,400	7,989,300
Department of Veterans' Affairs	87,739,994	85,075,752	90,333,800	96,272,400	94,530,800
Kentucky Infrastructure Authority	36,333,864	31,225,606	33,812,800	440,382,400	78,817,000
Military Affairs	164,960,268	195,223,686	139,708,400	244,491,500	145,653,000
Commission on Human Rights	2,122,242	2,139,912	2,190,400	2,497,100	2,508,800
Commission on Women				357,500	357,500
Department for Local Government	34,431,367	356,790,568	262,152,600	259,865,700	98,086,200
Local Government Economic Assistance Fund	36,427,402	20,287,647	28,579,000	41,150,000	41,310,000
Local Government Economic Development Fund	13,570,500	16,664,012	23,694,200	52,150,000	54,040,000
Local Government Regional Development Agency Assistance Fund	4,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Executive Branch Ethics Commission	969,247	935,457	985,600	1,003,100	1,007,000
Secretary of State	4,439,570	4,742,373	5,114,000	5,923,600	5,939,400
Board of Elections	11,012,338	18,425,917	5,458,300	9,264,600	8,652,400
Registry of Election Finance	1,514,092	1,541,300	1,548,800	1,590,800	1,598,500
Attorney General	31,849,063	31,091,436	39,344,100	42,145,300	42,243,800
Unified Prosecutorial System	119,166,886	119,962,686	126,034,100	155,805,500	156,956,100
Treasury	5,519,208	4,814,855	5,889,900	5,825,400	5,853,400
Agriculture	68,174,294	80,852,536	118,460,300	82,314,600	80,070,100
Auditor of Public Accounts	15,753,837	16,253,315	18,220,600	18,520,200	18,605,700
Personnel Board	899,899	875,000	865,900	1,049,600	1,053,800
Kentucky Public Pensions Authority	97,165,300	36,151,006	48,116,600	48,587,200	48,766,300
Occupational & Professional Boards & Commissions	23,099,047	23,382,642	26,652,600	33,969,300	34,130,100
Kentucky River Authority	5,448,903	5,428,091	5,560,200	5,656,500	5,663,000
School Facilities Construction Commission	129,071,300	121,775,600	443,511,700	206,034,300	127,155,200
Teachers' Retirement System	804,257,740	796,728,573	731,614,300	877,913,200	870,768,800
Judgments	16,899,788	19,287,492	7,500,000	7,500,000	7,500,000
Appropriations Not Otherwise Classified	16,525,217	14,460,714	14,526,400	21,381,400	21,381,400
KY Communications Network Authority	34,048,582	39,492,331	43,208,100	47,336,900	48,240,900
<b>TOTAL EXPENDITURES</b>	<b>1,783,082,158</b>	<b>2,128,902,487</b>	<b>2,407,476,400</b>	<b>2,734,814,100</b>	<b>2,026,130,000</b>

**General Government  
Office of the Governor**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	6,258,000	6,099,000	6,105,800	6,365,300	6,382,300
Current Year Appropriation			15,600		
<b>Total General Fund</b>	6,258,000	6,099,000	6,121,400	6,365,300	6,382,300
<b>Restricted Funds</b>					
Balance Forward	60,819	117,091	79,200		
Non-Revenue Receipts	245,400	177,600	215,500	295,000	295,200
<b>Total Restricted Funds</b>	306,219	294,691	294,700	295,000	295,200
<b>Federal Fund</b>					
Balance Forward	-397,434	-186,758	-81,500		
Current Receipts	956,985	668,521	581,500	500,000	500,000
<b>Total Federal Fund</b>	559,551	481,762	500,000	500,000	500,000
<b>TOTAL SOURCE OF FUNDS</b>	7,123,770	6,875,454	6,916,100	7,160,300	7,177,500
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	5,808,901	5,899,600	5,709,700	5,924,600	5,943,900
Operating Expenses	975,865	977,509	1,206,400	1,235,700	1,233,600
<b>TOTAL EXPENDITURES</b>	6,784,766	6,877,109	6,916,100	7,160,300	7,177,500
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,849,328	6,098,401	6,121,400	6,365,300	6,382,300
Restricted Funds	189,128	215,442	294,700	295,000	295,200
Federal Fund	746,309	563,267	500,000	500,000	500,000
<b>TOTAL EXPENDITURES</b>	6,784,766	6,877,109	6,916,100	7,160,300	7,177,500
<b>EXPENDITURES BY UNIT</b>					
Governor	4,858,382	4,874,548	4,944,100	4,877,500	4,892,800
Governor's Office Expense Allowance	34,172	34,261	34,400	33,400	33,300
Lieutenant Governor	540,944	687,907	702,200	783,800	786,200
Lieutenant Governor's Expense Allowance	20,211	19,189	19,200	18,700	18,600
Secretary of the Cabinet	372,297	415,286	418,000	424,500	424,500
Kentucky Commission on Military Affairs	958,759	845,917	798,200	837,400	837,100
Office of Minority Empowerment				185,000	185,000
<b>TOTAL EXPENDITURES</b>	6,784,766	6,877,109	6,916,100	7,160,300	7,177,500

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.

The Office of Minority Empowerment was established in 2005 pursuant to KRS 12.023. The primary purpose of the Office is to help minorities realize full access to their government and be responsive to the needs of Kentucky's minority community. More specifically, the Office is charged with the responsibility of developing policies affecting Kentucky's minority community in the areas of economic empowerment, health care, housing, education, government services, and the criminal justice system. The Office will also maximize economic opportunities for minorities by reviewing state contracts awarded to minority businesses and reviewing job training and technical education initiatives to ensure and enhance the effectiveness of such programs. The constituents served by this office include, but are not limited to, minority individuals as defined and referenced in KRS 12.070, such as Native Americans, Alaskan Natives, African Americans, Hispanics; the disabled community; small-, minority-, and woman-owned businesses; and other underrepresented ethnic groups.

### **Policy**

The Governor's budget includes \$185,000 from the General Fund in fiscal years 2023 and 2024 to reinstate the Office of Minority Empowerment.

**General Government**  
**Office of State Budget Director**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	3,533,700	3,604,100	3,608,500	3,668,600	3,680,300
Special Appropriation			150,000,000		
Current Year Appropriation			11,900		
<b>Total General Fund</b>	<b>3,533,700</b>	<b>3,604,100</b>	<b>153,620,400</b>	<b>3,668,600</b>	<b>3,680,300</b>
<b>Restricted Funds</b>					
Balance Forward	309,796	206,723	332,600	302,800	151,400
Non-Revenue Receipts	125,900	125,900	125,800	110,000	110,000
<b>Total Restricted Funds</b>	<b>435,696</b>	<b>332,623</b>	<b>458,400</b>	<b>412,800</b>	<b>261,400</b>
<b>Federal Fund</b>					
Balance Forward		1,505,181,090	1,162,426,200	1,198,187,600	132,300
Current Receipts	1,506,688,304	-234,554,881	43,966,800	-1,197,923,000	
Non-Revenue Receipts		-44,768,089			
<b>Total Federal Fund</b>	<b>1,506,688,304</b>	<b>1,225,858,121</b>	<b>1,206,393,000</b>	<b>264,600</b>	<b>132,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,510,657,701</b>	<b>1,229,794,844</b>	<b>1,360,471,800</b>	<b>4,346,000</b>	<b>4,074,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,408,001	41,772,922	11,646,900	3,727,200	3,738,900
Operating Expenses	1,826,586	25,197,831	334,500	335,100	335,100
Grants Loans Benefits			150,000,000		
<b>TOTAL EXPENDITURES</b>	<b>5,234,587</b>	<b>66,970,753</b>	<b>161,981,400</b>	<b>4,062,300</b>	<b>4,074,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	3,498,400	3,538,806	153,620,400	3,668,600	3,680,300
Restricted Funds	228,973		155,600	261,400	261,400
Federal Fund	1,507,214	63,431,947	8,205,400	132,300	132,300
<b>TOTAL EXPENDITURES</b>	<b>5,234,587</b>	<b>66,970,753</b>	<b>161,981,400</b>	<b>4,062,300</b>	<b>4,074,000</b>
<b>EXPENDITURES BY UNIT</b>					
Budget & Policy Analysis	4,509,419	66,361,845	160,996,100	3,089,500	3,067,700
Policy Research	437,103	336,824	347,900	344,500	355,100
Economic Analysis	288,064	272,084	637,400	628,300	651,200
<b>TOTAL EXPENDITURES</b>	<b>5,234,587</b>	<b>66,970,753</b>	<b>161,981,400</b>	<b>4,062,300</b>	<b>4,074,000</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 148.885, 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 is led or is 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.

## **Policy**

The Office of State Budget Director is the Commonwealth's authorized representative for three new, statewide federal grant awards – the Coronavirus Relief Fund, the Coronavirus Capital Projects Fund and the State Fiscal Recovery Fund. The Coronavirus Relief Fund was awarded to the Commonwealth as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) at the start of the COVID-19 pandemic in March 2020. The Coronavirus Capital Projects Fund and the State Fiscal Recovery Fund were awarded as part of the American Rescue Plan Act in March 2021.

The budget includes \$6,000,000 in additional Federal Funds in the current fiscal year from the Coronavirus Relief Fund for eligible payments.

Federal Funds in the amount of \$100,000 in fiscal years 2023 and 2024 from the State Fiscal Recovery Fund are included to cover audit expenses charged by the Auditor of Public Accounts for the statewide single audit. Also included is \$5,400 in fiscal year 2022 and \$32,300 in fiscal years 2023 and 2024 for a part-time resource in the Office of State Budget Director to coordinate, organize, and complete the reporting information for the State Fiscal Recovery Fund.

The Governor recommends \$150,000,000 from the General Fund be appropriated as soon as possible in a separate piece of legislation for the Tornado Recovery Fund to assist the impacted communities in the response to and the recovery from the December 10, 2021 storms and tornadoes in Western Kentucky. The Office will work closely with the Division of Emergency Management and the Department for Local Government in working with the impacted communities in applying for and receiving funds to meet their needs. These funds are not to replace the disaster assistance provided through the Federal Emergency Management Agency (FEMA), but in some cases can provide liquidity until that assistance and insurance proceeds are in-hand. Each recipient: city, county, municipal or nonprofit utility, will be required to apply for all insurance and FEMA assistance as a condition of receiving these funds. Also, a repayment requirement is included for any advances from this fund when insurance or FEMA funds are received.

**General Government  
Homeland Security**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	255,200	257,000	578,200	585,300	588,800
Current Year Appropriation			1,500		
<b>Total General Fund</b>	255,200	257,000	579,700	585,300	588,800
<b>Restricted Funds</b>					
Balance Forward	3,628,469	3,646,000	4,407,700	3,957,900	2,924,000
Current Receipts	1,116,149	1,842,017	2,268,700	2,256,600	2,266,900
Non-Revenue Receipts	5,215				
<b>Total Restricted Funds</b>	4,749,834	5,488,017	6,676,400	6,214,500	5,190,900
<b>Federal Fund</b>					
Balance Forward	27,692	16,635	-355,100		
Current Receipts	3,983,367	3,436,869	6,553,100	4,727,600	4,735,900
<b>Total Federal Fund</b>	4,011,059	3,453,504	6,198,000	4,727,600	4,735,900
<b>Road Fund</b>					
Regular Appropriation	312,000	321,000			
<b>Total Road Fund</b>	312,000	321,000			
<b>TOTAL SOURCE OF FUNDS</b>	9,328,093	9,519,521	13,454,100	11,527,400	10,515,600
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,993,419	2,576,852	4,923,800	3,471,800	3,490,800
Operating Expenses	299,699	132,284	1,392,200	1,959,800	1,329,900
Grants Loans Benefits	3,367,602	2,666,852	3,110,100	3,110,100	3,110,100
Capital Outlay	2,138	70,129	70,100	61,700	58,500
<b>TOTAL EXPENDITURES</b>	5,662,858	5,446,117	9,496,200	8,603,400	7,989,300
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	252,600	237,176	579,700	585,300	588,800
Restricted Funds	1,103,834	1,080,284	2,718,500	3,290,500	2,664,600
Federal Fund	3,994,424	3,808,550	6,198,000	4,727,600	4,735,900
Road Fund	312,000	320,107			
<b>TOTAL EXPENDITURES</b>	5,662,858	5,446,117	9,496,200	8,603,400	7,989,300
<b>EXPENDITURES BY UNIT</b>					
Office of Homeland Security	4,559,024	4,045,876	5,292,300	5,309,900	5,321,800
Law Enforcement Protection Program	195,646	125,348	518,300	1,525,000	895,000
Commerical Mobile Radio Service	908,188	1,274,893	3,685,600	1,768,500	1,772,500
	5,662,858	5,446,117	9,496,200	8,603,400	7,989,300

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**

Additional restricted funds are included in the Governor's budget in the amount of \$1,006,700 in fiscal year 2023 and \$376,700 in fiscal year 2024 for Law Enforcement Protection Program (LEPP) grant disbursement of Body Armor Funds.

**General Government  
Veterans' Affairs**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	25,810,200	26,060,400	26,121,400	29,092,600	30,347,200
Current Year Appropriation			119,800		
<b>Total General Fund</b>	25,810,200	26,060,400	26,241,200	29,092,600	30,347,200
<b>Restricted Funds</b>					
Balance Forward	17,349,904	22,613,675	19,164,300	13,761,300	6,024,900
Current Receipts	65,522,722	58,219,171	54,018,600	57,009,800	58,517,800
Non-Revenue Receipts	453,012	-5,596,348	748,000		
<b>Total Restricted Funds</b>	83,325,638	75,236,499	73,930,900	70,771,100	64,542,700
<b>Federal Fund</b>					
Balance Forward		1,430,483	2,950,900	2,433,600	
Current Receipts	2,910,955	4,463,623	3,405,700		
<b>Total Federal Fund</b>	2,910,955	5,894,107	6,356,600	2,433,600	
<b>TOTAL SOURCE OF FUNDS</b>	112,046,793	107,191,005	106,528,700	102,297,300	94,889,900
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	68,368,661	64,562,174	66,892,300	69,605,500	70,155,300
Operating Expenses	13,042,412	12,986,797	14,086,200	14,172,800	14,970,000
Grants Loans Benefits	6,193,210	5,188,969	5,112,400	6,315,100	6,380,500
Capital Outlay	133,103	2,337,813	4,242,900	6,179,000	3,025,000
Construction	2,609				
<b>TOTAL EXPENDITURES</b>	87,739,994	85,075,752	90,333,800	96,272,400	94,530,800
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	25,547,559	26,060,400	26,241,200	29,092,600	30,347,200
Restricted Funds	60,711,963	56,072,142	60,169,600	64,746,200	64,183,600
Federal Fund	1,480,472	2,943,210	3,923,000	2,433,600	
<b>TOTAL EXPENDITURES</b>	87,739,994	85,075,752	90,333,800	96,272,400	94,530,800
<b>EXPENDITURES BY UNIT</b>					
Kentucky Veterans' Centers	80,385,578	78,096,562	82,085,500	85,987,300	84,284,300
Veterans Cemeteries	2,637,080	2,877,208	3,343,000	3,958,300	3,982,700
Veterans Services	4,717,336	4,101,981	4,905,300	6,326,800	6,263,800
<b>TOTAL EXPENDITURES</b>	87,739,994	85,075,752	90,333,800	96,272,400	94,530,800

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 base budget in each fiscal year includes General Fund in the amount of \$93,700 for grants to provide support services for veterans with brain injury and \$93,700 for grants to the Epilepsy Foundation of Kentuckiana.

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

The base 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 recommended budget includes additional General Fund in the amount of \$1,100,000 in fiscal year 2024 for operational funds for the Bowling Green Veterans Center anticipated to open August of 2024.

The Governor's budget includes additional General Fund for staffing in Veterans Services in the amount of \$715,300 in fiscal year 2023 and \$720,200 in fiscal year 2024.

The budget in each fiscal year includes additional General Fund in the amount of \$285,000 for Veterans' Services Organizational outreach.

In order to address more interments at the Cemeteries the recommend budget includes additional General Fund in the amount of \$535,800 in fiscal year 2023 and \$540,900 in fiscal year 2024.

The budget in each fiscal year includes additional General fund in the amount of \$200,000 for the Homeless Veterans program.

The recommended budget includes additional General Fund in the amount of \$50,000 each fiscal year for a pilot program to support private cemeteries restoration project.

The Governor's budget includes additional General Fund in the amount of \$84,700 in fiscal year 2023 for the renovation and rededication of the Kentucky Medal of Honor Memorial located at the Medal of Honor Grove on the campus of Freedom's Foundation in Valley Forge, PA.

The Governor's budget includes General Fund in the amount of \$110,400 in fiscal year 2022, \$1,276,600 in fiscal year 2023, \$1,273,200 in fiscal year 2024 and Restricted Funds in the amount of \$180,200 in fiscal year 2022, \$2,082,800 in fiscal year 2023 and \$1,753,000 in fiscal year 2024 to support a ten percent pay increase for employees at the four Veterans' Centers effective May 1, 2022.

**General Government  
Kentucky Infrastructure Authority**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,914,800	1,117,200	773,200	1,950,100	46,142,400
Current Year Appropriation			700		
<b>Total General Fund</b>	1,914,800	1,117,200	773,900	1,950,100	46,142,400
<b>Restricted Funds</b>					
Balance Forward	481,594	291,877	730,800		
Current Receipts	5,315	-116			
Non-Revenue Receipts	1,443,201	1,570,137	2,829,700	2,855,900	2,863,800
<b>Total Restricted Funds</b>	1,930,110	1,861,898	3,560,500	2,855,900	2,863,800
<b>Federal Fund</b>					
Balance Forward	1	1			
Current Receipts	32,937,676	28,977,331	29,478,400	435,576,400	29,810,800
<b>Total Federal Fund</b>	32,937,677	28,977,333	29,478,400	435,576,400	29,810,800
<b>TOTAL SOURCE OF FUNDS</b>	36,782,587	31,956,431	33,812,800	440,382,400	78,817,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,780,878	2,514,873	3,294,000	4,513,200	4,501,900
Operating Expenses	262,789	188,962	214,900	225,700	247,400
Grants Loans Benefits	32,514,992	28,163,139	30,303,900	435,643,500	74,067,700
Debt Service	774,000	344,500			
Construction	1,205	14,132			
<b>TOTAL EXPENDITURES</b>	36,333,864	31,225,606	33,812,800	440,382,400	78,817,000
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,757,955	1,117,200	773,900	1,950,100	46,142,400
Restricted Funds	1,638,232	1,131,075	3,560,500	2,855,900	2,863,800
Federal Fund	32,937,676	28,977,331	29,478,400	435,576,400	29,810,800
<b>TOTAL EXPENDITURES</b>	36,333,864	31,225,606	33,812,800	440,382,400	78,817,000
<b>EXPENDITURES BY UNIT</b>					
Kentucky Infrastructure Authority	36,333,864	31,225,606	33,812,800	440,382,400	78,817,000
<b>TOTAL EXPENDITURES</b>	36,333,864	31,225,606	33,812,800	440,382,400	78,817,000

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 Governor's budget includes nearly \$500 million over the biennium for the Better Kentucky Cleaner Water program that finances drinking water and wastewater projects. Federal American Rescue Plan Act funds from the State Fiscal Recovery Fund are providing \$250 million, the federal Infrastructure Investment Jobs Act is providing \$247.7 million matched with \$11.3 million from the General Fund for drinking water and wastewater low-interest loan projects. The Infrastructure bill provides \$159.3 million more than the baseline federal program over the biennium. The grant funds are in the operating budget and the loan funds are in the capital budget.

The Governor's budget includes \$1,174,400 General Fund in fiscal year 2023 and \$1,134,400 General Fund in fiscal year 2024 to align with the Governor's plan to create an Office for Broadband to be staffed by ten positions. Kentucky is one of the few states without an Office to provide strategic direction, coordination, and planning for deployment of the significant federal funds flowing to states for the last mile of broadband access.

Broadband funding in the amount of \$200 million is provided in the Governor's budget. It is comprised of \$100 million from the federal Infrastructure Investment Jobs Act and another \$100 million comprised of \$55,769,300 from the American Rescue Plan Act federal funds and \$44,230,700 from the General Fund. These funds go to the Broadband Deployment Fund which assists private sector entities and government agencies in the cost of constructing the last mile of broadband access to unserved and underserved households and businesses across Kentucky. These funds will supplement the \$300 million of the State Fiscal Recovery Fund portion of the American Rescue Plan Act that was appropriated in the 2021 Regular Session of the General Assembly, as modified by proposed action of the 2022 Regular Session.

**General Government**  
**Military Affairs**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	15,256,400	14,991,400	15,006,800	119,491,600	19,674,900
Current Year Appropriation			39,900		
Mandated Allotments	375,859	2,350,000			
<b>Total General Fund</b>	<b>15,632,259</b>	<b>17,341,400</b>	<b>15,046,700</b>	<b>119,491,600</b>	<b>19,674,900</b>
<b>Restricted Funds</b>					
Balance Forward	21,982,355	21,499,940	21,160,700	15,214,200	17,014,200
Current Receipts	35,926,752	32,932,935	32,882,500	39,282,900	40,059,000
Non-Revenue Receipts	-1,260,815	-1,332,715	-243,300	1,226,400	1,295,600
<b>Total Restricted Funds</b>	<b>56,648,292</b>	<b>53,100,160</b>	<b>53,799,900</b>	<b>55,723,500</b>	<b>58,368,800</b>
<b>Federal Fund</b>					
Balance Forward	-8,116,750	-7,197,772	-14,118,800		
Current Receipts	116,305,468	139,203,839	100,194,800	86,290,600	86,681,800
Non-Revenue Receipts	4,800				
<b>Total Federal Fund</b>	<b>108,193,519</b>	<b>132,006,067</b>	<b>86,076,000</b>	<b>86,290,600</b>	<b>86,681,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>180,474,069</b>	<b>202,447,627</b>	<b>154,922,600</b>	<b>261,505,700</b>	<b>164,725,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	46,349,682	45,878,060	52,667,600	55,373,400	55,841,800
Operating Expenses	64,826,149	92,847,748	26,071,300	29,480,300	30,197,500
Grants Loans Benefits	46,966,649	50,100,487	52,026,000	152,026,000	52,026,000
Debt Service	1,676,797	1,572,244	1,600,000	1,600,000	1,600,000
Capital Outlay	5,139,342	4,756,647	7,343,500	6,011,800	5,987,700
Construction	1,650	68,500			
<b>TOTAL EXPENDITURES</b>	<b>164,960,268</b>	<b>195,223,686</b>	<b>139,708,400</b>	<b>244,491,500</b>	<b>145,653,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	14,420,626	17,159,499	15,046,700	119,491,600	19,674,900
Restricted Funds	35,148,352	31,939,327	38,585,700	38,709,300	39,339,200
Federal Fund	115,391,291	146,124,860	86,076,000	86,290,600	86,638,900
<b>TOTAL EXPENDITURES</b>	<b>164,960,268</b>	<b>195,223,686</b>	<b>139,708,400</b>	<b>244,491,500</b>	<b>145,653,000</b>
<b>EXPENDITURES BY UNIT</b>					
Statutory State Operations	34,142,123	35,555,083	30,317,000	132,125,300	32,368,800
Emergency Management	57,219,155	58,253,562	62,710,300	64,029,900	64,177,300
National Guard Operations	278,403	37,142	200,000	350,000	350,000
Emergency & Public Safety Operations	38,955,083	69,461,913	2,250,000	2,250,000	2,250,000
Bluegrass Station	13,296,344	12,085,793	14,956,500	13,361,100	13,387,300
Central Clothing Distribution	18,544,964	17,336,308	19,114,900	20,802,200	21,459,700
Federal & Grant Operations	2,524,197	2,493,886	10,159,700	11,573,000	11,659,900
<b>TOTAL EXPENDITURES</b>	<b>164,960,268</b>	<b>195,223,686</b>	<b>139,708,400</b>	<b>244,491,500</b>	<b>145,653,000</b>

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 Governor's budget includes a new financial structure to address the costs that Kentucky state government incurs in responding and recovering from natural disasters. Till now, Kentucky has relied on its savings account, the Budget Reserve Trust Fund, as the financial source to pay for activating the National Guard and paying the state match for FEMA disaster grants. Governor Beshear proposes a Disaster Relief and Recovery Fund to be managed by the Emergency Management function of the Department for Military Affairs and provides \$100 million as initial seed funding. Many states have established such funds for this purpose. This fund will also include a no interest revolving loan program for local governments when their fiscal liquidity is strained by their response to a natural disaster as they await federal funding through FEMA or insurance claim proceeds. This action of fiscal responsibility will preserve the state's rainy day fund for addressing recessionary times and revenue shortfalls, and affirmatively budget for natural disaster response.

The recommended budget includes additional General Fund for the following items:

- Fully match the federal Emergency Management Performance grant - \$1,000,000 each year
- Utilities for armories statewide to replace unavailable Restricted Funds - \$750,000 each year
- Increased fire and tornado insurance costs - \$300,000 in fiscal year 2023 and \$376,700 in fiscal year 2024
- Youth Challenge Agreement state match funds to replace unavailable Restricted Funds - \$1,330,000 each year
- Kentucky Chemical Stockpile program to replace reduced Federal funds - \$250,000 each year
- Military Burial Honor Guard - \$50,000 each year
- Military Family Assistance Trust Fund - \$100,000 each year

The base 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).



**General Government  
Commission on Human Rights**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,005,600	1,926,600	1,929,400	2,262,100	2,273,800
Current Year Appropriation			6,000		
<b>Total General Fund</b>	2,005,600	1,926,600	1,935,400	2,262,100	2,273,800
<b>Restricted Funds</b>					
Balance Forward	5,641	16,766	15,900	5,900	
Current Receipts	14,651	96		4,100	10,000
<b>Total Restricted Funds</b>	20,293	16,862	15,900	10,000	10,000
<b>Federal Fund</b>					
Balance Forward	287,650	254,597	585,900	340,900	120,900
Current Receipts	123,813	544,060		5,000	104,100
<b>Total Federal Fund</b>	411,462	798,657	585,900	345,900	225,000
<b>TOTAL SOURCE OF FUNDS</b>	2,437,355	2,742,119	2,537,200	2,618,000	2,508,800
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,844,447	1,886,145	1,938,900	2,301,600	2,314,800
Operating Expenses	277,795	253,768	251,500	195,500	194,000
<b>TOTAL EXPENDITURES</b>	2,122,242	2,139,912	2,190,400	2,497,100	2,508,800
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,961,851	1,926,224	1,935,400	2,262,100	2,273,800
Restricted Funds	3,526	923	10,000	10,000	10,000
Federal Fund	156,865	212,766	245,000	225,000	225,000
<b>TOTAL EXPENDITURES</b>	2,122,242	2,139,912	2,190,400	2,497,100	2,508,800
<b>EXPENDITURES BY UNIT</b>					
General Administration and Support	706,685	694,240	785,100	1,092,500	1,094,200
Enforcement Branch	506,784	562,765	598,600	585,400	589,200
Research and Information	407,713	412,822	416,100	424,300	427,600
Legal Affairs	501,060	470,085	390,600	394,900	397,800
<b>TOTAL EXPENDITURES</b>	2,122,242	2,139,912	2,190,400	2,497,100	2,508,800

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.

**Policy**

The Governor's budget includes General Fund in the amount of \$300,300 in each fiscal year to fund vacant positions.

**General Government  
Commission on Women**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation				357,500	357,500
<b>Total General Fund</b>				357,500	357,500
<b>Restricted Funds</b>					
Balance Forward	44	44			
<b>Total Restricted Funds</b>	44	44			
<b>TOTAL SOURCE OF FUNDS</b>	44	44		357,500	357,500
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs				308,100	308,100
Operating Expenses				49,400	49,400
<b>TOTAL EXPENDITURES</b>				357,500	357,500
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund				357,500	357,500
<b>TOTAL EXPENDITURES</b>				357,500	357,500
<b>EXPENDITURES BY UNIT</b>					
Commission on Women				357,500	357,500
<b>TOTAL EXPENDITURES</b>				357,500	357,500

The Kentucky Commission on Women (KCW), authorized in KRS 344.510, consults with and advises the Governor and the agencies, departments, boards and commissions of the state and local and municipal governments on matters pertaining to, and of interest to women. The KCW promotes, encourages, and provides advisory assistance in the establishment of local volunteer community improvement programs for, and of interest to women. The KCW conducts programs, studies, seminars, and conferences, and encourages state and local women's business, professional, and civic organizations to do likewise, to educate the public to the problems of women. The KCW cooperates with the federal government and with the governments of other states in programs relating to women.

The KCW maintains and provides a clearinghouse for information and referrals on a variety of issues affecting women, and may serve as a resource for the executive branch on various legislative matters pertaining to women.

The KCW maintains the watercolor Kentucky Women Remembered Exhibit in the West Wing of the Capitol. The KCW staff coordinates statewide collaborative efforts in order to communicate to the executive branch the challenges and resources that exist for Kentucky women.

**Policy**

The Governor's budget includes General Fund in the amount of \$357,500 in each fiscal year to reinstate the Kentucky Commission on Women.

**General Government**  
**Department for Local Government**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	9,326,700	8,100,000	9,419,700	34,686,700	34,713,800
Special Appropriation			10,000,000		
Current Year Appropriation			17,900		
<b>Total General Fund</b>	<b>9,326,700</b>	<b>8,100,000</b>	<b>19,437,600</b>	<b>34,686,700</b>	<b>34,713,800</b>
<b>Restricted Funds</b>					
Balance Forward	2,545,112	2,862,913	2,605,100	2,605,100	2,605,100
Current Receipts	1,042,996	1,248,782	883,400	882,500	883,300
Non-Revenue Receipts	-13,328	-6,548	500,000	500,000	500,000
Fund Transfers		-1,000,000			
<b>Total Restricted Funds</b>	<b>3,574,780</b>	<b>3,105,147</b>	<b>3,988,500</b>	<b>3,987,600</b>	<b>3,988,400</b>
<b>Federal Fund</b>					
Balance Forward	-460,733	-817,306	158,572,300	162,262,200	183,100
Current Receipts	25,076,933	507,517,350	245,021,500	61,717,400	61,806,000
<b>Total Federal Fund</b>	<b>24,616,200</b>	<b>506,700,043</b>	<b>403,593,800</b>	<b>223,979,600</b>	<b>61,989,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>37,517,679</b>	<b>517,905,191</b>	<b>427,019,900</b>	<b>262,653,900</b>	<b>100,691,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	5,338,677	5,937,206	7,144,200	7,112,900	7,144,300
Operating Expenses	1,785,842	1,919,818	2,419,600	2,446,700	2,446,700
Grants Loans Benefits	27,306,848	348,933,545	252,588,800	250,306,100	88,495,200
<b>TOTAL EXPENDITURES</b>	<b>34,431,367</b>	<b>356,790,568</b>	<b>262,152,600</b>	<b>259,865,700</b>	<b>98,086,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	8,285,994	8,162,667	19,437,600	34,686,700	34,713,800
Restricted Funds	711,867	500,087	1,383,400	1,382,500	1,383,300
Federal Fund	25,433,506	348,127,814	241,331,600	223,796,500	61,989,100
<b>TOTAL EXPENDITURES</b>	<b>34,431,367</b>	<b>356,790,568</b>	<b>262,152,600</b>	<b>259,865,700</b>	<b>98,086,200</b>
<b>EXPENDITURES BY UNIT</b>					
Operations	6,044,820	5,541,063	18,183,700	8,198,300	8,220,800
Grants	28,386,547	351,249,505	243,968,900	251,667,400	89,865,400
<b>TOTAL EXPENDITURES</b>	<b>34,431,367</b>	<b>356,790,568</b>	<b>262,152,600</b>	<b>259,865,700</b>	<b>98,086,200</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 federal and state grants-in-aid and serves as the cognizant state agency for Kentucky's 15 Area Development Districts (ADD's).

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 Office of Federal Grants administers the Community Development Block Grant program. Appalachian Regional Commission, Delta Regional Authority, the Land and Water Conservation Fund, and the Kentucky Recreational Trails program. The office maintains the Commonwealth's eClearinghouse for all federal grants and is responsible for disseminating information to local governments regarding program purposes and eligibility, evaluating applications for need and eligibility, and making recommendations to the commissioner or appropriate board for funding. The office also prepares grant agreements, disperses funds, reviews program records for compliance, provides technical assistance, and ensures program closeout.

The Office Field Services supports the Governor's mission to deliver good government to all constituents across the state. 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 Administration 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 Administration 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) and the Local Government Economic Assistance Fund (LGEAF). The agency also reviews and approves LGEDF statutory grant applications. The office administers the Regional Development Agency Assistance Program, Flood Control Local Match Participation program, Area Development Funds, and the Joint Funding Administration.

The Office of Legal Services provides technical and compliance assistance to local government officials regarding various federal and state laws and assists local governments with a broad range of administrative and legal matters, including finance, budget preparation, procurement and surplus property, debts, interlocal cooperation agreements, ethics, conflicts of interest, administrative and personnel policies, roads and road aid, and annexation. The Office of Legal Services is also available to advise local governments concerning the various legal requirements of the state and federal grant programs administered by the department.

## **Policy**

The Governor's 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 Governor's budget included in the above Restricted Funds appropriation is \$500,000 in each fiscal year for the Kentucky Mountain Regional Recreation Authority. Notwithstanding KRS 142.406, these funds may be used for the purposes authorized in KRS 148.0223.

The Governor's budget includes additional funding of \$250,000 from the General Fund in each fiscal year for affected Area Development Districts to match the increase in the Appalachian Regional Commission grants passed in the federal budget by the United States House of Representatives.

The Governor's budget includes \$25 million from the General Fund, \$12,500,000 each year, for grants to County Clerks grants that will enable them to transition their processing of recorded instruments to electronic forms and processes.

The Governor's budget includes \$25 million from the General Fund, \$12,500,000 each year, for grants to County Clerks to acquire replacement election equipment.

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

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	22,825,700	21,830,900	21,960,400	41,150,000	41,310,000
Continuing Approp-General Fund	15,136,517				
Other	-1,534,815	-1,543,253	6,618,600		
<b>Total General Fund</b>	<b>36,427,402</b>	<b>20,287,647</b>	<b>28,579,000</b>	<b>41,150,000</b>	<b>41,310,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>36,427,402</b>	<b>20,287,647</b>	<b>28,579,000</b>	<b>41,150,000</b>	<b>41,310,000</b>
<b>EXPENDITURES BY CLASS</b>					
Grants Loans Benefits	36,427,402	20,287,647	28,579,000	41,150,000	41,310,000
<b>TOTAL EXPENDITURES</b>	<b>36,427,402</b>	<b>20,287,647</b>	<b>28,579,000</b>	<b>41,150,000</b>	<b>41,310,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	36,427,402	20,287,647	28,579,000	41,150,000	41,310,000
<b>TOTAL EXPENDITURES</b>	<b>36,427,402</b>	<b>20,287,647</b>	<b>28,579,000</b>	<b>41,150,000</b>	<b>41,310,000</b>
<b>EXPENDITURES BY UNIT</b>					
County Coal Severance	19,138,339	6,427,548	9,153,800	20,115,000	20,844,000
Cities Coal Severance	2,124,224	714,172	1,000,800	2,235,000	2,316,000
County Mineral Severance	13,678,678	11,864,896	16,582,900	16,920,000	16,335,000
Cities Mineral Severance	1,486,161	1,281,031	1,841,500	1,880,000	1,815,000
<b>TOTAL EXPENDITURES</b>	<b>36,427,402</b>	<b>20,287,647</b>	<b>28,579,000</b>	<b>41,150,000</b>	<b>41,310,000</b>

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 directs that 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 Governor's budget returns all of the coal severance tax revenues back to coal-producing counties. Previously, amounts related to the debt service of past bond issues have been deducted before returning the remaining portion to coal-producing counties. Thirty percent of these revenues are directed to the Local Government Economic Assistance Fund. This action adds another \$6 million each year to the amounts returned to coal-producing counties from the Local Government Economic Assistance Fund. The budget suspends KRS 42.470(1)(a) 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.

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

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	13,570,500	12,814,300	18,511,800	52,150,000	54,040,000
Other		3,849,712	5,182,400		
<b>Total General Fund</b>	13,570,500	16,664,012	23,694,200	52,150,000	54,040,000
<b>TOTAL SOURCE OF FUNDS</b>	13,570,500	16,664,012	23,694,200	52,150,000	54,040,000
<b>EXPENDITURES BY CLASS</b>					
Grants Loans Benefits	13,570,500	16,664,012	23,694,200	52,150,000	54,040,000
<b>TOTAL EXPENDITURES</b>	13,570,500	16,664,012	23,694,200	52,150,000	54,040,000
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	13,570,500	16,664,012	23,694,200	52,150,000	54,040,000
<b>TOTAL EXPENDITURES</b>	13,570,500	16,664,012	23,694,200	52,150,000	54,040,000
<b>EXPENDITURES BY UNIT</b>					
Economic Development Fund	13,570,500	16,664,012	23,694,200	52,150,000	54,040,000
<b>TOTAL EXPENDITURES</b>	13,570,500	16,664,012	23,694,200	52,150,000	54,040,000

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 Governor's budget provides \$52,150,000 in General Fund in fiscal year 2023 and \$54,040,000 in fiscal year 2024 coal severance tax revenues to the LGEDF. 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 Governor's budget returns all of the coal severance tax revenues back to coal-producing counties. Previously, amounts related to the debt service of past bond issues have been deducted before returning the remaining portion to coal-producing counties. This action adds another \$14 million each year to the amounts returned to coal-producing counties from the Local Government Economic Development Fund. 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.



**Severance Tax Dedicated Programs 2022-2024 Biennium**  
Using Consensus Forecast Estimate

	<b>FY 2022 Revised</b>	<b>FY 2023 Recommended</b>	<b>FY 2024 Recommended</b>
<b>Coal Severance Tax Resources</b>			
<b>Coal Severance Tax</b>	<b>59,303,300</b>	<b>74,500,000</b>	<b>77,200,000</b>
Less: DLG LGEDF Admin cost	(669,700)	-	-
Less: Debt Service (Past Bond Appropriations)	(24,784,800)	-	-
<b>Total coal severance tax resources to be distributed</b>	<b>33,848,800</b>	<b>74,500,000</b>	<b>77,200,000</b>

<b>Local Government Economic Assistance Fund (LGEAF) Total Funds</b>			
Coal Severance Tax Revenue	10,154,600	22,350,000	23,160,000
Other Mineral Severance Tax Revenue	18,424,400	18,800,000	18,150,000
<b>Total LGEAF enacted</b>	<b>28,579,000</b>	<b>41,150,000</b>	<b>41,310,000</b>

<b>Local Government Economic Development Fund (LGEDF)</b>			
Coal Severance Tax Revenue	23,694,200	52,150,000	54,040,000
<b>Total LGEDF enacted</b>	<b>23,694,200</b>	<b>52,150,000</b>	<b>54,040,000</b>

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

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Current Receipts		6,000,000	6,000,000	6,000,000	6,000,000
Non-Revenue Receipts	4,000,000				
<b>Total Restricted Funds</b>	4,000,000	6,000,000	6,000,000	6,000,000	6,000,000
<b>TOTAL SOURCE OF FUNDS</b>	4,000,000	6,000,000	6,000,000	6,000,000	6,000,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	4,000,000	6,000,000			
Grants Loans Benefits			6,000,000	6,000,000	6,000,000
<b>TOTAL EXPENDITURES</b>	4,000,000	6,000,000	6,000,000	6,000,000	6,000,000
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	4,000,000	6,000,000	6,000,000	6,000,000	6,000,000
<b>TOTAL EXPENDITURES</b>	4,000,000	6,000,000	6,000,000	6,000,000	6,000,000
<b>EXPENDITURES BY UNIT</b>					
Regional Development Agency Assistance Fund	4,000,000	6,000,000	6,000,000	6,000,000	6,000,000
<b>TOTAL EXPENDITURES</b>	4,000,000	6,000,000	6,000,000	6,000,000	6,000,000

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.

The funds will be distributed to Industrial Development Authorities (IDAs) established under KRS 154.50-301 to 154.50-346. 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; acquiring federal, state, or private matching funds to the extent possible; and debt service for approved projects; that the agency is empowered to undertake in that county. Grants obtained under this program shall not be used for salaries, consulting fees, or operational expenses.

**General Government  
Executive Branch Ethics Commission**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	555,700	561,600	563,000	579,300	583,200
Current Year Appropriation			2,600		
<b>Total General Fund</b>	<b>555,700</b>	<b>561,600</b>	<b>565,600</b>	<b>579,300</b>	<b>583,200</b>
<b>Restricted Funds</b>					
Balance Forward	194,356	136,642	133,200	119,200	62,300
Current Receipts	361,596	370,450	406,000	366,900	366,900
<b>Total Restricted Funds</b>	<b>555,951</b>	<b>507,092</b>	<b>539,200</b>	<b>486,100</b>	<b>429,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,111,651</b>	<b>1,068,692</b>	<b>1,104,800</b>	<b>1,065,400</b>	<b>1,012,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	864,085	816,563	891,400	893,800	901,200
Operating Expenses	105,161	118,894	94,200	109,300	105,800
<b>TOTAL EXPENDITURES</b>	<b>969,247</b>	<b>935,457</b>	<b>985,600</b>	<b>1,003,100</b>	<b>1,007,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	549,938	561,600	565,600	579,300	583,200
Restricted Funds	419,309	373,857	420,000	423,800	423,800
<b>TOTAL EXPENDITURES</b>	<b>969,247</b>	<b>935,457</b>	<b>985,600</b>	<b>1,003,100</b>	<b>1,007,000</b>
<b>EXPENDITURES BY UNIT</b>					
Executive Branch Ethics Commission	969,247	935,457	985,600	1,003,100	1,007,000
<b>TOTAL EXPENDITURES</b>	<b>969,247</b>	<b>935,457</b>	<b>985,600</b>	<b>1,003,100</b>	<b>1,007,000</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**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,252,500				
<b>Total General Fund</b>	2,252,500				
<b>Restricted Funds</b>					
Balance Forward	7,924,378	8,738,990	7,409,800	4,712,900	3,071,400
Current Receipts	4,524,207	5,413,149	4,417,100	4,282,100	4,358,400
Fund Transfers	-1,500,000	-2,000,000	-2,000,000		
<b>Total Restricted Funds</b>	10,948,585	12,152,139	9,826,900	8,995,000	7,429,800
<b>TOTAL SOURCE OF FUNDS</b>	13,201,085	12,152,139	9,826,900	8,995,000	7,429,800
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,302,540	3,714,440	4,055,600	4,883,900	4,905,900
Operating Expenses	904,862	983,103	987,700	994,700	1,018,500
Grants Loans Benefits	3,945				
Capital Outlay	37,022	21,209	70,700	45,000	15,000
Construction	191,201	23,621			
<b>TOTAL EXPENDITURES</b>	4,439,570	4,742,373	5,114,000	5,923,600	5,939,400
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	2,229,975				
Restricted Funds	2,209,595	4,742,373	5,114,000	5,923,600	5,939,400
<b>TOTAL EXPENDITURES</b>	4,439,570	4,742,373	5,114,000	5,923,600	5,939,400
<b>EXPENDITURES BY UNIT</b>					
General Administration	2,301,670	95,874	46,200	103,800	56,500
General Operations	2,137,900	4,646,500	5,067,800	5,819,800	5,882,900
<b>TOTAL EXPENDITURES</b>	4,439,570	4,742,373	5,114,000	5,923,600	5,939,400

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 Governor's budget includes additional Restricted Funds in the amount of \$754,500 in each fiscal year for Information Technology needs.

**General Government  
Board of Elections**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	4,231,100	6,206,500	3,326,600	7,112,000	6,499,800
Current Year Appropriation			4,000		
Mandated Allotments	30,200				
<b>Total General Fund</b>	<b>4,261,300</b>	<b>6,206,500</b>	<b>3,330,600</b>	<b>7,112,000</b>	<b>6,499,800</b>
<b>Restricted Funds</b>					
Balance Forward	648,236	677,759	619,900	362,100	181,200
Current Receipts	81,664	1,883,331	40,100	65,100	219,800
Non-Revenue Receipts	180,000	120,000			
<b>Total Restricted Funds</b>	<b>909,900</b>	<b>2,681,090</b>	<b>660,000</b>	<b>427,200</b>	<b>401,000</b>
<b>Federal Fund</b>					
Balance Forward	12,767,012	19,145,044	15,477,500	13,164,600	11,258,000
Current Receipts	12,847,633	6,611,945	-483,100		
<b>Total Federal Fund</b>	<b>25,614,645</b>	<b>25,756,988</b>	<b>14,994,400</b>	<b>13,164,600</b>	<b>11,258,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>30,905,846</b>	<b>34,524,578</b>	<b>18,985,000</b>	<b>20,703,800</b>	<b>18,158,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,836,123	5,954,042	1,946,900	2,182,200	2,142,600
Operating Expenses	5,388,862	4,687,963	888,400	2,618,300	2,000,400
Grants Loans Benefits	3,013,383	4,978,354	2,623,000	4,464,100	4,509,400
Capital Outlay		2,805,558			
Construction	773,970				
<b>TOTAL EXPENDITURES</b>	<b>11,012,338</b>	<b>18,425,917</b>	<b>5,458,300</b>	<b>9,264,600</b>	<b>8,652,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	4,190,595	6,205,175	3,330,600	7,112,000	6,499,800
Restricted Funds	232,141	2,061,207	297,900	246,000	246,000
Federal Fund	6,589,602	10,159,535	1,829,800	1,906,600	1,906,600
<b>TOTAL EXPENDITURES</b>	<b>11,012,338</b>	<b>18,425,917</b>	<b>5,458,300</b>	<b>9,264,600</b>	<b>8,652,400</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration and Support	2,289,449	4,599,481	1,662,800	2,281,200	2,287,000
State Share of County Election Expenses	764,000	1,849,430		1,883,000	1,883,000
State Share of Voter Registration Expenses	1,173,295	1,761,449	1,717,800	1,717,800	1,717,800
Election Fund	6,785,593	10,215,558	2,077,700	3,382,600	2,764,600
<b>TOTAL EXPENDITURES</b>	<b>11,012,338</b>	<b>18,425,917</b>	<b>5,458,300</b>	<b>9,264,600</b>	<b>8,652,400</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 will provide unofficial election results on all candidates who file in 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 Governor's budget includes additional General Fund for the following election needs:

- State share of the cost of elections - \$1,883,000 each fiscal year
- Voter registration list maintenance - \$346,200 each fiscal year
- Federal Election Security grant match requirement - \$300,000 in fiscal year 2023 plus \$51,900 in Restricted Funds
- Electronic Poll Books - \$980,000 in fiscal year 2023 and \$662,000 in fiscal year 2024
- Additional Staff - \$211,600 in each fiscal year

**General Government  
Registry of Election Finance**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,529,400	1,541,300	1,543,300	1,590,800	1,598,500
Current Year Appropriation			5,500		
<b>Total General Fund</b>	1,529,400	1,541,300	1,548,800	1,590,800	1,598,500
<b>TOTAL SOURCE OF FUNDS</b>	1,529,400	1,541,300	1,548,800	1,590,800	1,598,500
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,399,400	1,435,378	1,471,000	1,519,100	1,527,400
Operating Expenses	114,692	105,922	77,800	71,700	71,100
<b>TOTAL EXPENDITURES</b>	1,514,092	1,541,300	1,548,800	1,590,800	1,598,500
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,514,092	1,541,300	1,548,800	1,590,800	1,598,500
<b>TOTAL EXPENDITURES</b>	1,514,092	1,541,300	1,548,800	1,590,800	1,598,500
<b>EXPENDITURES BY UNIT</b>					
Registry of Election Finance	1,514,092	1,541,300	1,548,800	1,590,800	1,598,500
<b>TOTAL EXPENDITURES</b>	1,514,092	1,541,300	1,548,800	1,590,800	1,598,500

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**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	12,239,600	12,473,700	12,860,100	16,985,500	17,047,400
Special Appropriation			1,500,000		
Current Year Appropriation	135,000		45,900		
Reorganization Adjustment					
Mandated Allotments		137,000			
<b>Total General Fund</b>	12,374,600	12,610,700	14,406,000	16,985,500	17,047,400
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I		150,000	150,000	157,500	157,500
<b>Total Tobacco Fund</b>		150,000	150,000	157,500	157,500
<b>Restricted Funds</b>					
Balance Forward	9,231,774	9,862,046	7,928,100	5,758,100	4,170,500
Current Receipts	9,642,995	8,073,164	9,917,200	10,208,400	10,291,200
Non-Revenue Receipts	6,181,180	4,348,843	7,018,800	7,514,100	7,484,500
Fund Transfers		-500,000			
<b>Total Restricted Funds</b>	25,055,949	21,784,054	24,864,100	23,480,600	21,946,200
<b>Federal Fund</b>					
Balance Forward	-316,829	-468,472	-720,000		
Current Receipts	4,252,663	4,223,251	6,402,100	5,692,200	5,710,500
<b>Total Federal Fund</b>	3,935,834	3,754,779	5,682,100	5,692,200	5,710,500
<b>TOTAL SOURCE OF FUNDS</b>	41,366,383	38,299,532	45,102,200	46,315,800	44,861,600
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	21,280,001	21,811,909	27,840,100	30,595,800	30,813,100
Operating Expenses	3,053,989	3,013,533	3,027,500	3,166,300	3,105,500
Grants Loans Benefits	7,515,073	6,203,620	8,329,900	8,327,300	8,325,200
Capital Outlay		62,374	146,600	55,900	
<b>TOTAL EXPENDITURES</b>	31,849,063	31,091,436	39,344,100	42,145,300	42,243,800
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	12,250,854	12,610,700	14,406,000	16,985,500	17,047,400
Tobacco Fund		150,000	150,000	157,500	157,500
Restricted Funds	15,193,903	13,855,974	19,106,000	19,310,100	19,328,400
Federal Fund	4,404,306	4,474,762	5,682,100	5,692,200	5,710,500
<b>TOTAL EXPENDITURES</b>	31,849,063	31,091,436	39,344,100	42,145,300	42,243,800
<b>EXPENDITURES BY UNIT</b>					
Administrative Services	2,649,600	2,456,480	3,136,500	3,117,300	3,128,600
Criminal Services	11,401,626	11,505,660	14,806,400	15,775,600	15,827,000
Uninsured Employers Fund	6,812,483	5,205,208	7,254,000	7,264,400	7,266,900
Solicitor General	3,763,595	3,891,824	4,253,800	4,319,000	4,338,800
Civil Division	7,221,758	8,032,264	9,893,400	11,669,000	11,682,500
<b>TOTAL EXPENDITURES</b>	31,849,063	31,091,436	39,344,100	42,145,300	42,243,800

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 Governor's budget includes additional General Fund in the amount of \$2,261,100 in fiscal years 2023 and 2024 for additional personnel in the Civil and Criminal Divisions.

The recommended budget includes Restricted funds for a \$600 increase, to \$4,600, for the training incentive stipend in each fiscal year for Attorney General investigators. The stipend payments are provided from the Kentucky Law Enforcement Foundation Fund.

**General Government  
Commonwealth's Attorneys**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	59,913,100	60,413,100	60,494,200	74,416,800	74,876,400
Current Year Appropriation			168,300		
<b>Total General Fund</b>	59,913,100	60,413,100	60,662,500	74,416,800	74,876,400
<b>Restricted Funds</b>					
Balance Forward	3,299,302	3,523,969	4,003,400	2,428,600	1,318,100
Current Receipts	4,664,524	4,295,270	4,500,000	4,964,400	5,142,500
Non-Revenue Receipts	41,147	74,761	60,000	60,000	60,000
<b>Total Restricted Funds</b>	8,004,973	7,894,000	8,563,400	7,453,000	6,520,600
<b>Federal Fund</b>					
Balance Forward	-114,852	-133,313	-311,500		
Current Receipts	303,567	486,741	1,222,800	911,300	911,300
<b>Total Federal Fund</b>	188,715	353,427	911,300	911,300	911,300
<b>TOTAL SOURCE OF FUNDS</b>	68,106,789	68,660,527	70,137,200	82,781,100	82,308,300
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	58,777,482	59,237,175	62,059,500	75,457,000	76,059,900
Operating Expenses	5,908,275	5,709,462	5,612,600	5,956,000	5,813,000
Grants Loans Benefits	421	557	36,500	50,000	50,000
Capital Outlay	29,954	21,429			
<b>TOTAL EXPENDITURES</b>	64,716,133	64,968,623	67,708,600	81,463,000	81,922,900
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	59,913,099	60,413,067	60,662,500	74,416,800	74,876,400
Restricted Funds	4,481,005	3,890,604	6,134,800	6,134,900	6,135,200
Federal Fund	322,029	664,952	911,300	911,300	911,300
<b>TOTAL EXPENDITURES</b>	64,716,133	64,968,623	67,708,600	81,463,000	81,922,900
<b>EXPENDITURES BY UNIT</b>					
Commonwealth's Attorneys	64,716,133	64,968,623	67,708,600	81,463,000	81,922,900
<b>TOTAL EXPENDITURES</b>	64,716,133	64,968,623	67,708,600	81,463,000	81,922,900

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.

**Policy**

The Governor's budget includes additional General Fund in the amount of \$2,410,300 in fiscal year 2023 and \$2,462,200 is fiscal year 2024 for additional positions to address case backlogs and additional workload as a result of recent legislative changes.

The budget recommendation includes additional General Fund in the amount of \$10,043,600 in fiscal year 2023 and \$10,265,800 in fiscal year 2024 to fund Victim Advocate positions to carry out the requirements under Marsy's Law and the Victim Witness Protection Program.

The Governor's budget includes additional General Fund in the amount of \$643,200 in fiscal year 203 and \$547,100 in fiscal year 2024 to convert the four remaining part-time offices to full-time offices.

**General Government  
County Attorneys**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	53,058,600	53,518,500	56,153,400	72,294,000	72,984,700
Current Year Appropriation			123,600		
<b>Total General Fund</b>	<b>53,058,600</b>	<b>53,518,500</b>	<b>56,277,000</b>	<b>72,294,000</b>	<b>72,984,700</b>
<b>Restricted Funds</b>					
Balance Forward	907,198	1,139,737	1,023,700	670,400	412,100
Current Receipts	894,146	460,201	610,000	705,000	715,000
<b>Total Restricted Funds</b>	<b>1,801,343</b>	<b>1,599,938</b>	<b>1,633,700</b>	<b>1,375,400</b>	<b>1,127,100</b>
<b>Federal Fund</b>					
Balance Forward	174,445	116,673	-86,300	100	100
Current Receipts	672,804	696,393	1,171,600	1,085,200	1,085,200
<b>Total Federal Fund</b>	<b>847,249</b>	<b>813,067</b>	<b>1,085,300</b>	<b>1,085,300</b>	<b>1,085,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>55,707,192</b>	<b>55,931,505</b>	<b>58,996,000</b>	<b>74,754,700</b>	<b>75,197,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	52,995,294	53,509,883	57,276,500	72,468,200	73,187,900
Operating Expenses	1,455,460	1,484,180	1,049,000	1,874,300	1,845,300
<b>TOTAL EXPENDITURES</b>	<b>54,450,753</b>	<b>54,994,063</b>	<b>58,325,500</b>	<b>74,342,500</b>	<b>75,033,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	53,058,571	53,518,482	56,277,000	72,294,000	72,984,700
Restricted Funds	661,606	576,250	963,300	963,300	963,300
Federal Fund	730,576	899,332	1,085,200	1,085,200	1,085,200
<b>TOTAL EXPENDITURES</b>	<b>54,450,753</b>	<b>54,994,063</b>	<b>58,325,500</b>	<b>74,342,500</b>	<b>75,033,200</b>
<b>EXPENDITURES BY UNIT</b>					
County Attorneys	54,450,753	54,994,063	58,325,500	74,342,500	75,033,200
<b>TOTAL EXPENDITURES</b>	<b>54,450,753</b>	<b>54,994,063</b>	<b>58,325,500</b>	<b>74,342,500</b>	<b>75,033,200</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 Governor's budget includes additional General Fund in the amount of \$2,945,300 in fiscal year 2023 and \$3,011,900 in fiscal year 2024 to fund additional positions to help address case backlogs and additional workload as a result of recent legislative changes.

The budget recommendation includes additional General Fund in the amount of \$11,525,800 in fiscal year 2023 and \$11,781,500 in fiscal year 2024 to fund Victim Advocate positions to carry out the increased requirements mandated under Marsy's law.

Currently, each County Attorney's office is allotted \$3,000 annually for criminal justice related operating expenses. The Governor's budget provides additional General Fund in the amount of \$840,000 in each fiscal year 2023 and 2024 for operating expenses.

**General Government**

**Treasury**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,261,200	2,411,800	2,664,600	2,730,400	2,744,400
Current Year Appropriation			8,000		
Reorganization Adjustment	151,800				
<b>Total General Fund</b>	<b>2,413,000</b>	<b>2,411,800</b>	<b>2,672,600</b>	<b>2,730,400</b>	<b>2,744,400</b>
<b>Restricted Funds</b>					
Balance Forward	275,580	512,494	234,600	163,700	162,900
Current Receipts	25,690	29,430	27,800	27,800	27,800
Non-Revenue Receipts	1,479,000	1,016,600	1,748,900	1,860,900	1,869,800
<b>Total Restricted Funds</b>	<b>1,780,270</b>	<b>1,558,524</b>	<b>2,011,300</b>	<b>2,052,400</b>	<b>2,060,500</b>
<b>Federal Fund</b>					
Balance Forward	186,336	112,279	46,800		
Current Receipts	1,544,072	864,517	1,322,900	1,205,500	1,211,400
<b>Total Federal Fund</b>	<b>1,730,407</b>	<b>976,796</b>	<b>1,369,700</b>	<b>1,205,500</b>	<b>1,211,400</b>
<b>Road Fund</b>					
Regular Appropriation	250,000	250,600			
<b>Total Road Fund</b>	<b>250,000</b>	<b>250,600</b>			
<b>TOTAL SOURCE OF FUNDS</b>	<b>6,173,677</b>	<b>5,197,720</b>	<b>6,053,600</b>	<b>5,988,300</b>	<b>6,016,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,762,876	3,568,077	3,998,200	3,712,900	3,739,500
Operating Expenses	927,125	729,314	1,039,500	1,366,000	1,373,800
Grants Loans Benefits	819,995	494,352	847,500	674,400	674,400
Capital Outlay	9,212	23,113	4,700	72,100	65,700
<b>TOTAL EXPENDITURES</b>	<b>5,519,208</b>	<b>4,814,855</b>	<b>5,889,900</b>	<b>5,825,400</b>	<b>5,853,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	2,383,304	2,332,286	2,672,600	2,730,400	2,744,400
Restricted Funds	1,267,776	1,324,013	1,847,600	1,889,500	1,897,600
Federal Fund	1,618,128	930,009	1,369,700	1,205,500	1,211,400
Road Fund	250,000	228,547			
<b>TOTAL EXPENDITURES</b>	<b>5,519,208</b>	<b>4,814,855</b>	<b>5,889,900</b>	<b>5,825,400</b>	<b>5,853,400</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration and Support	1,538,016	1,636,220	1,566,400	1,601,300	1,604,800
Disbursements and Accounting	1,073,515	776,591	935,000	984,500	994,900
Abandoned Property Administration	1,144,576	1,324,013	1,847,300	1,861,800	1,869,800
Commonwealth Council on Developmental Disabilities	1,763,101	1,078,031	1,541,200	1,377,800	1,383,900
<b>TOTAL EXPENDITURES</b>	<b>5,519,208</b>	<b>4,814,855</b>	<b>5,889,900</b>	<b>5,825,400</b>	<b>5,853,400</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 \$1,860,900 in fiscal year 2023 and \$1,869,800 in fiscal year 2024. This action reflects the movement of available off-budget Restricted Funds to on-budget status to support ongoing activities of the program.

**General Government**

**Agriculture**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	17,910,800	16,822,000	18,842,800	19,312,900	19,419,800
Current Year Appropriation			52,300		
Continuing Approp-General Fund	7,945	7,732	7,700		
<b>Total General Fund</b>	<b>17,918,745</b>	<b>16,829,732</b>	<b>18,902,800</b>	<b>19,312,900</b>	<b>19,419,800</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	38,879,300	35,094,800	35,468,800	38,765,600	36,382,900
Current Year Appropriation			5,950,000		
Continuing Approp-Tob Settlement	24,801,866	31,044,714	33,974,000		
Other	-2,477,587	9,991,144			
<b>Total Tobacco Fund</b>	<b>61,203,579</b>	<b>76,130,658</b>	<b>75,392,800</b>	<b>38,765,600</b>	<b>36,382,900</b>
<b>Restricted Funds</b>					
Balance Forward	15,752,804	15,560,107	16,093,921	13,543,721	11,068,921
Current Receipts	8,601,683	8,063,183	8,928,100	9,099,700	9,118,000
Non-Revenue Receipts	2,051,738	1,226,926	872,200	847,400	847,400
<b>Total Restricted Funds</b>	<b>26,406,225</b>	<b>24,850,215</b>	<b>25,894,221</b>	<b>23,490,821</b>	<b>21,034,321</b>
<b>Federal Fund</b>					
Balance Forward	3,248,628	5,077,148	12,900		
Current Receipts	11,223,415	8,641,524	11,814,200	11,814,200	11,814,200
<b>Total Federal Fund</b>	<b>14,472,043</b>	<b>13,718,672</b>	<b>11,827,100</b>	<b>11,814,200</b>	<b>11,814,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>120,000,592</b>	<b>131,529,277</b>	<b>132,016,921</b>	<b>93,383,521</b>	<b>88,651,221</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	23,443,954	23,002,270	25,848,100	26,233,800	26,469,300
Operating Expenses	5,985,729	5,724,336	7,188,400	7,305,900	7,262,300
Grants Loans Benefits	36,887,502	43,344,167	83,267,700	47,673,800	45,272,400
Capital Outlay	1,853,887	8,771,176	2,156,100	1,101,100	1,066,100
Construction	3,223	10,586			
<b>TOTAL EXPENDITURES</b>	<b>68,174,294</b>	<b>80,852,536</b>	<b>118,460,300</b>	<b>82,314,600</b>	<b>80,070,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	17,731,812	16,822,054	18,902,800	19,312,900	19,419,800
Tobacco Fund	30,158,865	42,156,651	75,392,800	38,765,600	36,382,900
Restricted Funds	10,888,722	9,076,986	12,350,500	12,421,900	12,453,200
Federal Fund	9,394,895	12,796,846	11,814,200	11,814,200	11,814,200
<b>TOTAL EXPENDITURES</b>	<b>68,174,294</b>	<b>80,852,536</b>	<b>118,460,300</b>	<b>82,314,600</b>	<b>80,070,100</b>
<b>EXPENDITURES BY UNIT</b>					
Strategic Planning and Administration	6,221,417	6,154,721	6,631,700	6,795,400	6,646,200
Motor Fuel Inspection and Testing	159,186	83,930	168,500	171,000	172,200
Consumer and Environmental Programs	18,264,858	17,291,833	19,872,500	20,117,300	20,230,900
State Veterinarian	3,804,087	4,065,096	4,741,200	4,824,000	4,891,200
Animal Control	106,256	80,054	107,700	103,000	103,000
Agriculture Development - Statewide MSA Admin	14,892,308	25,911,297	58,466,700	22,617,700	21,201,700
Agriculture Development - Counties MSA	14,818,660	17,776,100	16,526,100	15,647,900	14,671,000
Farmland Preservation	4,880	31,277	251,100	251,100	251,100
Agriculture Marketing and Product Promotion	9,901,567	9,458,227	11,694,800	11,787,200	11,902,800
Small Winery Support Fund	1,075				
<b>TOTAL EXPENDITURES</b>	<b>68,174,294</b>	<b>80,852,536</b>	<b>118,460,300</b>	<b>82,314,600</b>	<b>80,070,100</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.

Senate Bill 3 from the 2021 Regular Session of the General Assembly abolished the Governor's Office of Agriculture Policy and established the Kentucky Office of Agricultural Policy within the Department of Agriculture. The office is comprised of two boards, The Kentucky Agricultural Development Board and the Kentucky Agricultural Finance Corporation, which 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 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 of Agriculture 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. 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 Commissioner appoints the remaining ten board members who represent various agricultural sectors.

## **Policy**

The budget includes additional General Fund in the amount of \$155,000 in each fiscal year to support capital improvement grants to the Local Agricultural Farm Aid Program.

The Governor's Budget includes an additional \$100,000 in General Fund (Tobacco) to support the Farms to Foodbanks program.

The current year, fiscal 2021, includes additional General Fund (Tobacco) distribution for the Kentucky Office of Agriculture Policy in the amount of \$3,867,500 for statewide projects and \$2,082,500 for distribution to the counties.

The Governor's budget includes Restricted funds for a \$600 increase, to \$4,600, for the training incentive stipend in each fiscal year for Agricultural Investigators. The stipend payments are provided from the Kentucky Law Enforcement Foundation Fund.

**General Government  
Auditor of Public Accounts**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	5,735,700	7,787,000	7,788,900	7,952,500	7,996,200
Current Year Appropriation			27,300		
<b>Total General Fund</b>	5,735,700	7,787,000	7,816,200	7,952,500	7,996,200
<b>Restricted Funds</b>					
Balance Forward	1,523,300	1,543,210	1,723,300	1,164,900	1,089,500
Current Receipts	10,095,404	8,646,406	9,846,000	10,492,300	10,588,300
<b>Total Restricted Funds</b>	11,618,704	10,189,616	11,569,300	11,657,200	11,677,800
<b>TOTAL SOURCE OF FUNDS</b>	17,354,404	17,976,616	19,385,500	19,609,700	19,674,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	14,775,958	15,453,676	17,213,900	17,485,800	17,578,100
Operating Expenses	977,879	799,640	1,006,700	1,034,400	1,027,600
<b>TOTAL EXPENDITURES</b>	15,753,837	16,253,315	18,220,600	18,520,200	18,605,700
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,678,343	7,787,000	7,816,200	7,952,500	7,996,200
Restricted Funds	10,075,494	8,466,315	10,404,400	10,567,700	10,609,500
<b>TOTAL EXPENDITURES</b>	15,753,837	16,253,315	18,220,600	18,520,200	18,605,700
<b>EXPENDITURES BY UNIT</b>					
Auditor of Public Accounts	1,663,300	1,780,000	2,254,300	2,291,300	2,299,400
State & Local Government Audits	12,599,237	12,361,815	14,829,000	15,084,300	15,156,800
Special Examinations	1,491,300	2,111,500	1,137,300	1,144,600	1,149,500
<b>TOTAL EXPENDITURES</b>	15,753,837	16,253,315	18,220,600	18,520,200	18,605,700

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, Technology and Financial Audits, and Special Examinations.

The Administration area includes the Office of the Auditor of Public Accounts, the Office of the Assistant Auditor of Public Accounts, 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.

Technology and Financial 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. The agency's information technology audit and support staff are also within this office.

Special Examinations is responsible for performing special examinations of state, local, and other governmental entities. This staff in Special Examinations are responsible for managing the agency's toll-free tips hotline and addressing concerns of inappropriate or inefficient use of public funds.

**General Government  
Personnel Board**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	583,820	484,567	235,900		
Current Receipts	800,646	626,355	630,000	1,049,600	1,053,800
<b>Total Restricted Funds</b>	<b>1,384,466</b>	<b>1,110,921</b>	<b>865,900</b>	<b>1,049,600</b>	<b>1,053,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,384,466</b>	<b>1,110,921</b>	<b>865,900</b>	<b>1,049,600</b>	<b>1,053,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	763,916	728,795	757,700	922,200	924,900
Operating Expenses	133,773	145,550	108,200	127,400	128,900
Construction	2,210	655			
<b>TOTAL EXPENDITURES</b>	<b>899,899</b>	<b>875,000</b>	<b>865,900</b>	<b>1,049,600</b>	<b>1,053,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	899,899	875,000	865,900	1,049,600	1,053,800
<b>TOTAL EXPENDITURES</b>	<b>899,899</b>	<b>875,000</b>	<b>865,900</b>	<b>1,049,600</b>	<b>1,053,800</b>
<b>EXPENDITURES BY UNIT</b>					
Personnel Board	899,899	875,000	865,900	1,049,600	1,053,800
<b>TOTAL EXPENDITURES</b>	<b>899,899</b>	<b>875,000</b>	<b>865,900</b>	<b>1,049,600</b>	<b>1,053,800</b>

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 based upon the authorized permanent full-time positions of each agency as of July 1.

**General Government**  
**Kentucky Public Pensions Authority**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,086,200	384,000			
Surplus Expenditure Plan	60,094,500				
<b>Total General Fund</b>	61,180,700	384,000			
<b>Restricted Funds</b>					
Current Receipts	23,979	13,497			
Non-Revenue Receipts	35,961,782	35,753,509	48,116,600	48,587,200	48,766,300
<b>Total Restricted Funds</b>	35,985,761	35,767,006	48,116,600	48,587,200	48,766,300
<b>TOTAL SOURCE OF FUNDS</b>	97,166,461	36,151,006	48,116,600	48,587,200	48,766,300
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	31,729,820	32,070,246	41,979,700	42,449,300	42,628,200
Operating Expenses	4,255,332	3,612,784	6,136,900	6,137,900	6,138,100
Grants Loans Benefits	61,179,685	384,000			
Capital Outlay	464	83,977			
<b>TOTAL EXPENDITURES</b>	97,165,300	36,151,006	48,116,600	48,587,200	48,766,300
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	61,179,539	384,000			
Restricted Funds	35,985,761	35,767,006	48,116,600	48,587,200	48,766,300
<b>TOTAL EXPENDITURES</b>	97,165,300	36,151,006	48,116,600	48,587,200	48,766,300
<b>EXPENDITURES BY UNIT</b>					
Kentucky Public Pensions Authority	97,165,300	36,151,006	48,116,600	48,587,200	48,766,300
<b>TOTAL EXPENDITURES</b>	97,165,300	36,151,006	48,116,600	48,587,200	48,766,300

Kentucky Public Pensions Authority administers two 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 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 Public Pensions Authority is administered by a 9-member Board of Trustees that is composed of six trustees appointed by the governor and three elected by KERS and SPRS members and retired members - two to represent Kentucky Employees Retirement System and one to represent State Police Retirement System. 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 Public Pensions Authority 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.

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

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation				6,305,800	6,305,800
<b>Total General Fund</b>				6,305,800	6,305,800
<b>Restricted Funds</b>					
Balance Forward	28,469,914	30,305,140	33,807,200	32,334,500	31,485,900
Current Receipts	24,855,096	26,979,229	25,179,900	26,814,900	26,010,000
Non-Revenue Receipts	79,177	-94,449			
<b>Total Restricted Funds</b>	53,404,188	57,189,920	58,987,100	59,149,400	57,495,900
<b>TOTAL SOURCE OF FUNDS</b>	53,404,188	57,189,920	58,987,100	65,455,200	63,801,700
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	19,299,262	20,200,954	22,434,500	23,646,700	23,840,500
Operating Expenses	3,145,753	2,784,632	3,822,100	3,926,600	3,893,600
Grants Loans Benefits	397,165	380,476	396,000	6,396,000	6,396,000
Capital Outlay	244,364				
Construction	12,503	16,580			
<b>TOTAL EXPENDITURES</b>	23,099,047	23,382,642	26,652,600	33,969,300	34,130,100
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund				6,305,800	6,305,800
Restricted Funds	23,099,047	23,382,642	26,652,600	27,663,500	27,824,300
<b>TOTAL EXPENDITURES</b>	23,099,047	23,382,642	26,652,600	33,969,300	34,130,100
<b>EXPENDITURES BY UNIT</b>					
Accountancy	560,364	545,911	659,900	670,400	673,300
Certification of Alcohol and Drug Counselors	177,232	176,155	180,200	210,600	210,600
Applied Behavior Analysis Licensing	38,402	45,655	39,600	71,000	71,000
Architects	405,901	385,762	455,800	466,800	468,400
Certification for Professional Art Therapists	7,797	11,123	11,200	11,600	11,600
Barbering	360,560	421,074	458,300	466,000	468,100
Chiropractic Examiners	279,230	277,274	377,900	299,600	299,600
Dentistry	757,715	711,156	925,200	940,000	944,300
Diabetes Educators	28,139	26,184	29,300	28,100	28,200
Licensure & Cert. for Dietitians & Nutritionists	77,791	75,228	93,900	94,200	94,200
Embalmers and Funeral Directors	493,590	410,418	489,200	498,000	501,200
Licensure for Prof. Engineers and Land Surveyors	1,307,544	1,265,441	1,742,000	1,829,200	1,912,000
Certification of Fee-Based Pastoral Counselors	2,541	3,197	3,600	4,000	4,000
Registration for Professional Geologists	101,426	83,183	109,000	109,300	109,300
Kentucky Board of Cosmetology	1,701,007	1,666,091	1,908,700	1,950,100	1,960,900
Specialists in Hearing Instruments	59,660	68,175	78,000	78,300	78,300
Interpreters for the Deaf and Hard of Hearing	40,335	37,724	38,200	49,600	49,600

Examiners & Registration of Landscape Architects	76,048	73,386	79,500	81,400	82,000
Licensure of Marriage and Family Therapists	110,393	115,345	133,600	134,000	134,000
Licensure for Massage Therapy	145,527	140,630	150,500	150,900	150,900
Medical Imaging and Radiation Therapy	297,753	344,822	467,200	479,000	481,100
Medical Licensure	3,215,361	3,239,320	3,504,100	3,612,300	3,609,700
Nursing	7,511,700	7,722,702	8,789,200	15,250,800	15,283,900
Licensure for Nursing Home Administrators	83,285	85,824	101,100	101,800	101,800
Licensure for Occupational Therapy	206,569	191,637	211,600	212,100	212,100
Ophthalmic Dispensers	70,179	68,048	71,400	71,800	71,800
Optometric Examiners	178,043	221,800	236,600	238,100	238,600
Pharmacy	2,413,958	2,497,447	2,514,200	2,914,400	2,928,800
Physical Therapy	617,355	613,157	662,400	674,500	677,300
Podiatry	36,834	37,870	46,500	46,600	46,600
Private Investigators	89,565	80,070	113,700	113,900	113,900
Licensed Professional Counselors	282,448	296,005	310,800	391,100	391,100
Prosthetics, Orthotics and Pedorthics	37,715	43,066	46,200	46,600	46,600
Examiners of Psychology	222,540	212,186	256,400	306,900	306,900
Veterinary Examiners	244,020	359,538	525,000	525,000	525,000
Respiratory Care	235,733	231,485	246,500	250,900	252,200
Social Work	418,497	409,127	363,200	367,400	368,200
Speech-Language Pathology and Audiology	206,293	189,430	222,900	223,000	223,000
<b>TOTAL EXPENDITURES</b>	<b>23,099,047</b>	<b>23,382,642</b>	<b>26,652,600</b>	<b>33,969,300</b>	<b>34,130,100</b>

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.

### Policy

The Governor's budget includes General Fund of \$6,305,800 in each fiscal year for the Board of Nursing to hire two Education Consultants and \$6 million for scholarships. Currently scholarships are funded at \$1,500 per semester and the additional funds will enable them to increase the scholarships to \$3,000 a semester.

**General Government  
Kentucky River Authority**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	286,400	288,500	288,300	294,100	296,000
Current Year Appropriation			900		
<b>Total General Fund</b>	286,400	288,500	289,200	294,100	296,000
<b>Restricted Funds</b>					
Balance Forward	5,999,502	7,674,661	9,012,900	6,491,000	1,608,800
Current Receipts	6,840,562	6,877,846	6,880,100	6,880,200	6,880,200
Non-Revenue Receipts		-400,000	-4,131,000	-6,400,000	-800,000
<b>Total Restricted Funds</b>	12,840,064	14,152,507	11,762,000	6,971,200	7,689,000
<b>TOTAL SOURCE OF FUNDS</b>	13,126,464	14,441,007	12,051,200	7,265,300	7,985,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	875,733	884,813	944,500	961,100	967,700
Operating Expenses	238,443	241,538	242,100	308,800	308,700
Grants Loans Benefits	260,736	261,819	273,600	273,600	273,600
Debt Service	4,038,884	4,039,921	4,100,000	4,100,000	4,100,000
Capital Outlay	35,107			13,000	13,000
<b>TOTAL EXPENDITURES</b>	5,448,903	5,428,091	5,560,200	5,656,500	5,663,000
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	283,500	288,500	289,200	294,100	296,000
Restricted Funds	5,165,403	5,139,591	5,271,000	5,362,400	5,367,000
<b>TOTAL EXPENDITURES</b>	5,448,903	5,428,091	5,560,200	5,656,500	5,663,000
<b>EXPENDITURES BY UNIT</b>					
General Operations	1,106,519	1,099,670	1,171,000	1,262,400	1,267,000
Locks and Dams Construction/ Maintenance	4,038,884	4,039,921	4,100,000	4,100,000	4,100,000
Locks and Dams Operations	303,500	288,500	289,200	294,100	296,000
<b>TOTAL EXPENDITURES</b>	5,448,903	5,428,091	5,560,200	5,656,500	5,663,000

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**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	129,071,300	125,243,600	125,835,000	200,647,300	127,155,200
Special Appropriation			85,000,000		
Current Year Appropriation			97,401,100		
Other		-3,468,000			
<b>Total General Fund</b>	129,071,300	121,775,600	308,236,100	200,647,300	127,155,200
<b>Restricted Funds</b>					
Balance Forward	4,711,264	11,175,574	9,510,300	5,387,000	
Non-Revenue Receipts	6,464,310	1,234,708	4,152,300		
Fund Transfers		-2,900,000			
<b>Total Restricted Funds</b>	11,175,574	9,510,282	13,662,600	5,387,000	
<b>Federal Fund</b>					
Current Receipts			127,000,000		
<b>Total Federal Fund</b>			127,000,000		
<b>TOTAL SOURCE OF FUNDS</b>	140,246,874	131,285,882	448,898,700	206,034,300	127,155,200
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	360,100	362,400	364,400	389,000	393,900
Operating Expenses	38,800	45,000	44,800	41,600	41,700
Grants Loans Benefits			317,675,600	80,387,000	
Debt Service	128,672,400	121,368,200	125,426,900	125,216,700	126,719,600
<b>TOTAL EXPENDITURES</b>	129,071,300	121,775,600	443,511,700	206,034,300	127,155,200
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	129,071,300	121,775,600	308,236,100	200,647,300	127,155,200
Restricted Funds			8,275,600	5,387,000	
Federal Fund			127,000,000		
<b>TOTAL EXPENDITURES</b>	129,071,300	121,775,600	443,511,700	206,034,300	127,155,200
<b>EXPENDITURES BY UNIT</b>					
School Facilities Construction Commission	129,071,300	121,775,600	134,111,700	131,034,300	127,155,200
SFCC Construction Grants			309,400,000	75,000,000	
<b>TOTAL EXPENDITURES</b>	129,071,300	121,775,600	443,511,700	206,034,300	127,155,200

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 Governor's budget authorizes the School Facilities Construction Commission to make an additional \$100,000,000 in new offers of assistance during the 2022-2024 biennium in anticipation of debt service availability during the 2024-2026 biennium.

New General Fund debt service in the amount of \$1,632,400 in fiscal year 2023 and \$3,672,900 in fiscal year 2024 is included to support \$58,000,000 in regular offers of assistance to fund commitments made by the 2020-2022 General Assembly.

In House Bill 556, the 2021 General Assembly appropriated \$75,000,000 from the General Fund in fiscal year 2022 for Local Area Vocational Education Center Renovation Grants. The Commission was able to fund nine renovation projects from that round of funding. The Governor recommends an additional \$97,400,000 from the General Fund in fiscal year 2022 to support eleven additional renovation projects. The eleven additional school districts to receive awards, based on the Commission's ranking, are as follows:

- Grayson County
- Edmonson County
- Lewis County
- McCreary County
- Fleming County
- Nelson County
- Carter County
- Boyd County
- Livingston County
- Marshall County
- Union County

General Fund in the amount of \$75,000,000 in fiscal year 2023 is included for additional grants to Local Area Vocational Centers on a competitive basis.

Federal Funds in the amount of \$127,000,000 were appropriated to SFCC in House Bill 556 from the 2021 Regular Session of the General Assembly to support school construction and renovation projects. This funding was earmarked from the Commonwealth's allocation from the Coronavirus Capital Projects Fund of the American Rescue Plan Act of 2021. Subsequent to the bill's passage, the Commonwealth received the federal government's official guidance on eligible uses of the Fund, and it was determined that the planned use for school construction and renovation projects did not meet the criteria. The Governor proposes instead to utilize federal funds available to the Commonwealth from the State Fiscal Recovery Fund for the purposes outlined in House Bill 556 related to school construction and renovation projects so as to follow through on the commitments made to school districts.

The above Restricted Fund appropriation is from the Emergency and Targeted Investment Fund (KRS 157.618) to support emergency school facility needs resulting from a natural disaster or other unforeseen occurrence, including the December 10, 2021 tornadoes in Western Kentucky.

**General Government  
Teachers' Retirement System**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	719,474,400	781,620,000	715,293,700	860,527,900	852,606,600
Surplus Expenditure Plan	70,000,000				
<b>Total General Fund</b>	<b>789,474,400</b>	<b>781,620,000</b>	<b>715,293,700</b>	<b>860,527,900</b>	<b>852,606,600</b>
<b>Restricted Funds</b>					
Balance Forward	2,527,027	2,225,065	965,461		
Current Receipts	118,639	128,697			
Non-Revenue Receipts	14,362,823	13,720,275	15,355,139	17,385,300	18,162,200
<b>Total Restricted Funds</b>	<b>17,008,489</b>	<b>16,074,036</b>	<b>16,320,600</b>	<b>17,385,300</b>	<b>18,162,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>806,482,889</b>	<b>797,694,036</b>	<b>731,614,300</b>	<b>877,913,200</b>	<b>870,768,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	11,462,931	11,740,867	13,337,400	13,502,100	13,679,000
Operating Expenses	3,320,493	3,367,708	2,907,300	3,807,300	4,407,300
Grants Loans Benefits	728,895,900	729,960,000	715,293,700	843,162,400	852,606,600
Debt Service	60,578,415	51,659,998		17,365,500	
Capital Outlay			75,900	75,900	75,900
<b>TOTAL EXPENDITURES</b>	<b>804,257,740</b>	<b>796,728,573</b>	<b>731,614,300</b>	<b>877,913,200</b>	<b>870,768,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	789,474,315	781,619,998	715,293,700	860,527,900	852,606,600
Restricted Funds	14,783,424	15,108,575	16,320,600	17,385,300	18,162,200
<b>TOTAL EXPENDITURES</b>	<b>804,257,740</b>	<b>796,728,573</b>	<b>731,614,300</b>	<b>877,913,200</b>	<b>870,768,800</b>
<b>EXPENDITURES BY UNIT</b>					
Teachers' Retirement System	804,257,740	796,728,573	731,614,300	877,913,200	870,768,800
<b>TOTAL EXPENDITURES</b>	<b>804,257,740</b>	<b>796,728,573</b>	<b>731,614,300</b>	<b>877,913,200</b>	<b>870,768,800</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 Governor's budget fully funds the teachers' pension and medical benefits. An additional \$145,234,200 from the General Fund is provided over the current budget in fiscal year 2023 and an additional \$137,312,900 in fiscal year 2024.

For years, the sick leave credit benefit liability has been amortized for up to 20 years. This budget pre-funds this benefit with an additional \$39,325,100 in each fiscal year. The Commonwealth's "shared responsibility" portion of funding the medical benefits requires \$71,200,000 in fiscal year 2023 and \$77,700,000 in fiscal year 2024.

An additional \$50,215,000 in fiscal year 2023 and \$67,256,000 in fiscal year 2024 is provided to meet the actuarially determined contributions for teachers' pensions. This increase is primarily due to the phasing in of several actuarial assumptions resulting from the system's five-year experience study. Past pension bond issues, in the amount of \$890.7 million, will be fully paid off in fiscal year 2023. The reduction in debt service continues to be directed back to the pension liability.

A portion of these increases are offset by lower amounts for amortized payments of past cost-of-living adjustments and the amortization of past sick leave liability.

**General Government  
Judgments**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation		22,500,000	22,500,000		
Current Year Appropriation	16,900,000				
Continuing Approp-General Fund				15,000,000	7,500,000
<b>Total General Fund</b>	16,900,000	22,500,000	22,500,000	15,000,000	7,500,000
<b>TOTAL SOURCE OF FUNDS</b>	16,900,000	22,500,000	22,500,000	15,000,000	7,500,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	12,588,514	13,957,764			
Operating Expenses	1,784,498	1,450,000	7,500,000	7,500,000	7,500,000
Capital Outlay	2,526,776	3,879,728			
<b>TOTAL EXPENDITURES</b>	16,899,788	19,287,492	7,500,000	7,500,000	7,500,000
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	16,899,788	19,287,492	7,500,000	7,500,000	7,500,000
<b>TOTAL EXPENDITURES</b>	16,899,788	19,287,492	7,500,000	7,500,000	7,500,000
<b>EXPENDITURES BY UNIT</b>					
Judgments	16,899,788	19,287,492	7,500,000	7,500,000	7,500,000
<b>TOTAL EXPENDITURES</b>	16,899,788	19,287,492	7,500,000	7,500,000	7,500,000

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 payment of judgments above the appropriated amount shall be paid first from the General Fund Surplus, if available, or from the Budget Reserve Trust Fund, subject to the conditions and procedures provided in the appropriations act.

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

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	14,526,400	14,526,400	14,526,400	21,381,400	21,381,400
Current Year Appropriation	4,500,000				
<b>Total General Fund</b>	19,026,400	14,526,400	14,526,400	21,381,400	21,381,400
<b>TOTAL SOURCE OF FUNDS</b>	19,026,400	14,526,400	14,526,400	21,381,400	21,381,400
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	14,120,330	11,935,922	11,815,600	18,115,600	18,115,600
Operating Expenses	2,404,887	2,524,791	2,707,700	3,262,700	3,262,700
Grants Loans Benefits			3,100	3,100	3,100
<b>TOTAL EXPENDITURES</b>	16,525,217	14,460,714	14,526,400	21,381,400	21,381,400
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	16,525,217	14,460,714	14,526,400	21,381,400	21,381,400
<b>TOTAL EXPENDITURES</b>	16,525,217	14,460,714	14,526,400	21,381,400	21,381,400
<b>EXPENDITURES BY UNIT</b>					
Attorney General Expense	414,121	589,474	625,700	625,700	625,700
Kentucky Claims Commission Award	68,702	96,643	200,000	200,000	200,000
Guardian Ad Litem	13,648,309	11,273,898	11,124,900	17,424,900	17,424,900
Prior Year Claims		42,370	166,400	166,400	166,400
Unredeemed Checks Refunded	1,630,894	1,825,464	1,752,400	1,752,400	1,752,400
Involuntary Commitments-ICF/MR	57,900	72,550	65,000	65,000	65,000
Frankfort In Lieu of Taxes	195,000	195,000	195,000	750,000	750,000
Frankfort Cemetery			3,100	3,100	3,100
Survivor Benefits	409,333	249,333	255,200	255,200	255,200
Med Malpractice Liability Ins Reimb	61,473	74,335	97,100	97,100	97,100
Blanket Employee Bonds	39,485	41,645	41,600	41,600	41,600
<b>TOTAL EXPENDITURES</b>	16,525,217	14,460,714	14,526,400	21,381,400	21,381,400

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, emergency medical services worker, 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**

Funds required to pay appropriations not otherwise classified are appropriated, and 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.

Additional General Fund in the amount of \$6,300,000 in fiscal years 2023 and 2024 is included for the Guardian ad Litem program to cover estimated expenses for the program and to preserve the Budget Reserve Trust Fund.

The Governor's budget includes \$555,000 of additional General Fund in fiscal years 2023 and 2024 to increase the Commonwealth's payment to the city of Frankfort in lieu of property taxes.

**General Government**  
**KY Communications Network Authority**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	34,268,300	34,220,000	34,222,600	36,773,900	37,677,900
Current Year Appropriation			6,104,800		
<b>Total General Fund</b>	34,268,300	34,220,000	40,327,400	36,773,900	37,677,900
<b>Restricted Funds</b>					
Balance Forward	2,293,127	2,292,933	880,700		
Current Receipts		768,457	2,000,000	10,563,000	10,563,000
Non-Revenue Receipts		3,091,685			
<b>Total Restricted Funds</b>	2,293,127	6,153,075	2,880,700	10,563,000	10,563,000
<b>TOTAL SOURCE OF FUNDS</b>	36,561,427	40,373,075	43,208,100	47,336,900	48,240,900
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,533,114	4,309,444	11,828,500	9,252,300	9,856,300
Operating Expenses	31,319,033	35,182,886	31,379,600	38,084,600	38,384,600
Capital Outlay	196,434				
<b>TOTAL EXPENDITURES</b>	34,048,582	39,492,331	43,208,100	47,336,900	48,240,900
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	34,048,388	34,220,000	40,327,400	36,773,900	37,677,900
Restricted Funds	193	5,272,331	2,880,700	10,563,000	10,563,000
<b>TOTAL EXPENDITURES</b>	34,048,582	39,492,331	43,208,100	47,336,900	48,240,900
<b>EXPENDITURES BY UNIT</b>					
KY Communications Network Authority	34,048,582	39,492,331	43,208,100	47,336,900	48,240,900
<b>TOTAL EXPENDITURES</b>	34,048,582	39,492,331	43,208,100	47,336,900	48,240,900

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, manages and oversees the KentuckyWired network, the Commonwealth's open-access broadband network. KentuckyWired is a Commonwealth public infrastructure project that was built to provide broadband service using a modern high-capacity fiber infrastructure. The primary purpose of the project is to provide broadband services to 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 is 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 leveraged 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 is 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 was actively 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. Beginning in fiscal year 2023, it is anticipated that all planned sites will be migrated to the KentuckyWired network.

General Fund in the amount of \$6,097,000 in fiscal year 2022, \$2,500,000 in fiscal year 2023, and \$3,400,000 in fiscal year 2024 is included to fill the gap between network-generated revenues and expenses of the Authority.



# Economic Development

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	Economic Development		Economic Development		
	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	25,606,300	26,054,000	26,757,300	374,018,500	29,053,700
Special Appropriation	1,060,500	3,069,000	400,639,600		
Current Year Appropriation			24,000		
Continuing Approp-General Fund	8,200,027	8,042,798	10,984,300		
<b>Total General Fund</b>	<b>34,866,827</b>	<b>37,165,798</b>	<b>438,405,200</b>	<b>374,018,500</b>	<b>29,053,700</b>
<b>Restricted Funds</b>					
Balance Forward	2,549,244	1,482,397	1,492,100	1,234,400	1,300,800
Current Receipts	2,350,060	2,789,045	2,866,200	3,005,700	3,005,400
<b>Total Restricted Funds</b>	<b>4,899,304</b>	<b>4,271,442</b>	<b>4,358,300</b>	<b>4,240,100</b>	<b>4,306,200</b>
<b>Federal Fund</b>					
Balance Forward	-127,941	-70,499	-21,100		
Current Receipts	557,534	255,879	337,300	301,000	301,000
<b>Total Federal Fund</b>	<b>429,593</b>	<b>185,379</b>	<b>316,200</b>	<b>301,000</b>	<b>301,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>40,195,724</b>	<b>41,622,620</b>	<b>443,079,700</b>	<b>378,559,600</b>	<b>33,660,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	11,258,572	9,922,923	13,490,500	13,828,600	13,877,300
Operating Expenses	1,933,055	1,537,292	2,114,000	2,171,900	2,172,700
Grants Loans Benefits	12,920,072	13,401,187	426,240,800	361,258,300	16,258,300
Debt Service	1,060,500	3,069,000			
<b>TOTAL EXPENDITURES</b>	<b>27,172,199</b>	<b>27,930,403</b>	<b>441,845,300</b>	<b>377,258,800</b>	<b>32,308,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	23,255,200	24,944,526	438,405,200	374,018,500	29,053,700
Restricted Funds	3,416,907	2,779,418	3,123,900	2,939,300	2,953,600
Federal Fund	500,092	206,458	316,200	301,000	301,000
<b>TOTAL EXPENDITURES</b>	<b>27,172,199</b>	<b>27,930,403</b>	<b>441,845,300</b>	<b>377,258,800</b>	<b>32,308,300</b>
<b>EXPENDITURES BY UNIT</b>					
Economic Development	27,172,199	27,930,403	441,845,300	377,258,800	32,308,300
<b>TOTAL EXPENDITURES</b>	<b>27,172,199</b>	<b>27,930,403</b>	<b>441,845,300</b>	<b>377,258,800</b>	<b>32,308,300</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 Governor's budget includes \$250 million in one-time funds for Kentucky's Site Identification and Development program. When companies are making decisions on where to expand or locate their operation, Kentucky's ability to provide location options which are "build-ready" is critical. The types of funding uses include land acquisition, site assembly, site preparation and improvement, infrastructure-water, wastewater, utilities, broadband; construction or improvement of buildings, environmental remediation, and architectural/engineering/surveying professional services.

The budget includes General Fund in the amount of \$75 million in fiscal year 2023 to support a state-of-the-art AgriTech research and development center in the heart of Eastern Kentucky focusing on controlled-environment agricultural production, horticultural innovation, and technological solutions to the agricultural and food supply challenges facing North America. This project, along with companion initiatives, will attract well-paying jobs and national and international investment in Kentucky's most coal-dependent and economically disadvantaged region.

The budget includes General Fund in the amount of \$10 million in fiscal year 2023 for the Louisville Waterfront Development Phase IV for a 22 acre expansion between 10th and 15th streets to connect downtown and West Louisville along the waterfront.

The budget includes an investment of \$10 million from the General Funding in fiscal year 2023 to the city of Covington to support the construction and fit-out of a shared research and development Lab facility to serve the rapidly expanding life sciences research and development sector in the region. This initiative is a collaboration among the City of Covington, several life sciences companies, the regional economic development organization, the entrepreneurship ecosystem and higher education.

The budget includes General Fund in the amount of \$2,500,000 in each fiscal year for Bluegrass State Skills Corporation to make training grants to Ford Motor Company to continue training efforts including training workers on robotics and other advanced manufacturing technologies.

The budget includes General Fund in the amount of \$400,000 in each fiscal year for the Louisville Waterfront Development Corporation

The budget includes additional Restricted Funds in the amount of \$258,600 in the fiscal year 2022 for Bluegrass State Skills Corporation training grants to expend remaining funds from previous fiscal year

# Department of Education

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**Department of Education**  
**Department of Education**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	4,127,898,300	4,106,080,500	4,065,921,100	4,922,073,700	5,069,000,900
Special Appropriation			181,724,400		
Current Year Appropriation			105,300		
Continuing Approp-General Fund		92	44,300		
Other		-163,745,300			
<b>Total General Fund</b>	<b>4,127,898,300</b>	<b>3,942,335,292</b>	<b>4,247,795,100</b>	<b>4,922,073,700</b>	<b>5,069,000,900</b>
<b>Restricted Funds</b>					
Balance Forward	16,605,154	13,277,284	15,401,300		
Current Receipts	2,266,228	1,921,701	6,405,900	14,422,500	14,442,100
Non-Revenue Receipts	15,792,661	18,264,616	21,373,300	28,932,800	29,074,900
Fund Transfers		-200,000			
<b>Total Restricted Funds</b>	<b>34,664,043</b>	<b>33,263,601</b>	<b>43,180,500</b>	<b>43,355,300</b>	<b>43,517,000</b>
<b>Federal Fund</b>					
Balance Forward	3,884,670	3,186,882			
Current Receipts	945,591,540	1,276,483,757	1,725,692,400	1,825,858,300	1,825,942,700
<b>Total Federal Fund</b>	<b>949,476,210</b>	<b>1,279,670,639</b>	<b>1,725,692,400</b>	<b>1,825,858,300</b>	<b>1,825,942,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>5,112,038,553</b>	<b>5,255,269,533</b>	<b>6,016,668,000</b>	<b>6,791,287,300</b>	<b>6,938,460,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	111,490,453	115,304,878	143,411,900	149,727,500	148,086,600
Operating Expenses	32,852,935	39,900,454	40,966,400	44,617,100	45,085,300
Grants Loans Benefits	4,859,417,643	5,063,605,930	5,790,565,300	6,596,942,700	6,745,288,700
Debt Service		959,500			
Capital Outlay	-300,000	709,484			
<b>TOTAL EXPENDITURES</b>	<b>5,003,461,031</b>	<b>5,220,480,246</b>	<b>5,974,943,600</b>	<b>6,791,287,300</b>	<b>6,938,460,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	4,035,784,945	3,926,166,029	4,206,070,700	4,922,073,700	5,069,000,900
Restricted Funds	21,386,759	17,847,511	43,180,500	43,355,300	43,517,000
Federal Fund	946,289,328	1,276,466,706	1,725,692,400	1,825,858,300	1,825,942,700
<b>TOTAL EXPENDITURES</b>	<b>5,003,461,031</b>	<b>5,220,480,246</b>	<b>5,974,943,600</b>	<b>6,791,287,300</b>	<b>6,938,460,600</b>
<b>EXPENDITURES BY UNIT</b>					
Support Education Excellence in Kentucky (SEEK)	2,961,784,378	2,949,466,440	3,021,133,500	3,504,711,600	3,580,404,500
Operations and Support Services	481,246,002	470,268,798	531,625,500	540,729,700	538,804,400
Learning and Results Services	1,560,430,652	1,800,745,009	2,422,184,600	2,745,846,000	2,819,251,700
<b>TOTAL EXPENDITURES</b>	<b>5,003,461,031</b>	<b>5,220,480,246</b>	<b>5,974,943,600</b>	<b>6,791,287,300</b>	<b>6,938,460,600</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)**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	3,047,480,900	2,973,696,700	2,922,857,900	3,504,711,600	3,580,404,500
Special Appropriation			140,000,000		
Other		-154,000,000			
<b>Total General Fund</b>	3,047,480,900	2,819,696,700	3,062,857,900	3,504,711,600	3,580,404,500
<b>Federal Fund</b>					
Current Receipts		130,000,000			
<b>Total Federal Fund</b>		130,000,000			
<b>TOTAL SOURCE OF FUNDS</b>	3,047,480,900	2,949,696,700	3,062,857,900	3,504,711,600	3,580,404,500
<b>EXPENDITURES BY CLASS</b>					
Grants Loans Benefits	2,961,784,378	2,949,466,440	3,021,133,500	3,504,711,600	3,580,404,500
<b>TOTAL EXPENDITURES</b>	2,961,784,378	2,949,466,440	3,021,133,500	3,504,711,600	3,580,404,500
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	2,961,784,378	2,819,466,440	3,021,133,500	3,504,711,600	3,580,404,500
Federal Fund		130,000,000			
<b>TOTAL EXPENDITURES</b>	2,961,784,378	2,949,466,440	3,021,133,500	3,504,711,600	3,580,404,500
<b>EXPENDITURES BY UNIT</b>					
Base Funding	2,005,674,881	1,944,731,474	2,018,291,600	2,201,258,500	2,281,160,400
Pupil Transportation	214,752,800	218,538,446	214,752,800	389,715,200	389,715,200
Equalized Facilities	130,171,498	169,703,340	169,109,400	231,504,100	219,140,600
Tier I Equalization	165,536,399	185,760,780	178,727,300	209,197,200	206,943,200
National Board Certification Salary Supplement	2,750,000	2,750,000	2,750,000	4,600,000	4,655,500
State-Run Vocational Schools Reimbursement	22,881,900				
Vocational Education Transportation	2,416,900	2,416,900	2,416,900	7,833,100	7,833,100
Local District Teachers' Retirement Match	417,600,000	425,565,500	435,085,500	460,603,500	470,956,500
<b>TOTAL EXPENDITURES</b>	2,961,784,378	2,949,466,440	3,021,133,500	3,504,711,600	3,580,404,500

**Policy**

SEEK Funding: additional funding of \$441.9 million in FY 2023 and \$517.5 million in FY 2024 – a 16.9% increase  
The Governor's 2022-2024 budget provides a 16.9 percent increase in funding for the SEEK program. Only the 1990 Education Reform Act and associated tax increases provided a larger percentage increase in the formula funding for Kentucky's education system.

For the last ten years, the base per pupil amount for Kentucky's formula funding program for elementary and secondary schools has only grown 2.5 percent and has been static for the last four. In the last four years, the SEEK program's base per-pupil has been \$4,000. The Governor's budget raises that to \$4,300 in fiscal year 2023 and to \$4,500 in fiscal year 2024, a 12.5 percent increase over the biennium. This provides an additional \$159.7 million in fiscal year 2023 and \$237.3 million in fiscal year 2024 over the current budget.

**Teacher and other School Employee Salary Increases**

The Governor's budget calls for a minimum 5 percent salary increase for all school personnel, in addition to the regular rank and step salary schedule increases for certified staff. This is the first identified pay increase in the state budget since the 2006-08 budget.

**Pupil Transportation, Vocational Transportation, Retirement Contributions, Equalization of Capital Funding**

School districts have not received the funding intended by the statutory formula for pupil transportation. This budget adds \$175 million each year to fully fund school district costs for pupil transportation, an 81 percent increase in funding. Another \$3 million each year is provided to fully fund vocational education transportation. The SEEK budget pays for all but the federal fund share of the teachers' retirement employer contributions for school districts, including the 5 percent pay raise: an additional \$25.5 million and \$35.9 million. The equalization of school district local tax levies dedicated to capital improvements continues to be a growing part of the SEEK budget. An additional \$49.2 million and \$38.1 million is funded. The budget also fully funds the national board certification salary supplement, which has been capped for many years.

Pupil Transportation	\$389,715,200 and \$389,715,200
Tier I Funding	\$209,197,200 and \$206,943,200
Teachers' Retirement Contributions	\$460,603,500 and \$470,956,500
Equalized Facilities Funding	\$231,504,100 and \$219,140,600
Vocational Transportation	\$ 7,833,100 and \$ 7,833,100
National Board Salary Supplement	\$ 4,600,000 and \$ 4,655,500

The Governor's recommended budget continues funding full-day kindergarten throughout the 2022-2024 fiscal biennium that began in the current school year.

**Department of Education  
Operations and Support Services**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	56,326,300	55,615,100	58,277,100	67,329,900	65,377,700
Current Year Appropriation			59,700		
Reorganization Adjustment	1,279,000				
<b>Total General Fund</b>	<b>57,605,300</b>	<b>55,615,100</b>	<b>58,336,800</b>	<b>67,329,900</b>	<b>65,377,700</b>
<b>Restricted Funds</b>					
Balance Forward	3,686,962	2,646,548	2,798,600		
Current Receipts	53,610	24,958	2,521,100	4,121,800	4,124,700
Non-Revenue Receipts	316,598	500,720	2,831,200	4,036,300	4,035,300
Fund Transfers		-200,000			
<b>Total Restricted Funds</b>	<b>4,057,170</b>	<b>2,972,226</b>	<b>8,150,900</b>	<b>8,158,100</b>	<b>8,160,000</b>
<b>Federal Fund</b>					
Balance Forward	172,405	243,374			
Current Receipts	423,381,420	414,493,749	465,137,800	465,241,700	465,266,700
<b>Total Federal Fund</b>	<b>423,553,825</b>	<b>414,737,123</b>	<b>465,137,800</b>	<b>465,241,700</b>	<b>465,266,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>485,216,294</b>	<b>473,324,449</b>	<b>531,625,500</b>	<b>540,729,700</b>	<b>538,804,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	18,136,756	17,214,773	26,381,800	30,896,800	28,576,800
Operating Expenses	21,254,388	20,450,644	22,018,300	22,539,500	22,546,200
Grants Loans Benefits	441,854,858	431,643,880	483,225,400	487,293,400	487,681,400
Debt Service		959,500			
<b>TOTAL EXPENDITURES</b>	<b>481,246,002</b>	<b>470,268,798</b>	<b>531,625,500</b>	<b>540,729,700</b>	<b>538,804,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	56,524,929	55,615,100	58,336,800	67,329,900	65,377,700
Restricted Funds	1,410,622	158,805	8,150,900	8,158,100	8,160,000
Federal Fund	423,310,451	414,494,892	465,137,800	465,241,700	465,266,700
<b>TOTAL EXPENDITURES</b>	<b>481,246,002</b>	<b>470,268,798</b>	<b>531,625,500</b>	<b>540,729,700</b>	<b>538,804,400</b>
<b>EXPENDITURES BY UNIT</b>					
Commissioner's Office/Board of Education	2,642,672	2,436,830	2,671,700	2,762,000	2,778,900
Finance & Operations	438,953,160	429,968,798	490,169,200	491,283,400	492,898,300
Legal Services	1,413,473	1,018,370	1,225,200	1,290,100	1,298,900
Education Technology	38,236,698	36,844,800	37,559,400	45,394,200	41,828,300
<b>TOTAL EXPENDITURES</b>	<b>481,246,002</b>	<b>470,268,798</b>	<b>531,625,500</b>	<b>540,729,700</b>	<b>538,804,400</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>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,629,100	2,431,700	2,662,800	2,762,000	2,778,900
Current Year Appropriation			8,900		
<b>Total General Fund</b>	2,629,100	2,431,700	2,671,700	2,762,000	2,778,900
<b>Restricted Funds</b>					
Balance Forward	103,501	105,602			
Non-Revenue Receipts	53,543				
<b>Total Restricted Funds</b>	157,044	105,602			
<b>TOTAL SOURCE OF FUNDS</b>	2,786,144	2,537,302	2,671,700	2,762,000	2,778,900
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,435,395	2,277,830	2,512,900	2,603,200	2,620,100
Operating Expenses	207,277	159,000	158,800	158,800	158,800
<b>TOTAL EXPENDITURES</b>	2,642,672	2,436,830	2,671,700	2,762,000	2,778,900
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	2,591,230	2,436,830	2,671,700	2,762,000	2,778,900
Restricted Funds	51,442				
<b>TOTAL EXPENDITURES</b>	2,642,672	2,436,830	2,671,700	2,762,000	2,778,900

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 15 members. The governor appoints 11 voting members – four represent the state at large and seven represent the Supreme Court districts. The remaining four members, the Secretary of the Education and Workforce Development Cabinet, the President of the Council on Postsecondary Education (CPE), an active elementary or secondary school teacher, and a high school student, 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>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	14,683,200	15,315,100	16,954,300	17,988,500	19,576,500
Current Year Appropriation			31,100		
<b>Total General Fund</b>	<b>14,683,200</b>	<b>15,315,100</b>	<b>16,985,400</b>	<b>17,988,500</b>	<b>19,576,500</b>
<b>Restricted Funds</b>					
Balance Forward	3,583,461	2,540,945	2,693,000		
Current Receipts	53,610	24,958	2,521,800	4,016,900	4,019,800
Non-Revenue Receipts	263,055	500,720	2,831,200	4,036,300	4,035,300
Fund Transfers		-200,000			
<b>Total Restricted Funds</b>	<b>3,900,126</b>	<b>2,866,623</b>	<b>8,046,000</b>	<b>8,053,200</b>	<b>8,055,100</b>
<b>Federal Fund</b>					
Balance Forward	170,977	241,946			
Current Receipts	423,381,420	414,493,749	465,137,800	465,241,700	465,266,700
<b>Total Federal Fund</b>	<b>423,552,397</b>	<b>414,735,695</b>	<b>465,137,800</b>	<b>465,241,700</b>	<b>465,266,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>442,135,722</b>	<b>432,917,419</b>	<b>490,169,200</b>	<b>491,283,400</b>	<b>492,898,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	10,982,876	10,226,373	18,441,600	19,066,600	20,286,800
Operating Expenses	3,239,826	2,513,544	3,981,600	4,502,800	4,509,500
Grants Loans Benefits	424,730,458	416,269,380	467,746,000	467,714,000	468,102,000
Debt Service		959,500			
<b>TOTAL EXPENDITURES</b>	<b>438,953,160</b>	<b>429,968,798</b>	<b>490,169,200</b>	<b>491,283,400</b>	<b>492,898,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	14,283,529	15,315,100	16,985,400	17,988,500	19,576,500
Restricted Funds	1,359,180	158,805	8,046,000	8,053,200	8,055,100
Federal Fund	423,310,451	414,494,892	465,137,800	465,241,700	465,266,700
<b>TOTAL EXPENDITURES</b>	<b>438,953,160</b>	<b>429,968,798</b>	<b>490,169,200</b>	<b>491,283,400</b>	<b>492,898,300</b>
<b>EXPENDITURES BY UNIT</b>					
Finance & Operations	6,845,532	6,474,805	15,714,600	16,065,900	16,104,000
District Support	5,451,885	5,643,422	6,329,500	6,969,600	8,506,200
School & Community Nutrition	426,655,742	417,850,570	468,125,100	468,247,900	468,288,100
<b>TOTAL EXPENDITURES</b>	<b>438,953,160</b>	<b>429,968,798</b>	<b>490,169,200</b>	<b>491,283,400</b>	<b>492,898,300</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 Governor's budget includes General Fund of \$500,000 in fiscal year 2023 and \$2,000,000 in fiscal year 2024 to develop a new education finance application that gathers data and processes the calculations necessary for the Support Education Excellence in Kentucky (SEEK) funding program.

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

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	783,300	1,023,500	1,115,300	1,185,200	1,194,000
Current Year Appropriation			5,000		
Reorganization Adjustment	644,800				
<b>Total General Fund</b>	<b>1,428,100</b>	<b>1,023,500</b>	<b>1,120,300</b>	<b>1,185,200</b>	<b>1,194,000</b>
<b>Restricted Funds</b>					
Balance Forward			105,600		
Current Receipts			-700	104,900	104,900
<b>Total Restricted Funds</b>			<b>104,900</b>	<b>104,900</b>	<b>104,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,428,100</b>	<b>1,023,500</b>	<b>1,225,200</b>	<b>1,290,100</b>	<b>1,298,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,385,787	998,370	1,100,400	1,165,300	1,174,100
Operating Expenses	27,686	20,000	19,900	19,900	19,900
Grants Loans Benefits			104,900	104,900	104,900
<b>TOTAL EXPENDITURES</b>	<b>1,413,473</b>	<b>1,018,370</b>	<b>1,225,200</b>	<b>1,290,100</b>	<b>1,298,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,413,473	1,018,370	1,120,300	1,185,200	1,194,000
Restricted Funds			104,900	104,900	104,900
<b>TOTAL EXPENDITURES</b>	<b>1,413,473</b>	<b>1,018,370</b>	<b>1,225,200</b>	<b>1,290,100</b>	<b>1,298,900</b>

The Office of Legal Services provides a variety of legal and legislative services for the Department of Education. These services include: providing in-house counsel and advice for the Department and the Kentucky Board of Education; investigating educator misconduct; representing the Department and the Kentucky Board of Education before administrative agencies and courts of law; and offering informal legal advice to local school districts.

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

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	38,230,700	36,844,800	37,544,700	45,394,200	41,828,300
Current Year Appropriation			14,700		
Reorganization Adjustment	634,200				
<b>Total General Fund</b>	<b>38,864,900</b>	<b>36,844,800</b>	<b>37,559,400</b>	<b>45,394,200</b>	<b>41,828,300</b>
<b>Federal Fund</b>					
Balance Forward	1,428	1,428			
<b>Total Federal Fund</b>	<b>1,428</b>	<b>1,428</b>			
<b>TOTAL SOURCE OF FUNDS</b>	<b>38,866,328</b>	<b>36,846,228</b>	<b>37,559,400</b>	<b>45,394,200</b>	<b>41,828,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,332,698	3,712,200	4,326,900	8,061,700	4,495,800
Operating Expenses	17,779,600	17,758,100	17,858,000	17,858,000	17,858,000
Grants Loans Benefits	17,124,400	15,374,500	15,374,500	19,474,500	19,474,500
<b>TOTAL EXPENDITURES</b>	<b>38,236,698</b>	<b>36,844,800</b>	<b>37,559,400</b>	<b>45,394,200</b>	<b>41,828,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	38,236,698	36,844,800	37,559,400	45,394,200	41,828,300
<b>TOTAL EXPENDITURES</b>	<b>38,236,698</b>	<b>36,844,800</b>	<b>37,559,400</b>	<b>45,394,200</b>	<b>41,828,300</b>
<b>EXPENDITURES BY UNIT</b>					
Education Technology			4,157,300	7,892,100	4,326,200
Office of Education Technology	353,739	324,831			
School Technology Planning and Project Management	698,870	702,489			
School Technology	1,239,260	1,377,418			
School Data Services	961,330	1,037,962			
KETS	17,120,723	15,374,500	16,124,500	20,224,500	20,224,500
Kentucky Educational Network	17,862,777	18,027,600	17,277,600	17,277,600	17,277,600
<b>TOTAL EXPENDITURES</b>	<b>38,236,698</b>	<b>36,844,800</b>	<b>37,559,400</b>	<b>45,394,200</b>	<b>41,828,300</b>

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

### **Policy**

The Governor's budget recommendation includes an additional \$4,100,000 of General Fund in each fiscal year for the Kentucky Education Technology System.

The Governor's recommended budget includes additional General Fund of \$3,600,000 in fiscal year 2023 for DataSeam Education Technology.

**Department of Education  
Learning and Results Services**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,024,091,100	1,076,768,700	1,084,786,100	1,350,032,200	1,423,218,700
Special Appropriation			41,724,400		
Current Year Appropriation			45,600		
Continuing Approp-General Fund		92	44,300		
Reorganization Adjustment	-1,279,000				
Other		-9,745,300			
<b>Total General Fund</b>	<b>1,022,812,100</b>	<b>1,067,023,492</b>	<b>1,126,600,400</b>	<b>1,350,032,200</b>	<b>1,423,218,700</b>
<b>Restricted Funds</b>					
Balance Forward	12,918,192	10,630,736	12,602,700		
Current Receipts	2,212,619	1,896,743	3,884,800	10,300,700	10,317,400
Non-Revenue Receipts	15,476,063	17,763,896	18,542,100	24,896,500	25,039,600
<b>Total Restricted Funds</b>	<b>30,606,873</b>	<b>30,291,375</b>	<b>35,029,600</b>	<b>35,197,200</b>	<b>35,357,000</b>
<b>Federal Fund</b>					
Balance Forward	3,712,265	2,943,508			
Current Receipts	522,210,120	731,990,008	1,260,554,600	1,360,616,600	1,360,676,000
<b>Total Federal Fund</b>	<b>525,922,385</b>	<b>734,933,516</b>	<b>1,260,554,600</b>	<b>1,360,616,600</b>	<b>1,360,676,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,579,341,359</b>	<b>1,832,248,384</b>	<b>2,422,184,600</b>	<b>2,745,846,000</b>	<b>2,819,251,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	93,353,697	98,090,105	117,030,100	118,830,700	119,509,800
Operating Expenses	11,598,547	19,449,810	18,948,100	22,077,600	22,539,100
Grants Loans Benefits	1,455,778,408	1,682,495,609	2,286,206,400	2,604,937,700	2,677,202,800
Capital Outlay	-300,000	709,484			
<b>TOTAL EXPENDITURES</b>	<b>1,560,430,652</b>	<b>1,800,745,009</b>	<b>2,422,184,600</b>	<b>2,745,846,000</b>	<b>2,819,251,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,017,475,637	1,051,084,489	1,126,600,400	1,350,032,200	1,423,218,700
Restricted Funds	19,976,137	17,688,706	35,029,600	35,197,200	35,357,000
Federal Fund	522,978,877	731,971,814	1,260,554,600	1,360,616,600	1,360,676,000
<b>TOTAL EXPENDITURES</b>	<b>1,560,430,652</b>	<b>1,800,745,009</b>	<b>2,422,184,600</b>	<b>2,745,846,000</b>	<b>2,819,251,700</b>
<b>EXPENDITURES BY UNIT</b>					
Continuous Improvement & Support	350,981,920	586,819,248	1,084,394,000	1,204,994,300	1,205,045,800
Special Education & Early Learning	288,580,790	273,698,160	301,274,600	474,250,900	474,282,100
Educator Licensure and Effectiveness	35,303,634	2,865,680	10,289,000	10,319,000	10,337,200
Assessment & Accountability	28,631,827	19,839,619	28,988,100	29,000,000	29,022,100
Tornado School Recovery Fund			41,724,400		
Teaching and Learning	38,041,124	74,864,750	72,757,100	107,152,200	107,164,700
Career & Technical Education & Student Transition	76,325,094	100,063,910	108,215,300	120,808,600	121,308,500
Local District Health and Life Insurance	725,544,800	724,095,433	753,972,300	777,972,300	850,572,300
State Schools	17,021,463	18,498,209	20,569,800	21,348,700	21,519,000
<b>TOTAL EXPENDITURES</b>	<b>1,560,430,652</b>	<b>1,800,745,009</b>	<b>2,422,184,600</b>	<b>2,745,846,000</b>	<b>2,819,251,700</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 Assessment and Accountability; Office of Teaching and Learning; and Office of Career and Technical Education.

**Policy**

The Governor's budget includes General Fund of \$6,600 in each fiscal year to support the ten percent pay increase for employees in the Social Service Worker classifications effective December 16, 2021.

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

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	63,044,600	70,050,500	69,989,500	90,568,900	90,625,300
Current Year Appropriation			400		
<b>Total General Fund</b>	<b>63,044,600</b>	<b>70,050,500</b>	<b>69,989,900</b>	<b>90,568,900</b>	<b>90,625,300</b>
<b>Restricted Funds</b>					
Non-Revenue Receipts			768,300	758,400	729,200
<b>Total Restricted Funds</b>			<b>768,300</b>	<b>758,400</b>	<b>729,200</b>
<b>Federal Fund</b>					
Balance Forward	603,941	-56,075			
Current Receipts	287,370,406	516,471,138	1,013,635,800	1,113,667,000	1,113,691,300
<b>Total Federal Fund</b>	<b>287,974,347</b>	<b>516,415,063</b>	<b>1,013,635,800</b>	<b>1,113,667,000</b>	<b>1,113,691,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>351,018,947</b>	<b>586,465,563</b>	<b>1,084,394,000</b>	<b>1,204,994,300</b>	<b>1,205,045,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	11,471,363	10,809,352	14,039,800	14,092,400	14,146,300
Operating Expenses	2,092,094	10,157,689	10,139,000	10,078,500	10,080,400
Grants Loans Benefits	337,418,463	565,846,437	1,060,215,200	1,180,823,400	1,180,819,100
Capital Outlay		5,770			
<b>TOTAL EXPENDITURES</b>	<b>350,981,920</b>	<b>586,819,248</b>	<b>1,084,394,000</b>	<b>1,204,994,300</b>	<b>1,205,045,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	62,951,498	70,050,500	69,989,900	90,568,900	90,625,300
Restricted Funds			768,300	758,400	729,200
Federal Fund	288,030,422	516,768,748	1,013,635,800	1,113,667,000	1,113,691,300
<b>TOTAL EXPENDITURES</b>	<b>350,981,920</b>	<b>586,819,248</b>	<b>1,084,394,000</b>	<b>1,204,994,300</b>	<b>1,205,045,800</b>
<b>EXPENDITURES BY UNIT</b>					
School & Program Improvement	250,614,457	242,093,092	276,641,600	276,665,300	276,691,400
Continuous Improvement & Support	21,304,851	275,157,227	724,032,900	844,608,800	844,633,100
Community Education & Service	20,708,113	11,214,429	25,365,000	25,365,700	25,366,800
Family Resource and Youth Services Centers	48,889,000	48,889,000	48,889,000	48,889,000	48,889,000
Education of State Agency Children	9,465,500	9,465,500	9,465,500	9,465,500	9,465,500
<b>TOTAL EXPENDITURES</b>	<b>350,981,920</b>	<b>586,819,248</b>	<b>1,084,394,000</b>	<b>1,204,994,300</b>	<b>1,205,045,800</b>

The Office of Continuous Improvement and Support includes the Division of School and Program Improvement and its District 180 Branch as well as the Division of Student Success and its Alternative Learning Branch.

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 Office of Continuous Improvement and Support also includes the Division of Innovation, Community Education & Service, Education of State Agency Children and the Family Resource & Youth Services Centers (FRYSC).

## Policy

The Governor's recommended budget includes additional General Fund in each fiscal year for the following areas:

- \$14,400,000 for Turnaround Schools. Schools that chose the Department of Education to serve as the turnaround team require a three-member team to support leadership, literacy, and numeracy. This funding provides for staff to support all 48 identified Comprehensive Support and Improvement schools.
- \$6,215,000 for a Social Emotional Learning and Mental Health program. The funds will provide statewide staff and eight regional Social Emotional Learning institutes for access to training of educators. Two new grant programs providing \$50,000 to one-third of school districts to provide wrap-around services to students impacted by violence, substance abuse, child abuse or parental incarceration. A second grant program will provide \$50,000 to one-third of school districts to provide training, resources and technical assistance to reduce exclusionary discipline (suspensions, expulsions and alternative placements).

The budget includes \$100 million in federal appropriation each fiscal year to provide local school districts with pandemic relief funding awarded through the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Coronavirus Response and Relief Supplemental Appropriations Act 2021 (CRRSA) and American Rescue Plan (ARP) Act of 2021. The proposed use of the supplemental funding is to assist districts in preventing, preparing for and responding to COVID-19.

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>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	115,223,700	115,067,400	115,275,700	288,231,400	288,238,200
Current Year Appropriation			300		
<b>Total General Fund</b>	<b>115,223,700</b>	<b>115,067,400</b>	<b>115,276,000</b>	<b>288,231,400</b>	<b>288,238,200</b>
<b>Federal Fund</b>					
Balance Forward	196,286	63,646			
Current Receipts	173,699,071	158,640,889	185,998,600	186,019,500	186,043,900
<b>Total Federal Fund</b>	<b>173,895,357</b>	<b>158,704,535</b>	<b>185,998,600</b>	<b>186,019,500</b>	<b>186,043,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>289,119,057</b>	<b>273,771,935</b>	<b>301,274,600</b>	<b>474,250,900</b>	<b>474,282,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,796,687	3,006,357	5,577,900	5,606,900	5,639,200
Operating Expenses	400,192	654,444	654,500	654,500	654,500
Grants Loans Benefits	285,383,911	270,037,359	295,042,200	467,989,500	467,988,400
<b>TOTAL EXPENDITURES</b>	<b>288,580,790</b>	<b>273,698,160</b>	<b>301,274,600</b>	<b>474,250,900</b>	<b>474,282,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	114,749,079	115,067,400	115,276,000	288,231,400	288,238,200
Federal Fund	173,831,711	158,630,760	185,998,600	186,019,500	186,043,900
<b>TOTAL EXPENDITURES</b>	<b>288,580,790</b>	<b>273,698,160</b>	<b>301,274,600</b>	<b>474,250,900</b>	<b>474,282,100</b>
<b>EXPENDITURES BY UNIT</b>					
Special Education & Early Learning	174,357,302	159,092,360	186,668,800	186,694,000	186,723,500
Extended School Services	23,741,088	23,916,300	23,916,300	23,916,300	23,916,300
State Preschool	84,277,748	84,481,100	84,481,100	257,431,100	257,431,100
Gifted & Talented	6,204,652	6,208,400	6,208,400	6,209,500	6,211,200
<b>TOTAL EXPENDITURES</b>	<b>288,580,790</b>	<b>273,698,160</b>	<b>301,274,600</b>	<b>474,250,900</b>	<b>474,282,100</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 program 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 Governor's budget recommendation includes \$172 million of General Fund in each fiscal year for universal preschool for four-year-olds. Combined with the \$140 million provided in the last budget for all-day kindergarten, Kentucky will have provided school districts with the state resources to fully implement a Preschool to 12th grade system. The Department of Education estimates that over 34,000 four-year-old children are not enrolled in public preschool or Head Start.

The Governor's recommended budget includes \$950,000 additional General Fund in each fiscal year of the biennium for preschool regional training centers.

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

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	5,458,100	2,633,500	2,857,300	2,866,800	2,871,800
Current Year Appropriation			1,200		
Reorganization Adjustment	-1,279,000				
<b>Total General Fund</b>	4,179,100	2,633,500	2,858,500	2,866,800	2,871,800
<b>Restricted Funds</b>					
Balance Forward	8,627,674	6,285,375	7,415,500		
Current Receipts	1,418,420	1,362,310	14,900	3,543,900	3,557,100
Non-Revenue Receipts	-2,753,452		100	3,908,300	3,908,300
<b>Total Restricted Funds</b>	7,292,643	7,647,685	7,430,500	7,452,200	7,465,400
<b>Federal Fund</b>					
Balance Forward		-23,238			
Current Receipts	30,742,452	-2,565			
<b>Total Federal Fund</b>	30,742,452	-25,803			
<b>TOTAL SOURCE OF FUNDS</b>	42,214,194	10,255,382	10,289,000	10,319,000	10,337,200
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,343,032	2,070,320	3,241,400	3,271,000	3,288,300
Operating Expenses	268,572	123,500	114,600	115,000	115,900
Grants Loans Benefits	31,692,030	671,860	6,933,000	6,933,000	6,933,000
<b>TOTAL EXPENDITURES</b>	35,303,634	2,865,680	10,289,000	10,319,000	10,337,200
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	3,530,677	2,633,500	2,858,500	2,866,800	2,871,800
Restricted Funds	1,007,268	232,180	7,430,500	7,452,200	7,465,400
Federal Fund	30,765,689				
<b>TOTAL EXPENDITURES</b>	35,303,634	2,865,680	10,289,000	10,319,000	10,337,200
<b>EXPENDITURES BY UNIT</b>					
Educator Licensure and Effectiveness	35,303,634	2,865,680	10,289,000	10,319,000	10,337,200
<b>TOTAL EXPENDITURES</b>	35,303,634	2,865,680	10,289,000	10,319,000	10,337,200

The Office of Educator Licensure and Effectiveness has two divisions, the Division of Educator Preparation and Certification and the Division of Educator Recruitment and Development. The Office is responsible for overseeing educator preparation, certification, recruitment, retention and professional learning.

**Department of Education  
Learning and Results Services  
Teaching and Learning**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	39,097,000	39,605,600	42,553,400	76,988,500	76,995,900
Current Year Appropriation			500		
Continuing Approp-General Fund		92	44,300		
Reorganization Adjustment		1,201,700			
<b>Total General Fund</b>	<b>39,097,000</b>	<b>40,807,392</b>	<b>42,598,200</b>	<b>76,988,500</b>	<b>76,995,900</b>
<b>Federal Fund</b>					
Current Receipts		34,147,576	30,158,900	30,163,700	30,168,800
<b>Total Federal Fund</b>		<b>34,147,576</b>	<b>30,158,900</b>	<b>30,163,700</b>	<b>30,168,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>39,097,000</b>	<b>74,954,968</b>	<b>72,757,100</b>	<b>107,152,200</b>	<b>107,164,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,147,717	4,247,141	5,399,500	5,411,200	5,423,700
Operating Expenses	98,421	312,080	312,200	312,200	312,200
Grants Loans Benefits	36,794,986	70,305,529	67,045,400	101,428,800	101,428,800
<b>TOTAL EXPENDITURES</b>	<b>38,041,124</b>	<b>74,864,750</b>	<b>72,757,100</b>	<b>107,152,200</b>	<b>107,164,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	38,041,124	40,763,056	42,598,200	76,988,500	76,995,900
Federal Fund		34,101,694	30,158,900	30,163,700	30,168,800
<b>TOTAL EXPENDITURES</b>	<b>38,041,124</b>	<b>74,864,750</b>	<b>72,757,100</b>	<b>107,152,200</b>	<b>107,164,700</b>
<b>EXPENDITURES BY UNIT</b>					
Learning and Results Services Programs	17,896,633	18,650,000	19,700,000	20,200,000	20,200,000
Read to Achieve	15,305,591	15,917,735	15,955,500	15,936,600	15,936,600
Math Achievement	4,838,900	4,993,620	5,044,400	5,019,000	5,019,000
Textbooks				11,000,000	11,000,000
Teaching and Learning		35,303,394	32,057,200	54,996,600	55,009,100
<b>TOTAL EXPENDITURES</b>	<b>38,041,124</b>	<b>74,864,750</b>	<b>72,757,100</b>	<b>107,152,200</b>	<b>107,164,700</b>

The Office of Teaching and Learning is responsible for providing leadership, support and services to Kentucky's school districts to enable them to effectively implement standards for student achievement in all academic areas. The Division of Academic Program Standards provides necessary information, resources and guidance to assist districts as they design standards-based curriculum that promotes highly effective teaching, learning and assessment practices.

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 Governor's budget recommendation includes additional General Fund in each fiscal year for the following programs:

- \$11,927,700 for Professional Development to restore past budget cuts
- \$11 million for an Early Learning Initiative to provide statewide professional learning for early literacy and numeracy, and implement a regional coaching program to improve reading, literacy, and numeracy. Regional coaches will focus on districts and schools with greatest need and will provide training and support for teachers, schools, and districts.
- \$11 million for textbooks and instructional resources
- \$500,000 for the Save the Children program in addition to the current amount of \$1,300,000

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

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	18,796,400	17,092,900	16,921,400	16,933,900	16,956,000
Current Year Appropriation			600		
Reorganization Adjustment		-1,201,700			
<b>Total General Fund</b>	<b>18,796,400</b>	<b>15,891,200</b>	<b>16,922,000</b>	<b>16,933,900</b>	<b>16,956,000</b>
<b>Restricted Funds</b>					
Balance Forward					
<b>Total Restricted Funds</b>					
<b>Federal Fund</b>					
Balance Forward	567,507	567,829			
Current Receipts	12,363,991	4,194,446	12,066,100	12,066,100	12,066,100
<b>Total Federal Fund</b>	<b>12,931,498</b>	<b>4,762,275</b>	<b>12,066,100</b>	<b>12,066,100</b>	<b>12,066,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>31,727,898</b>	<b>20,653,475</b>	<b>28,988,100</b>	<b>29,000,000</b>	<b>29,022,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	17,301,660	19,633,723	28,782,200	28,794,100	28,816,200
Operating Expenses	1,872,990	55,468	55,500	55,500	55,500
Grants Loans Benefits	9,457,177	150,428	150,400	150,400	150,400
<b>TOTAL EXPENDITURES</b>	<b>28,631,827</b>	<b>19,839,619</b>	<b>28,988,100</b>	<b>29,000,000</b>	<b>29,022,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	16,268,158	15,891,200	16,922,000	16,933,900	16,956,000
Federal Fund	12,363,669	3,948,419	12,066,100	12,066,100	12,066,100
<b>TOTAL EXPENDITURES</b>	<b>28,631,827</b>	<b>19,839,619</b>	<b>28,988,100</b>	<b>29,000,000</b>	<b>29,022,100</b>

The Office of Assessment and Accountability consists of the Division of Accountability Data and Analysis and the Division of Assessment and Accountability Support and is responsible for developing and implementing Kentucky's system of assessing progress by students, schools, and districts. 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 Division of Assessment and Accountability Support coordinates the logistics of implementing the assessment program at the district level. This involves oversight of contractors during the production of test materials, the coordination and distribution of assessment materials to districts, return of materials to the vendor for scoring as well as online test administration.

The Division of Accountability Data and Analysis manages the data results from the state-required assessments. This division generates and manages data necessary to report assessment results on which accountability ratings are based.

**Department of Education  
Learning and Results Services  
Tornado School Recovery Fund**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Special Appropriation			41,724,400		
<b>Total General Fund</b>			41,724,400		
<b>TOTAL SOURCE OF FUNDS</b>					
			41,724,400		
<b>EXPENDITURES BY CLASS</b>					
Grants Loans Benefits			41,724,400		
<b>TOTAL EXPENDITURES</b>			41,724,400		
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund			41,724,400		
<b>TOTAL EXPENDITURES</b>			41,724,400		

The Governor recommends a total of \$50,000,000 to be appropriated as soon as possible in a separate piece of legislation for the School Tornado Recovery Fund to assist the impacted school districts in the response to and the recovery from the December 10, 2021 storms and tornadoes in Western Kentucky. The Fund is intended to assist with more than just any replacement of loss or damage, but to help school districts provide extra services to school children impacted by the storms and those who are dislocated. It will also provide financial help to school districts by filling gaps in funding that may be caused by the loss of local revenues and to ensure sufficient financial liquidity. This can include paying the full non-federal share of FEMA disaster grants, advancing funds for costs until insurance proceeds or FEMA funds are in-hand, ensuring that any negative financial impacts will not result in the default of bond payments, and assisting with the extra costs of pupil transportation, given the family dislocations where damage was the worst. These funds are not to replace the disaster assistance provided through the Federal Emergency Management Agency (FEMA) or insurance proceeds, but in some cases can provide liquidity until that assistance and insurance proceeds are in-hand. Each school district recipient will be required to apply for all insurance and FEMA assistance as a condition of receiving these funds. Also, a repayment requirement is included for any advances from this fund when insurance or FEMA funds are received. Of the \$50 million, \$41.7 million is from the General Fund and \$8.3 million is available from the School Facilities Construction Commission from their Emergency and Targeted Investment fund, established to help with school building damage due to disasters.



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

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	16,933,700	16,933,700	18,433,700	19,231,800	19,398,600
Current Year Appropriation			24,100		
Other		1,500,000			
<b>Total General Fund</b>	16,933,700	18,433,700	18,457,800	19,231,800	19,398,600
<b>Restricted Funds</b>					
Balance Forward	1,068,769	1,263,168	1,516,100		
Current Receipts	290,441	317,456	595,900	2,116,900	2,120,400
<b>Total Restricted Funds</b>	1,359,210	1,580,624	2,112,000	2,116,900	2,120,400
<b>TOTAL SOURCE OF FUNDS</b>	18,292,910	20,014,324	20,569,800	21,348,700	21,519,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	15,995,700	17,478,632	19,378,300	20,157,200	20,327,500
Operating Expenses	1,025,763	1,020,859	1,191,500	1,191,500	1,191,500
Grants Loans Benefits		-1,282			
<b>TOTAL EXPENDITURES</b>	17,021,463	18,498,209	20,569,800	21,348,700	21,519,000
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	16,925,421	18,433,700	18,457,800	19,231,800	19,398,600
Restricted Funds	96,042	64,509	2,112,000	2,116,900	2,120,400
<b>TOTAL EXPENDITURES</b>	17,021,463	18,498,209	20,569,800	21,348,700	21,519,000
<b>EXPENDITURES BY UNIT</b>					
Kentucky School for the Blind	6,866,509	7,863,658	8,762,100	9,094,800	9,173,100
Kentucky School for the Deaf	10,154,954	10,634,551	11,807,700	12,253,900	12,345,900
<b>TOTAL EXPENDITURES</b>	17,021,463	18,498,209	20,569,800	21,348,700	21,519,000

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 house parents. 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 Governor's budget includes General Fund in the amount of \$238,500 in fiscal year 2023 and \$244,700 in fiscal year 2024 for step and rank salary increases for employees at the Kentucky School for the Blind, and \$295,500 in fiscal year 2023 and \$305,200 in fiscal year 2024 at the Kentucky School for the Deaf.

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

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	39,770,600	64,149,700	64,782,800	77,238,600	77,560,600
Current Year Appropriation			18,500		
<b>Total General Fund</b>	39,770,600	64,149,700	64,801,300	77,238,600	77,560,600
<b>Restricted Funds</b>					
Balance Forward	3,221,749	3,082,193	3,671,100		
Current Receipts	503,758	216,977	3,274,000	4,639,900	4,639,900
Non-Revenue Receipts	18,229,514	17,763,896	17,773,700	20,229,800	20,402,100
<b>Total Restricted Funds</b>	21,955,021	21,063,067	24,718,800	24,869,700	25,042,000
<b>Federal Fund</b>					
Balance Forward	2,344,530	2,391,346			
Current Receipts	18,034,201	18,538,524	18,695,200	18,700,300	18,705,900
<b>Total Federal Fund</b>	20,378,731	20,929,870	18,695,200	18,700,300	18,705,900
<b>TOTAL SOURCE OF FUNDS</b>	82,104,352	106,142,637	108,215,300	120,808,600	121,308,500
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	41,297,537	40,844,580	40,611,000	41,497,900	41,868,600
Operating Expenses	5,840,515	7,125,769	6,480,800	9,670,400	10,129,100
Grants Loans Benefits	29,487,041	51,389,847	61,123,500	69,640,300	69,310,800
Capital Outlay	-300,000	703,714			
<b>TOTAL EXPENDITURES</b>	76,325,094	100,063,910	108,215,300	120,808,600	121,308,500
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	39,464,881	64,149,700	64,801,300	77,238,600	77,560,600
Restricted Funds	18,872,828	17,392,017	24,718,800	24,869,700	25,042,000
Federal Fund	17,987,385	18,522,193	18,695,200	18,700,300	18,705,900
<b>TOTAL EXPENDITURES</b>	76,325,094	100,063,910	108,215,300	120,808,600	121,308,500
<b>EXPENDITURES BY UNIT</b>					
Area Technology Center State Funds			20,078,900	20,229,800	20,402,100
Career & Technical Education & Student Transition			88,136,400	100,578,800	100,906,400
Office of Career & Technical Education & Student Transition	29,507,606	30,798,784			
Technical Schools & Continuous Improvement	1,005,336	4,891,067			
Student Transition & Career Readiness	2,134,161	2,072,586			
Area Technology Centers	25,724,203	45,917,004			
OCTE KTS SEEK	17,953,787	16,384,468			
<b>TOTAL EXPENDITURES</b>	76,325,094	100,063,910	108,215,300	120,808,600	121,308,500

The Office of Career and Technical Education 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 manages 51 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 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 additional \$8,019,900 from the General Fund in each fiscal year for local area vocational education centers including Ashland Independent, Bardstown Independent, Boone County, Boyle County, Hardin County, Hopkins County, Hart County, Laurel County, Oldham County, Spencer County, Washington County, and Whitley County. There have been no formula funding increases for school-district operated local area vocational education centers for 12 years. Much of the funding, \$6.2 million, is to expand the number of programs and \$1.4 million to support the unfunded career pathways in the currently funded centers.

The Governor's budget includes \$500,000 in General Fund in fiscal year 2023 for anticipate compensation payouts for state-operated technology centers to transition to locally operated, \$3,160,700 in fiscal year 2023 and \$3,644,300 in fiscal year 2024 to upgrade equipment and technology at the area technology centers, and \$424,400 in fiscal year 2023 and \$443,900 in fiscal year 2024 to provide step and rank salary increases for area technology center employees.

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

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	725,767,000	751,235,400	753,972,300	777,972,300	850,572,300
Other		-11,245,300			
<b>Total General Fund</b>	<b>725,767,000</b>	<b>739,990,100</b>	<b>753,972,300</b>	<b>777,972,300</b>	<b>850,572,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>725,767,000</b>	<b>739,990,100</b>	<b>753,972,300</b>	<b>777,972,300</b>	<b>850,572,300</b>
<b>EXPENDITURES BY CLASS</b>					
Grants Loans Benefits	725,544,800	724,095,433	753,972,300	777,972,300	850,572,300
<b>TOTAL EXPENDITURES</b>	<b>725,544,800</b>	<b>724,095,433</b>	<b>753,972,300</b>	<b>777,972,300</b>	<b>850,572,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	725,544,800	724,095,433	753,972,300	777,972,300	850,572,300
<b>TOTAL EXPENDITURES</b>	<b>725,544,800</b>	<b>724,095,433</b>	<b>753,972,300</b>	<b>777,972,300</b>	<b>850,572,300</b>
<b>EXPENDITURES BY UNIT</b>					
Local District Life Insurance	1,168,800	1,303,034	1,391,000	1,391,000	1,391,000
Local District Health Insurance	724,376,000	722,792,399	752,581,300	776,581,300	849,181,300
<b>TOTAL EXPENDITURES</b>	<b>725,544,800</b>	<b>724,095,433</b>	<b>753,972,300</b>	<b>777,972,300</b>	<b>850,572,300</b>

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 \$776,581,300 in fiscal year 2023 and \$849,181,300 in fiscal year 2024 for health insurance, and \$1,391,000 in each fiscal year for life insurance benefits to qualified local district employees.

# Education and Labor

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	<b>Education and Labor</b>				
	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	72,647,100	68,448,200	72,492,500	115,420,700	121,395,700
Current Year Appropriation			129,400		
Continuing Approp-General Fund	4,283,786	2,621,985	6,667,700		
Reorganization Adjustment	-845,800				
<b>Total General Fund</b>	<b>76,085,086</b>	<b>71,070,185</b>	<b>79,289,600</b>	<b>115,420,700</b>	<b>121,395,700</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	2,050,000	1,400,000	1,400,000	3,640,000	2,067,500
Current Year Appropriation			3,570,000		
Continuing Approp-Tob Settlement	3,912,323	4,296,995	9,562,300		
Other		5,994,686			
<b>Total Tobacco Fund</b>	<b>5,962,323</b>	<b>11,691,681</b>	<b>14,532,300</b>	<b>3,640,000</b>	<b>2,067,500</b>
<b>Restricted Funds</b>					
Balance Forward	43,680,567	53,365,819	31,820,300	22,127,700	22,946,400
Current Receipts	94,364,552	75,725,358	77,991,200	79,004,900	79,250,000
Non-Revenue Receipts	93,186,572	68,386,557	113,524,300	150,220,400	127,863,700
<b>Total Restricted Funds</b>	<b>231,231,691</b>	<b>197,477,734</b>	<b>223,335,800</b>	<b>251,353,000</b>	<b>230,060,100</b>
<b>Federal Fund</b>					
Special Appropriation			506,111,600		
Balance Forward	-2,658,296	-2,913,031	8,205,200	132,300	264,600
Current Receipts	3,489,612,617	3,487,669,604	1,120,379,700	514,041,300	489,264,400
Non-Revenue Receipts	68,700,276	135,846,429			
<b>Total Federal Fund</b>	<b>3,555,654,596</b>	<b>3,620,603,002</b>	<b>1,634,696,500</b>	<b>514,173,600</b>	<b>489,529,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>3,868,933,696</b>	<b>3,900,842,602</b>	<b>1,951,854,200</b>	<b>884,587,300</b>	<b>843,052,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	214,896,546	240,382,479	255,921,200	271,736,300	279,553,300
Operating Expenses	45,925,627	41,896,590	44,128,800	56,688,200	56,328,700
Grants Loans Benefits	3,544,350,449	3,561,721,455	1,629,146,300	532,553,900	482,731,100
Debt Service	365,000	67			
Capital Outlay	351,397	481,260	397,900	397,900	378,700
Construction	26,739	68,921			
<b>TOTAL EXPENDITURES</b>	<b>3,805,915,757</b>	<b>3,844,550,771</b>	<b>1,929,594,200</b>	<b>861,376,300</b>	<b>818,991,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	67,816,929	64,337,049	79,289,600	115,420,700	121,395,700
Tobacco Fund	1,665,329	2,129,418	14,532,300	3,640,000	2,067,500
Restricted Funds	177,865,872	165,657,215	201,208,100	228,406,600	206,264,200
Federal Fund	3,558,567,627	3,612,427,090	1,634,564,200	513,909,000	489,264,400
<b>TOTAL EXPENDITURES</b>	<b>3,805,915,757</b>	<b>3,844,550,771</b>	<b>1,929,594,200</b>	<b>861,376,300</b>	<b>818,991,800</b>

**EXPENDITURES BY UNIT**

General Administration and Program Support	33,510,957	47,080,685	54,071,300	55,949,400	54,527,600
Commission on Proprietary Education	248,029	298,807	508,900	512,300	513,400
Deaf and Hard of Hearing	2,140,000	2,296,184	2,341,600	2,375,900	2,383,700
Kentucky Educational Television	16,739,095	16,563,826	16,649,900	17,388,900	17,468,000
Environmental Education Council	585,653	546,215	931,500	1,066,000	1,067,100
Libraries and Archives	16,444,289	14,301,182	17,648,100	18,651,900	18,222,000
Workforce Development	3,576,888,472	3,622,428,070	1,674,213,000	574,513,600	556,136,000
Workplace Standards	13,196,206	12,595,803	14,062,800	14,458,100	14,617,200
Workers' Claims	57,931,875	53,034,878	60,692,500	60,997,100	61,193,500
Occupational Safety and Health Review Commission	634,110	695,157	709,300	772,300	778,400
Workers' Compensation Funding Commission	87,597,071	74,709,964	87,764,200	114,689,700	92,083,800
Workers' Compensation Nominating Committee			1,100	1,100	1,100
<b>TOTAL EXPENDITURES</b>	<b>3,805,915,757</b>	<b>3,844,550,771</b>	<b>1,929,594,200</b>	<b>861,376,300</b>	<b>818,991,800</b>

As announced by Governor Beshear on November 18, 2021, the Kentucky Education and Workforce Development Cabinet and the Labor Cabinet will merge to create the Education and Labor Cabinet. These agencies will work together to give citizens an opportunity to experience transformational change by obtaining a great education and quality training that can lead to a meaningful career and greater prosperity for their families. The merger will result in a more robust cabinet to give the state an opportunity for cross-training employees adding resiliency, while ensuring efforts are not duplicated. Combining these two cabinets will allow the state to develop a comprehensive workforce development strategy to meet the needs of many economic development projects and better compete for federal funds. This will allow the Cabinet to be more responsible to workforce issues, putting together offices that do similar things.

Attached to the Education and Workforce Cabinet for administrative purposes are the State Labor Relations Board, the Workers' Compensation Funding Commission, the Kentucky Occupational Safety and Health Review Commission, the Occupational Safety and Health Standards Board, the Workers' Compensation Nominating Committee, the Workers' Compensation Board, and the Unemployment Insurance Commission.

The following agencies comprise the Education and Labor 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
- Department of Workers' Claims
- Department of Workplace Standards
- Employment Services



**Education and Labor**  
**General Administration and Program Support**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	5,210,100	6,705,400	9,208,700	21,432,700	21,473,200
Current Year Appropriation			12,400		
Reorganization Adjustment	871,600				
Other	-272,800				
<b>Total General Fund</b>	5,808,900	6,705,400	9,221,100	21,432,700	21,473,200
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	2,050,000	1,400,000	1,400,000	3,640,000	2,067,500
Current Year Appropriation			3,570,000		
Continuing Approp-Tob Settlement	3,912,323	4,296,995	9,562,300		
Other		5,994,686			
<b>Total Tobacco Fund</b>	5,962,323	11,691,681	14,532,300	3,640,000	2,067,500
<b>Restricted Funds</b>					
Balance Forward	3,929,729	1,900,859	2,844,800	555,000	354,400
Current Receipts	379,600	359,602	429,600	897,700	897,100
Non-Revenue Receipts	13,464,618	17,818,575	21,075,400	23,209,700	23,306,900
<b>Total Restricted Funds</b>	17,773,948	20,079,036	24,349,800	24,662,400	24,558,400
<b>Federal Fund</b>					
Balance Forward	11,729	-269,627	-98,100		
Current Receipts	10,345,233	21,187,587	6,621,200	6,568,700	6,571,300
<b>Total Federal Fund</b>	10,356,962	20,917,960	6,523,100	6,568,700	6,571,300
<b>TOTAL SOURCE OF FUNDS</b>	39,902,133	59,394,076	54,626,300	56,303,800	54,670,400
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	21,760,368	38,284,803	31,299,600	33,014,700	33,261,000
Operating Expenses	4,456,270	4,057,630	4,684,100	15,403,600	15,354,500
Grants Loans Benefits	7,126,912	4,606,637	17,932,600	7,376,100	5,757,100
Capital Outlay	166,687	131,614	155,000	155,000	155,000
Construction	720				
<b>TOTAL EXPENDITURES</b>	33,510,957	47,080,685	54,071,300	55,949,400	54,527,600
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,337,398	6,705,400	9,221,100	21,432,700	21,473,200
Tobacco Fund	1,665,329	2,129,418	14,532,300	3,640,000	2,067,500
Restricted Funds	15,881,812	17,229,773	23,794,800	24,308,000	24,415,600
Federal Fund	10,626,417	21,016,094	6,523,100	6,568,700	6,571,300
<b>TOTAL EXPENDITURES</b>	33,510,957	47,080,685	54,071,300	55,949,400	54,527,600
<b>EXPENDITURES BY UNIT</b>					
Secretary	13,667,750	15,637,535	19,498,200	31,757,100	31,848,500
Office of Administrative Services	5,378,794	22,656,248	9,913,800	10,064,900	10,117,100
Governor's Scholars	1,758,700	1,758,700	1,758,700	1,758,700	1,758,700
Kentucky Center for Statistics	4,555,405	4,868,680	7,968,300	8,328,700	8,335,800
Early Childhood Advisory Council	8,150,308	2,159,523	14,932,300	4,040,000	2,467,500
<b>TOTAL EXPENDITURES</b>	33,510,957	47,080,685	54,071,300	55,949,400	54,527,600

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. Partial Funding for the Office of the Secretary is provided by the Kentucky Workers' Compensation Funding Commission's special assessments imposed upon workers' compensation premiums paid by employers and group self-insurers, as well as an indirect rate charged to Federal Grants in the Employment Services areas. General Fund in this area is to support the Office of Unemployment Insurance and the Career Development Office.

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.

## Policy

The budget includes additional General Fund for \$301,300 in each fiscal year to support the Kentucky Center for Statistics. 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 additional General Fund of \$400,000 in each fiscal year to provide a total of \$995,200 for the Governor's School for Entrepreneurs, the residential summer program for Kentucky students in grades 9-11 focus on product innovation and business model design.

The Governor's budget supports the expansion of the Everybody Counts program. This program recently began in Jefferson County public schools which aims to have every Jefferson County public school senior, before they graduate, hired into a job at one of four participation companies including Ford Motor Company, United Parcel Service, General Electric, and Kroger, or enrolled in post-secondary program, or both. The funding provides for outreach efforts to work with other Kentucky communities to install a similar program with their schools and employers. The funding is \$1,524,200 in fiscal year 2023 and \$1,548,200 in fiscal year 2024 from the General Fund.

To ensure that the Commonwealth is competitive now and into the future, significant strides must be taken to attract talent to Kentucky's workforce. Aligned with the Kentucky Chamber of Commerce's 2022 legislative priorities to build a competitive Kentucky, the Talent Attraction Media Campaign will contribute to the creation of a globally competitive talent development system. The campaign will include national outreach to recruit top talent to Kentucky, local coverage to retain talent in Kentucky - utilizing various media platforms. Funding is \$10 million each year from the General Fund.

Governor's budget includes Tobacco Fund appropriation of \$3,570,000 in fiscal year 2022, \$2,240,000 in fiscal year 2023, and \$667,500 in fiscal year 2024 for increased Developmental Screening. Early intervention, including developmental screening, is important to supporting a child's future mental health and to build strong social and emotional skills. Developmental screening will help identify potential delays in important areas of a child's development.

**Education and Labor  
Proprietary Education**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	451,166	588,267	691,100	528,600	374,200
Current Receipts	385,130	401,689	346,400	357,900	363,800
<b>Total Restricted Funds</b>	<b>836,296</b>	<b>989,956</b>	<b>1,037,500</b>	<b>886,500</b>	<b>738,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>836,296</b>	<b>989,956</b>	<b>1,037,500</b>	<b>886,500</b>	<b>738,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	204,012	281,882	449,900	453,300	454,400
Operating Expenses	44,018	16,925	59,000	59,000	59,000
<b>TOTAL EXPENDITURES</b>	<b>248,029</b>	<b>298,807</b>	<b>508,900</b>	<b>512,300</b>	<b>513,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	248,029	298,807	508,900	512,300	513,400
<b>TOTAL EXPENDITURES</b>	<b>248,029</b>	<b>298,807</b>	<b>508,900</b>	<b>512,300</b>	<b>513,400</b>
<b>EXPENDITURES BY UNIT</b>					
Proprietary Education	248,029	298,807	508,900	512,300	513,400
<b>TOTAL EXPENDITURES</b>	<b>248,029</b>	<b>298,807</b>	<b>508,900</b>	<b>512,300</b>	<b>513,400</b>

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.

**Education and Labor  
Deaf and Hard of Hearing**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	970,000	970,200	971,700	994,400	1,002,300
Current Year Appropriation			2,900		
<b>Total General Fund</b>	<b>970,000</b>	<b>970,200</b>	<b>974,600</b>	<b>994,400</b>	<b>1,002,300</b>
<b>Restricted Funds</b>					
Balance Forward			52,200		
Current Receipts	1,179,700	1,378,200	1,314,800	1,381,500	1,381,400
<b>Total Restricted Funds</b>	<b>1,179,700</b>	<b>1,378,200</b>	<b>1,367,000</b>	<b>1,381,500</b>	<b>1,381,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>2,149,700</b>	<b>2,348,400</b>	<b>2,341,600</b>	<b>2,375,900</b>	<b>2,383,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,452,720	1,309,106	1,381,400	1,414,600	1,422,400
Operating Expenses	687,280	987,078	960,200	961,300	961,300
<b>TOTAL EXPENDITURES</b>	<b>2,140,000</b>	<b>2,296,184</b>	<b>2,341,600</b>	<b>2,375,900</b>	<b>2,383,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	960,300	970,200	974,600	994,400	1,002,300
Restricted Funds	1,179,700	1,325,984	1,367,000	1,381,500	1,381,400
<b>TOTAL EXPENDITURES</b>	<b>2,140,000</b>	<b>2,296,184</b>	<b>2,341,600</b>	<b>2,375,900</b>	<b>2,383,700</b>
<b>EXPENDITURES BY UNIT</b>					
Commission on the Deaf and Hard of Hearing	2,140,000	2,296,184	2,341,600	2,375,900	2,383,700
<b>TOTAL EXPENDITURES</b>	<b>2,140,000</b>	<b>2,296,184</b>	<b>2,341,600</b>	<b>2,375,900</b>	<b>2,383,700</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 Labor**  
**Kentucky Educational Television**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	15,401,100	15,054,000	15,074,600	15,364,100	15,443,200
Current Year Appropriation			50,500		
<b>Total General Fund</b>	15,401,100	15,054,000	15,125,100	15,364,100	15,443,200
<b>Restricted Funds</b>					
Current Receipts	1,487,995	1,509,826	1,524,800	2,024,800	2,024,800
<b>Total Restricted Funds</b>	1,487,995	1,509,826	1,524,800	2,024,800	2,024,800
<b>TOTAL SOURCE OF FUNDS</b>	16,889,095	16,563,826	16,649,900	17,388,900	17,468,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	13,263,714	13,275,176	13,792,300	13,899,600	14,198,400
Operating Expenses	3,041,394	3,067,279	2,812,600	3,444,300	3,224,600
Grants Loans Benefits		355			
Debt Service	365,000				
Capital Outlay	68,987	154,333	45,000	45,000	45,000
Construction		66,684			
<b>TOTAL EXPENDITURES</b>	16,739,095	16,563,826	16,649,900	17,388,900	17,468,000
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	15,251,100	15,054,000	15,125,100	15,364,100	15,443,200
Restricted Funds	1,487,995	1,509,826	1,524,800	2,024,800	2,024,800
<b>TOTAL EXPENDITURES</b>	16,739,095	16,563,826	16,649,900	17,388,900	17,468,000
<b>EXPENDITURES BY UNIT</b>					
General Administration and Support	4,257,400	4,265,000	4,513,400	4,560,500	4,588,700
Broadcasting and Education	10,537,977	10,555,357	10,149,700	10,822,400	10,867,000
Engineering	1,943,718	1,743,469	1,986,800	2,006,000	2,012,300
<b>TOTAL EXPENDITURES</b>	16,739,095	16,563,826	16,649,900	17,388,900	17,468,000

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 Labor  
Environmental Education Council**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	284,598	561,490	494,000	268,100	198,300
Current Receipts	137,760	30,625	125,700	273,200	274,200
Non-Revenue Receipts	431,281	293,071	150,000	293,100	293,100
<b>Total Restricted Funds</b>	<b>853,639</b>	<b>885,186</b>	<b>769,700</b>	<b>834,400</b>	<b>765,600</b>
<b>Federal Fund</b>					
Balance Forward	-40,861	-827	-4,700		
Current Receipts	333,538	151,217	434,600	429,900	429,900
<b>Total Federal Fund</b>	<b>292,677</b>	<b>150,390</b>	<b>429,900</b>	<b>429,900</b>	<b>429,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,146,316</b>	<b>1,035,575</b>	<b>1,199,600</b>	<b>1,264,300</b>	<b>1,195,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	551,080	518,554	703,000	708,200	710,000
Operating Expenses	34,573	26,060	57,200	187,200	187,200
Grants Loans Benefits		1,600	171,300	170,600	169,900
<b>TOTAL EXPENDITURES</b>	<b>585,653</b>	<b>546,215</b>	<b>931,500</b>	<b>1,066,000</b>	<b>1,067,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	292,149	391,142	501,600	636,100	637,200
Federal Fund	293,504	155,072	429,900	429,900	429,900
<b>TOTAL EXPENDITURES</b>	<b>585,653</b>	<b>546,215</b>	<b>931,500</b>	<b>1,066,000</b>	<b>1,067,100</b>
<b>EXPENDITURES BY UNIT</b>					
Ky Environmental Education Council	585,653	546,215	931,500	1,066,000	1,067,100
<b>TOTAL EXPENDITURES</b>	<b>585,653</b>	<b>546,215</b>	<b>931,500</b>	<b>1,066,000</b>	<b>1,067,100</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 Labor  
Libraries and Archives**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	13,156,700	9,076,700	10,583,100	13,175,000	13,209,800
Current Year Appropriation			14,000		
<b>Total General Fund</b>	13,156,700	9,076,700	10,597,100	13,175,000	13,209,800
<b>Restricted Funds</b>					
Balance Forward	4,591,187	5,874,560	5,759,600	5,210,700	4,677,600
Current Receipts	2,271,122	2,069,914	1,481,500	1,484,000	1,484,000
Non-Revenue Receipts	10,287	18,690			
<b>Total Restricted Funds</b>	6,872,596	7,963,164	7,241,100	6,694,700	6,161,600
<b>Federal Fund</b>					
Balance Forward	338,425	-87,645	-404,500	132,300	264,600
Current Receipts	2,489,255	2,769,551	5,557,400	3,592,100	2,994,600
<b>Total Federal Fund</b>	2,827,680	2,681,906	5,152,900	3,724,400	3,259,200
<b>TOTAL SOURCE OF FUNDS</b>	22,856,975	19,721,770	22,991,100	23,594,100	22,630,600
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	4,877,015	5,215,625	5,598,500	5,740,600	5,781,900
Operating Expenses	3,641,247	4,193,548	3,553,700	3,513,200	3,526,800
Grants Loans Benefits	7,926,027	4,885,872	8,408,000	9,310,200	8,844,600
Capital Outlay		6,137	87,900	87,900	68,700
<b>TOTAL EXPENDITURES</b>	16,444,289	14,301,182	17,648,100	18,651,900	18,222,000
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	12,530,928	9,011,216	10,597,100	13,175,000	13,209,800
Restricted Funds	998,036	2,203,573	2,030,400	2,017,100	2,017,600
Federal Fund	2,915,325	3,086,393	5,020,600	3,459,800	2,994,600
<b>TOTAL EXPENDITURES</b>	16,444,289	14,301,182	17,648,100	18,651,900	18,222,000
<b>EXPENDITURES BY UNIT</b>					
Libraries and Archives	8,688,369	9,867,822	12,255,400	10,775,400	10,345,500
Direct Local Aid	7,755,920	4,433,359	5,392,700	7,876,500	7,876,500
<b>TOTAL EXPENDITURES</b>	16,444,289	14,301,182	17,648,100	18,651,900	18,222,000

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 Labor  
Libraries and Archives**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	6,327,100	4,747,100	6,253,500	6,345,400	6,380,200
Current Year Appropriation			14,000		
<b>Total General Fund</b>	6,327,100	4,747,100	6,267,500	6,345,400	6,380,200
<b>Restricted Funds</b>					
Balance Forward	3,821,349	5,186,281	4,254,200	3,954,900	3,655,200
Current Receipts	1,360,877	1,083,537	668,000	670,500	670,500
Non-Revenue Receipts	10,287	18,690			
<b>Total Restricted Funds</b>	5,192,513	6,288,507	4,922,200	4,625,400	4,325,700
<b>Federal Fund</b>					
Balance Forward	338,425	-87,645	-404,500	132,300	264,600
Current Receipts	2,489,255	2,769,551	5,557,400	3,592,100	2,994,600
<b>Total Federal Fund</b>	2,827,680	2,681,906	5,152,900	3,724,400	3,259,200
<b>TOTAL SOURCE OF FUNDS</b>	14,347,293	13,717,514	16,342,600	14,695,200	13,965,100
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	4,877,015	5,215,625	5,598,500	5,740,600	5,781,900
Operating Expenses	3,640,271	4,193,548	3,537,500	3,513,200	3,526,800
Grants Loans Benefits	171,083	452,512	3,031,500	1,433,700	968,100
Capital Outlay		6,137	87,900	87,900	68,700
<b>TOTAL EXPENDITURES</b>	8,688,369	9,867,822	12,255,400	10,775,400	10,345,500
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,766,812	4,747,100	6,267,500	6,345,400	6,380,200
Restricted Funds	6,232	2,034,330	967,300	970,200	970,700
Federal Fund	2,915,325	3,086,393	5,020,600	3,459,800	2,994,600
<b>TOTAL EXPENDITURES</b>	8,688,369	9,867,822	12,255,400	10,775,400	10,345,500
<b>EXPENDITURES BY UNIT</b>					
Administrative Services	2,254,180	2,368,311	2,417,300	2,382,600	2,407,600
Field Services	2,068,938	2,681,378	5,427,500	3,906,300	3,436,100
Library Services	1,408,680	1,834,137	1,076,600	1,083,800	1,086,800
Archives & Records Management	2,956,571	2,983,996	3,334,000	3,402,700	3,415,000
<b>TOTAL EXPENDITURES</b>	8,688,369	9,867,822	12,255,400	10,775,400	10,345,500

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 Labor**

**Direct Local Aid**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	6,829,600	4,329,600	4,329,600	6,829,600	6,829,600
<b>Total General Fund</b>	<b>6,829,600</b>	<b>4,329,600</b>	<b>4,329,600</b>	<b>6,829,600</b>	<b>6,829,600</b>
<b>Restricted Funds</b>					
Balance Forward	769,838	688,279	1,505,400	1,255,800	1,022,400
Current Receipts	910,245	986,377	813,500	813,500	813,500
<b>Total Restricted Funds</b>	<b>1,680,083</b>	<b>1,674,656</b>	<b>2,318,900</b>	<b>2,069,300</b>	<b>1,835,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>8,509,683</b>	<b>6,004,256</b>	<b>6,648,500</b>	<b>8,898,900</b>	<b>8,665,500</b>
<b>EXPENDITURES BY CLASS</b>					
Operating Expenses	976		16,200		
Grants Loans Benefits	7,754,944	4,433,359	5,376,500	7,876,500	7,876,500
<b>TOTAL EXPENDITURES</b>	<b>7,755,920</b>	<b>4,433,359</b>	<b>5,392,700</b>	<b>7,876,500</b>	<b>7,876,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	6,764,116	4,264,116	4,329,600	6,829,600	6,829,600
Restricted Funds	991,804	169,243	1,063,100	1,046,900	1,046,900
<b>TOTAL EXPENDITURES</b>	<b>7,755,920</b>	<b>4,433,359</b>	<b>5,392,700</b>	<b>7,876,500</b>	<b>7,876,500</b>
<b>EXPENDITURES BY UNIT</b>					
Libraries Support	6,765,092	4,264,116	4,345,800	6,829,600	6,829,600
Public Records	990,828	169,243	1,046,900	1,046,900	1,046,900
<b>TOTAL EXPENDITURES</b>	<b>7,755,920</b>	<b>4,433,359</b>	<b>5,392,700</b>	<b>7,876,500</b>	<b>7,876,500</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 Governor's recommended budget restores General Fund of \$2,500,000 in each fiscal year for per capita assistance to local libraries, which was eliminated in the 2018-20 budget.

**Education and Labor  
Workforce Development**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	31,901,000	34,867,900	34,879,100	62,549,600	68,348,700
Current Year Appropriation			44,100		
Continuing Approp-General Fund	4,283,786	2,621,985	6,667,700		
Reorganization Adjustment	2,434,400				
<b>Total General Fund</b>	<b>38,619,186</b>	<b>37,489,885</b>	<b>41,590,900</b>	<b>62,549,600</b>	<b>68,348,700</b>
<b>Restricted Funds</b>					
Balance Forward	11,329,424	27,623,520	16,238,600	15,565,300	17,341,900
Current Receipts	6,157,999	4,551,633	12,175,000	11,388,700	11,431,200
Non-Revenue Receipts	14,208,490	-8,132,976	1,393,200	3,266,900	3,266,900
<b>Total Restricted Funds</b>	<b>31,695,914</b>	<b>24,042,177</b>	<b>29,806,800</b>	<b>30,220,900</b>	<b>32,040,000</b>
<b>Federal Fund</b>					
Special Appropriation			506,111,600		
Balance Forward	-2,967,589	-2,391,199	8,712,500		
Current Receipts	3,472,720,026	3,459,059,666	1,103,556,500	499,085,000	474,903,400
Non-Revenue Receipts	68,700,276	135,846,429			
<b>Total Federal Fund</b>	<b>3,538,452,713</b>	<b>3,592,514,896</b>	<b>1,618,380,600</b>	<b>499,085,000</b>	<b>474,903,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>3,608,767,813</b>	<b>3,654,046,958</b>	<b>1,689,778,300</b>	<b>591,855,500</b>	<b>575,292,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	68,890,442	84,827,887	91,123,900	98,889,100	105,267,400
Operating Expenses	22,461,134	23,996,204	25,691,500	28,164,300	28,145,900
Grants Loans Benefits	3,485,515,757	3,513,514,884	1,557,397,600	447,460,200	422,722,700
Debt Service		67			
Capital Outlay		86,791			
Construction	21,140	2,238			
<b>TOTAL EXPENDITURES</b>	<b>3,576,888,472</b>	<b>3,622,428,070</b>	<b>1,674,213,000</b>	<b>574,513,600</b>	<b>556,136,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	31,971,994	30,822,233	41,590,900	62,549,600	68,348,700
Restricted Funds	4,072,394	7,803,506	14,241,500	12,879,000	12,883,900
Federal Fund	3,540,844,085	3,583,802,331	1,618,380,600	499,085,000	474,903,400
<b>TOTAL EXPENDITURES</b>	<b>3,576,888,472</b>	<b>3,622,428,070</b>	<b>1,674,213,000</b>	<b>574,513,600</b>	<b>556,136,000</b>
<b>EXPENDITURES BY UNIT</b>					
Commissioner's Office	269,707	1,281,925	2,444,300	23,114,100	23,117,400
Vocational Rehabilitation	71,677,796	68,205,023	80,720,100	86,086,200	86,305,600
Employer & Apprenticeship Services	1,777,727	1,329,722	2,887,500	2,945,900	2,964,300
Division of Adult Education	26,603,429	22,349,230	36,109,100	29,537,900	29,556,600
Workforce Innovation and Opportunity Act	41,917,258	39,137,708	45,073,000	45,080,700	45,091,900
Career Development	12,834,160	6,739,978	23,433,000	22,087,500	22,115,700
Unemployment Insurance	3,421,808,395	3,483,384,485	1,483,546,000	365,661,300	346,984,500
<b>TOTAL EXPENDITURES</b>	<b>3,576,888,472</b>	<b>3,622,428,070</b>	<b>1,674,213,000</b>	<b>574,513,600</b>	<b>556,136,000</b>

The Department of Workforce Development connects Kentuckians to employment, workforce information, education, and training. The Department includes Office of Unemployment Insurance, Office of Vocational Rehabilitation, Office of Employer and Apprenticeship Services, and the Career Development Office work together to provide services through the Kentucky Career Center. Also, under the direction of Workforce Development is the Office of Adult Education.

**Education and Labor  
Workforce Development  
Commissioner's Office**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation				20,667,000	20,667,000
<b>Total General Fund</b>				<b>20,667,000</b>	<b>20,667,000</b>
<b>Restricted Funds</b>					
Balance Forward	8,670	148,871			
Current Receipts	342,166	101,030	1,000,000	1,002,800	1,006,100
Non-Revenue Receipts	67,742	1,032,023	1,444,300	1,444,300	1,444,300
<b>Total Restricted Funds</b>	<b>418,578</b>	<b>1,281,924</b>	<b>2,444,300</b>	<b>2,447,100</b>	<b>2,450,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>418,578</b>	<b>1,281,924</b>	<b>2,444,300</b>	<b>23,114,100</b>	<b>23,117,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	-120,042	761,400	840,900	824,800	829,300
Operating Expenses	172,509	520,525	1,603,400	1,622,300	1,621,100
Grants Loans Benefits	217,241			20,667,000	20,667,000
<b>TOTAL EXPENDITURES</b>	<b>269,707</b>	<b>1,281,925</b>	<b>2,444,300</b>	<b>23,114,100</b>	<b>23,117,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund				20,667,000	20,667,000
Restricted Funds	269,707	1,281,925	2,444,300	2,447,100	2,450,400
<b>TOTAL EXPENDITURES</b>	<b>269,707</b>	<b>1,281,925</b>	<b>2,444,300</b>	<b>23,114,100</b>	<b>23,117,400</b>

The Office of the Commissioner provides leadership, policy direction, and management for the Department of Workforce Development.

**Policy**

The Governor's budget includes a new workforce initiative grant program. The competitive grant program will be eligible to public and private education entities for one-time funds for new or expanded programs that lead to a licensed credential or degree, and incorporates a commitment from employers to hire the student completers. The new program is funded with \$20 million each year from the General Fund.

The Governor's budget recommendation includes additional General Fund of \$667,000 each year for the Urban League of Louisville's commercial driver's license training program.

**Education and Labor  
Workforce Development  
Vocational Rehabilitation**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	15,349,800	15,879,200	15,890,400	17,096,200	17,230,400
Current Year Appropriation			31,900		
<b>Total General Fund</b>	<b>15,349,800</b>	<b>15,879,200</b>	<b>15,922,300</b>	<b>17,096,200</b>	<b>17,230,400</b>
<b>Restricted Funds</b>					
Balance Forward	649,553	1,906,413	1,346,400	1,376,100	1,626,700
Current Receipts	3,303,504	3,288,010	3,960,700	4,255,800	4,278,000
Non-Revenue Receipts	75,000	475,000	75,000	75,000	75,000
<b>Total Restricted Funds</b>	<b>4,028,058</b>	<b>5,669,423</b>	<b>5,382,100</b>	<b>5,706,900</b>	<b>5,979,700</b>
<b>Federal Fund</b>					
Balance Forward	-512,474	964,099	-2,070,500		
Current Receipts	55,682,924	44,967,555	62,862,300	64,909,800	64,972,800
Non-Revenue Receipts		638			
<b>Total Federal Fund</b>	<b>55,170,451</b>	<b>45,932,292</b>	<b>60,791,800</b>	<b>64,909,800</b>	<b>64,972,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>74,548,308</b>	<b>67,480,915</b>	<b>82,096,200</b>	<b>87,712,900</b>	<b>88,182,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	28,707,673	30,686,112	35,592,600	36,855,300	37,132,700
Operating Expenses	8,073,434	6,153,475	7,888,600	12,078,400	12,081,000
Grants Loans Benefits	34,896,689	31,309,861	37,238,900	37,152,500	37,091,900
Capital Outlay		53,675			
Construction		1,900			
<b>TOTAL EXPENDITURES</b>	<b>71,677,796</b>	<b>68,205,023</b>	<b>80,720,100</b>	<b>86,086,200</b>	<b>86,305,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	15,349,800	15,879,200	15,922,300	17,096,200	17,230,400
Restricted Funds	2,121,644	4,323,068	4,006,000	4,080,200	4,102,400
Federal Fund	54,206,352	48,002,755	60,791,800	64,909,800	64,972,800
<b>TOTAL EXPENDITURES</b>	<b>71,677,796</b>	<b>68,205,023</b>	<b>80,720,100</b>	<b>86,086,200</b>	<b>86,305,600</b>
<b>EXPENDITURES BY UNIT</b>					
Vocational Rehabilitation	58,862,292	56,067,677	62,604,900	67,399,400	67,464,800
Carl D Perkins Vocational Training Center	7,968,956	7,239,939	10,530,900	10,753,200	10,840,800
Division of Blind Services	3,347,517	3,225,278	5,082,200	5,416,700	5,480,600
Kentucky Business Enterprise	1,499,031	1,672,129	2,502,100	2,516,900	2,519,400
<b>TOTAL EXPENDITURES</b>	<b>71,677,796</b>	<b>68,205,023</b>	<b>80,720,100</b>	<b>86,086,200</b>	<b>86,305,600</b>

The Office of Vocational Rehabilitation provides for and improves the vocational rehabilitation of citizens with physical and mental disabilities and helps eligible persons with disabilities achieve suitable employment. The Office of Vocational Rehabilitation has professional staff located at the central office as well as in Kentucky Career Centers throughout the state. Kentucky Career Centers house not only Office of Vocational Rehabilitation staff, but also staff from partner agencies such as Office of Career Development, Department for Community Based Services, Kentucky Adult Education, Community Action, and others. Such collaboration affords consumers the convenience of a one-stop approach for accessing various types of assistance necessary for reaching employment goals.

The Office employs Vocational Rehabilitation Counselors and Program Specialists who utilize vocational assessments, and counseling and guidance services to match workers with disabilities to labor market needs. An array of services is provided to assist clients with reaching employment goals. Job preparation activities include on-the-job training and vocational and classroom instruction. Job development and placement services assist the individual in obtaining and maintaining suitable employment. Transition activities support a move from the classroom to the workplace. Rehabilitation technology adapts the physical environment at work or home to meet employment needs. Follow-up services ensure that employment is progressing satisfactorily. Counselors and Specialists receive ongoing training to maintain certification and to gain knowledge of the latest developments in rehabilitation strategies and techniques.



The Office also provides services for employers. Such services include preparing job-qualified applicants, conducting job analyses, recommending job modifications, and conducting disability awareness programs. Other services include disability awareness training programs and affirmative action planning and services to employees with disability-related problems. As a result, employers experience risk reduction, save resources spent on training new hires, and increase cash flow through access to tax incentives.

The Rehabilitation Act of 1973, as amended, authorizes and provides federal funding for state vocational rehabilitation programs. Kentucky Revised Statutes 151B.180-210 complies with all provisions of the Act. The Code of Federal Regulations (CFR Chapter 34) and Title 781 of the Kentucky Administrative Regulations establish functions of the program. The Office also complies with relevant sections of the Kentucky Department of Education's administrative regulations.

The Division of Field Services provides direct vocational rehabilitation services to eligible individuals who have physical or mental disabilities and is responsible for the actual intake and client service delivery efforts of the Office and performs certain administrative functions. The Division implements the federal Rehabilitation Act of 1973 and must make available, services appropriate to the needs of individuals with disabilities. The services enumerated in the Rehabilitation Act include: evaluation of vocational rehabilitation potential; counseling and guidance; physical and mental restoration services; vocational and other training services; maintenance; transportation; services to family members; interpreter services and note-taking services for persons who are deaf; reader services and note-taking services for persons who are blind; assistive technology and devices; personal assistance services; recruitment and training services; placement; post-employment services; occupational licenses, equipment, initial stock and supplies; and other goods and services needed for employment.

Program Planning and Development provides administrative and staff functions to enhance equitable and efficient service delivery to eligible individuals with disabilities. The Division has statewide responsibility for program planning, program evaluation, policy development, human resource development, job development and placement, and development of new and innovative programs. The Division also provides staff support to the Statewide Advisory Council for Vocational Rehabilitation and the Statewide Independent Living Council. Federal regulations require an approved State Plan for Vocational Rehabilitation Services under Title I of the Rehabilitation Act as a condition for receiving Federal Funds.

The Carl D. Perkins Vocational Training Center (CDPVTC) at Thelma, Kentucky, is a multi disciplinary residential rehabilitation facility located in Johnson County. The CDPVTC operates five major programs: Vocational Evaluation, Work Adjustment, Vocational Training, Physical Restoration/Outpatient Medical Rehabilitation, and Brain Injury Community Re-entry. All programs meet standards for program quality as documented by the Commission on Accreditation of Rehabilitation Facilities (CARF). Within these five programs, the following professional services are available: comprehensive vocational assessment, vocational training, physical therapy, occupational therapy, speech therapy, nursing services, physician services, adjustment services, psychological and psychiatric services, adult therapeutic recreation, vocational rehabilitation counseling, social services, assistive technology, transportation, and administrative services. A wide range of educational programs and services including developmental math, reading, GED test preparation, and the External Diploma Program are also available. The CDPVTC offers individualized placement services through Preparing Adults for Competitive Employment (PACE) and an Employment Relations Specialist.

The Kentucky Assistive Technology Service (KATS) Network is a federally funded project operating within the Office of Vocational Rehabilitation. KATS is a statewide collaborative system of consumer-oriented organizations that help to provide assistive technologies to individuals with a variety of disabilities.

In October 2019, the Office of Vocational Rehabilitation was combined with the Office for the Blind to help utilize funding and staff to more effectively operate the multiple programs operated within the offices. As a result, the Office of the Blind is now a Division within the Office of Vocational Rehabilitation.

Pursuant to KRS 163.470 and the Rehabilitation Act of 1973 as amended, the Division for the Blind provides services to assist individuals who are blind and visually impaired in preparing for, obtaining, improving, and maintaining employment, as well as enabling them to live more independent and fulfilling lives.

The Division provides vocational rehabilitation of blind and visually impaired Kentuckians. Vocational Rehabilitation Counselors provide vocational counseling, evaluation, physical and mental restoration, vocational and higher education training, assistive technology training, adaptive devices, orientation and mobility training, and job placement services. The Counselors receive ongoing training to maintain certification and to gain knowledge of the latest developments in rehabilitation techniques. The Office provides services through the following avenues:

- The Office has 10 field offices that provide direct vocational rehabilitation services to individuals with severe visual impairments.
- The Charles McDowell Comprehensive Rehabilitation Center for the Blind is a facility in Louisville that provides training in vocational preparation, personal adjustment services, independent living skills, orientation and mobility skills, Braille, assistive technology, career assessment, vocational planning, work adjustment, and work experience.
- In Lexington and Paducah, the Division operates two volunteer recording units that provide audio-recorded materials statewide for blind and visually impaired individuals.
- The Business Enterprise Program trains and provides equipment to blind individuals for self-employment at vending facilities located statewide.
- The Independent Living Program provides training to blind and visually impaired individuals in areas that will enable them to live and function independently.

Pursuant to KRS 163.470(11) and the federal Randolph-Sheppard Act, the Division of Business Enterprises Program (BEP) establishes vending facilities on state, federal, and other property to provide remunerative employment for licensed merchants who are visually impaired. Business Enterprises staff provides management services and training to individuals who are visually impaired, identifies and develops new sites suitable for vending facilities, and repairs and replaces equipment in existing vending facilities.

The Business Enterprise Program also collects a set-aside, or fee based upon the percentage of gross sales from vending operations. The visually impaired merchants currently contribute five percent of their net income to be used for their own health insurance and an IRA. The funds received from the interstate vending contract are utilized exclusively in the Business Enterprises Program.

Pursuant to KRS 163.470 and Title VII of the Rehabilitation Act, independent living specialists provide short-term, individualized instruction for individuals who are blind so they may be able to function independently. Services include information, counseling, and skills training in activities of daily living. Mobility training, assistive devices, referrals to community resources in housing and transportation, and information on services offered by other agencies are provided. The service population consists mainly of individuals who are elderly or unable to work due to the severity of disabilities.

The Division employs independent living specialists who are located throughout the state. These specialists make home visits and provide specially-adapted aids and appliances such as Braille and talking watches, controls on stoves, writing guides, phone dials, and canes. They provide limited instruction in household tasks such as cooking, keeping time, and learning in the home. The specialists also work with families to educate them about blindness and how to promote independent living.

## **Policy**

There is an additional \$892,800 General Fund in both years to support the Office of Vocational Rehabilitation and maximize federal funding. This General Fund increase will allow the state access to approximately \$3.3 million in additional federal funds each year.

Additional restricted fund authority has been added in the current year, fiscal 2022, as well as fiscal 2023 and 2024 in the amount of \$800,000. Program income is received when a person receiving services obtains employment; it is a federal requirement that these funds be spent before other federal allocations.

**Education and Labor  
Workforce Development  
Employer & Apprenticeship Services**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation		581,100	581,100	617,000	619,700
Current Year Appropriation			3,400		
Reorganization Adjustment	578,200				
<b>Total General Fund</b>	578,200	581,100	584,500	617,000	619,700
<b>Federal Fund</b>					
Balance Forward	-804,698	-947,582	-683,100		
Current Receipts	1,195,650	1,013,070	2,986,100	2,328,900	2,344,600
<b>Total Federal Fund</b>	390,952	65,489	2,303,000	2,328,900	2,344,600
<b>TOTAL SOURCE OF FUNDS</b>	969,152	646,589	2,887,500	2,945,900	2,964,300
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,570,030	1,065,092	2,575,400	2,633,700	2,651,900
Operating Expenses	207,696	214,060	261,500	261,600	261,800
Grants Loans Benefits		50,570	50,600	50,600	50,600
<b>TOTAL EXPENDITURES</b>	1,777,727	1,329,722	2,887,500	2,945,900	2,964,300
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	439,193	581,100	584,500	617,000	619,700
Federal Fund	1,338,534	748,622	2,303,000	2,328,900	2,344,600
<b>TOTAL EXPENDITURES</b>	1,777,727	1,329,722	2,887,500	2,945,900	2,964,300

The Office of Employer and Apprenticeship Services administers the Commonwealth of Kentucky's Registered Apprenticeship program in accordance with KRS Chapter 343. Registered Apprenticeship is an innovative work-based earn and learn model that meets national standards for registration with the U.S. Department of Labor/Office of Apprenticeship and the Kentucky Office of Employer and Apprenticeship Services. It is a formal system of employee training that combines on-the-job learning with related technical instruction. It is designed to produce highly skilled workers who are fully competent in all aspects on an occupation, including knowledge, skill and proficiency on the job. With apprenticeship training, there is a written contract between the apprentice and the sponsor (employer), approved by and registered with the Commonwealth of Kentucky and the U.S. Department of Labor/Office of Apprenticeship, that specifies the length of training, school hours, and outlines the skills and competencies to be learned and the wages the apprentice will receive. Kentucky's apprenticeship program allows employers to design their own training program tailored to the company's needs as long as it meets the minimum criteria set forth by the U.S. Department of Labor. The Office closely monitors apprenticeship programs to ensure they are meeting the standards of providing quality training and instruction as mandated by 29 CFR, parts 29 and 30. The Office is actively involved with employers and industry associations to discuss the development of local and regional programs with align to the industry sectors identified by the Kentucky Workforce Investment Board. In addition to the apprenticeship program this Office assists employers in obtaining qualified workers to fill job openings as quickly as possible. This program provides counseling, employment testing, job development, referral, and placement.

**Education and Labor  
Workforce Development  
Division of Adult Education**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	16,551,200	18,407,600	18,407,600	18,512,900	18,531,600
Current Year Appropriation			8,800		
Continuing Approp-General Fund	4,283,786	2,621,985	6,667,700		
Reorganization Adjustment	1,856,200				
<b>Total General Fund</b>	<b>22,691,186</b>	<b>21,029,585</b>	<b>25,084,100</b>	<b>18,512,900</b>	<b>18,531,600</b>
<b>Restricted Funds</b>					
Balance Forward	169,223	342,704	473,800	594,000	714,200
Current Receipts	189,799	145,190	145,200	145,200	145,200
<b>Total Restricted Funds</b>	<b>359,022</b>	<b>487,894</b>	<b>619,000</b>	<b>739,200</b>	<b>859,400</b>
<b>Federal Fund</b>					
Balance Forward	-1,218,419		476,100		
Current Receipts	11,622,530	8,449,352	10,523,900	11,000,000	11,000,000
<b>Total Federal Fund</b>	<b>10,404,110</b>	<b>8,449,352</b>	<b>11,000,000</b>	<b>11,000,000</b>	<b>11,000,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>33,454,318</b>	<b>29,966,830</b>	<b>36,703,100</b>	<b>30,252,100</b>	<b>30,391,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,915,330	2,600,318	3,407,800	3,528,500	3,555,100
Operating Expenses	743,913	867,389	875,700	875,700	875,700
Grants Loans Benefits	22,944,187	18,881,522	31,825,600	25,133,700	25,125,800
<b>TOTAL EXPENDITURES</b>	<b>26,603,429</b>	<b>22,349,230</b>	<b>36,109,100</b>	<b>29,537,900</b>	<b>29,556,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	16,183,001	14,361,933	25,084,100	18,512,900	18,531,600
Restricted Funds	16,318	14,045	25,000	25,000	25,000
Federal Fund	10,404,110	7,973,251	11,000,000	11,000,000	11,000,000
<b>TOTAL EXPENDITURES</b>	<b>26,603,429</b>	<b>22,349,230</b>	<b>36,109,100</b>	<b>29,537,900</b>	<b>29,556,600</b>

The Office of Adult Education administers state and federal funding for adult basic education and literacy programs. The Office's Kentucky Skills U program makes available to the citizens of the Commonwealth free adult education services across the state. The vision of Kentucky Skills U is that Kentuckians will experience a higher standard of living and quality of life through increased educational attainment.

Kentucky Skills U provides free adult education services in all 120 counties to help Kentuckians obtain a GED. Through Kentucky Skills U, Kentuckians can gain reading, math and communications skills that place them on a path to higher education and training, and earn certifications to move ahead in their careers.

Local Kentucky Skills U teachers are ready in every county to help participants break through barriers to reach their education and career goals.

Currently, about 350,000 working-age Kentuckians do not have a high school or GED diploma. The mission of Kentucky Skills U is to work with Kentuckians to improve their quality of life through education, training and employment so they can take care of themselves and their families and help their communities' and the state's economies expand and thrive.

**Education and Labor  
Workforce Development  
Unemployment Insurance**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation				5,656,500	11,300,000
<b>Total General Fund</b>				5,656,500	11,300,000
<b>Restricted Funds</b>					
Balance Forward	8,732,882	23,013,848	12,149,300	11,831,200	13,386,800
Current Receipts	435,413	26,425			
Non-Revenue Receipts	13,903,696	-10,890,952	-318,100	1,555,600	1,555,600
<b>Total Restricted Funds</b>	23,071,992	12,149,321	11,831,200	13,386,800	14,942,400
<b>Federal Fund</b>					
Special Appropriation			506,111,600		
Balance Forward	214,693	-36,604	11,671,300		
Current Receipts	3,352,798,380	3,359,248,509	965,763,100	360,004,800	335,684,500
Non-Revenue Receipts	68,700,403	135,843,930			
<b>Total Federal Fund</b>	3,421,713,475	3,495,055,835	1,483,546,000	360,004,800	335,684,500
<b>TOTAL SOURCE OF FUNDS</b>	3,444,785,467	3,507,205,156	1,495,377,200	379,048,100	361,926,900
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	24,912,824	42,618,356	36,716,100	42,907,700	48,850,900
Operating Expenses	9,119,622	14,001,133	10,214,700	8,478,600	8,458,600
Grants Loans Benefits	3,387,771,273	3,426,758,999	1,436,615,200	314,275,000	289,675,000
Capital Outlay		5,998			
Construction	4,676				
<b>TOTAL EXPENDITURES</b>	3,421,808,395	3,483,384,485	1,483,546,000	365,661,300	346,984,500
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund				5,656,500	11,300,000
Restricted Funds	58,144				
Federal Fund	3,421,750,251	3,483,384,485	1,483,546,000	360,004,800	335,684,500
<b>TOTAL EXPENDITURES</b>	3,421,808,395	3,483,384,485	1,483,546,000	365,661,300	346,984,500
<b>EXPENDITURES BY UNIT</b>					
Unemployment Insurance Administration	27,689,351	54,186,407	551,622,800	51,761,300	57,684,500
Unemployment Insurance Benefits	3,394,119,045	3,429,198,078	931,923,200	313,900,000	289,300,000
<b>TOTAL EXPENDITURES</b>	3,421,808,395	3,483,384,485	1,483,546,000	365,661,300	346,984,500

The purpose of the Unemployment Insurance (UI) program is to provide temporary financial assistance to workers who become unemployed through no fault of their own, in the form of regular UI benefit payments in an amount determined by the claimant's wage history. Regular UI benefits are funded entirely through payment of the state unemployment taxes by employers determined liable under KRS Chapter 341 based upon the size and duration of payroll.

The Office of Unemployment Insurance supports the claims activities within the program. In the central office, the Benefits Branch ensures and accounts for the proper payment of regular UI and federal program benefits, including the determination of chargeability to a specific employer for the cost of each regular UI claim. In cases where benefits have been drawn in error, the branch pursues restitution and, if fraud is involved, pursues prosecution of the claimant. The Benefits Branch also operates an interstate claims "local office" to serve claimants covered under Kentucky law but filing from other states.

In addition to regular UI benefits, the program also administers payment of federal benefits to unemployed federal employees and discharged military personnel, those affected by changes in international trade, those affected financially in federal disaster areas, and those covered under extended unemployment compensation programs. With the exception of partial payment from state UI funds in the case of some extended benefits, these programs are financed by employer federal unemployment tax collected by the Internal Revenue Service.

The administrative component of the UI program provides benefit payments based on earnings in a specific transaction period. Revenues for this program are derived from a federal unemployment tax on employers' payrolls.

KRS Chapter 341 provides the statutory authority and structure for the operation of the UI program in Kentucky. With regard to most particulars involving worker coverage, benefit entitlement, and employer liability, KRS Chapter 341 conforms to federal unemployment law derived from the Social Security Act of 1935. This state and federal statutory conformity is required in order for Kentucky employers to receive a credit against federal unemployment tax based on state tax payments, and in order for the agency to receive federal administrative funding.

### **Policy**

The budget funds the restoration of 90 staff positions eliminated in past budgets, phased in at 45 in fiscal year 2023 and another 45 in fiscal year 2024. They are being restored to provide in-person services to unemployed persons with their unemployment insurance claims at the twelve career centers across the state. The employees will be cross-trained to also provide employment-related services to employers and job seekers including employment counseling and job search assistance. The funding for the 90 positions is \$5,650,000 in fiscal year 2023 and \$11,300,000 in fiscal year 2024 from the General Fund.

The Governor's budget includes Federal Funds in each fiscal year for the salary adjustments effectuated for unemployment insurance program employees effective between November 1, 2021 and January 16, 2022.

**Education and Labor  
Workforce Development  
Career Development**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	1,769,096	2,211,685	2,269,100	1,764,000	1,614,200
Current Receipts	1,887,116	990,978	7,069,100	5,984,900	6,001,900
Non-Revenue Receipts	162,053	1,250,954	192,000	192,000	192,000
<b>Total Restricted Funds</b>	<b>3,818,265</b>	<b>4,453,616</b>	<b>9,530,200</b>	<b>7,940,900</b>	<b>7,808,100</b>
<b>Federal Fund</b>					
Balance Forward	690,119	982,004	881,200		
Current Receipts	11,519,465	4,454,686	14,785,600	15,760,800	15,809,600
<b>Total Federal Fund</b>	<b>12,209,584</b>	<b>5,436,690</b>	<b>15,666,800</b>	<b>15,760,800</b>	<b>15,809,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>16,027,849</b>	<b>9,890,306</b>	<b>25,197,000</b>	<b>23,701,700</b>	<b>23,617,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	8,243,386	4,115,344	8,171,500	8,326,200	8,423,400
Operating Expenses	2,883,786	1,679,456	3,245,200	3,245,200	3,245,200
Grants Loans Benefits	1,691,146	937,993	12,016,300	10,516,100	10,447,100
Debt Service		67			
Capital Outlay		7,118			
Construction	15,841				
<b>TOTAL EXPENDITURES</b>	<b>12,834,160</b>	<b>6,739,978</b>	<b>23,433,000</b>	<b>22,087,500</b>	<b>22,115,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	1,606,580	2,184,469	7,766,200	6,326,700	6,306,100
Federal Fund	11,227,580	4,555,509	15,666,800	15,760,800	15,809,600
<b>TOTAL EXPENDITURES</b>	<b>12,834,160</b>	<b>6,739,978</b>	<b>23,433,000</b>	<b>22,087,500</b>	<b>22,115,700</b>

The Career Development Office receives funds to administer several programs that are related to Employment and Job Placement Services, including: Veterans' Employment and Training Services, Labor Market Information, Alien Labor Certification, Agricultural Wage Surveys, and Alien Farmworker Housing Inspections. The Office administers training programs under the Trade Adjustment Assistance program and Title I of the Workforce Innovation and Opportunity Act. These programs are designed to assist the unemployed, underemployed, and persons who wish to change occupations in finding suitable employment.

**Education and Labor  
Workforce Development  
Workforce Innovation and Opportunity Act**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>Federal Fund</b>					
Balance Forward	-1,336,809	-3,353,117	-1,562,500		
Current Receipts	39,901,077	40,926,494	46,635,500	45,080,700	45,091,900
Non-Revenue Receipts	-127	1,861			
<b>Total Federal Fund</b>	<b>38,564,141</b>	<b>37,575,238</b>	<b>45,073,000</b>	<b>45,080,700</b>	<b>45,091,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>38,564,141</b>	<b>37,575,238</b>	<b>45,073,000</b>	<b>45,080,700</b>	<b>45,091,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,661,241	2,981,265	3,819,600	3,812,900	3,824,100
Operating Expenses	1,260,174	560,166	1,602,400	1,602,500	1,602,500
Grants Loans Benefits	37,995,222	35,575,939	39,651,000	39,665,300	39,665,300
Capital Outlay		20,000			
Construction	622	338			
<b>TOTAL EXPENDITURES</b>	<b>41,917,258</b>	<b>39,137,708</b>	<b>45,073,000</b>	<b>45,080,700</b>	<b>45,091,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Federal Fund	41,917,258	39,137,708	45,073,000	45,080,700	45,091,900
<b>TOTAL EXPENDITURES</b>	<b>41,917,258</b>	<b>39,137,708</b>	<b>45,073,000</b>	<b>45,080,700</b>	<b>45,091,900</b>

In accordance with the provisions of the Workforce Innovation and Opportunity Act (WIOA), Kentucky continues to consolidate, coordinate, and improve employment, training, literacy, and vocational rehabilitation programs. WIOA reforms implemented by the Commonwealth include streamlining services through a one-stop service delivery system housed in Kentucky Career Centers located throughout the state, empowering individuals by means of information and access to training resources through individual training accounts, providing universal access to core services, increasing accountability for results, ensuring a strong role for Local Workforce Investment Boards and the private sector in the workforce investment system, facilitating state and local flexibility, and improving youth services.

The Workforce Innovation and Opportunity Act specifies three funding streams to the states and local areas: adults, dislocated workers, and youth.

Most services for adults and dislocated workers are provided through the Kentucky Career Centers, and most customers use individual training accounts to determine which training programs and training providers best fit their needs. The Act authorizes core services available to all adults, and intensive services for unemployed individuals who are not able to find jobs through core services alone. In some cases, intensive services are available to employed workers who need more help to find or keep a job that will lead to self-sufficiency.

Through WIOA, youth are prepared for postsecondary educational opportunities or employment. Programs link academic and occupational learning and include tutoring, study skills training, and instruction leading to completion of secondary school (including drop-out prevention); alternative school services; mentoring by appropriate adults; paid and unpaid work experience (i.e. internships and job shadowing); occupational skills training; leadership development; and appropriate supportive services.

The 42-member Kentucky Workforce Investment Board (KWIB) serves as an advisory board to the Governor on workforce training and development issues. The KWIB is charged with creating a statewide vision for workforce development and adopting a plan to move Kentucky forward through workforce training and development.



**Education and Labor  
Workplace Standards**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,434,600	1,774,000	1,775,300	1,904,900	1,918,500
Current Year Appropriation			5,500		
Reorganization Adjustment	-578,200				
Other	272,800				
<b>Total General Fund</b>	2,129,200	1,774,000	1,780,800	1,904,900	1,918,500
<b>Restricted Funds</b>					
Balance Forward	488,497	521,996	180,900		
Current Receipts	3	-1,827			
Non-Revenue Receipts	7,576,195	6,115,296	7,891,100	8,187,600	8,333,500
<b>Total Restricted Funds</b>	8,064,695	6,635,465	8,072,000	8,187,600	8,333,500
<b>Federal Fund</b>					
Balance Forward		-163,732			
Current Receipts	3,724,564	4,501,584	4,210,000	4,365,600	4,365,200
<b>Total Federal Fund</b>	3,724,564	4,337,851	4,210,000	4,365,600	4,365,200
<b>TOTAL SOURCE OF FUNDS</b>	13,918,460	12,747,316	14,062,800	14,458,100	14,617,200
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	10,750,018	10,703,024	11,974,300	12,495,900	12,686,300
Operating Expenses	2,133,946	1,717,299	1,851,700	1,725,400	1,694,100
Grants Loans Benefits	292,263	175,480	236,800	236,800	236,800
Capital Outlay	15,724				
Construction	4,254				
<b>TOTAL EXPENDITURES</b>	13,196,206	12,595,803	14,062,800	14,458,100	14,617,200
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,765,209	1,774,000	1,780,800	1,904,900	1,918,500
Restricted Funds	7,542,700	6,454,603	8,072,000	8,187,600	8,333,500
Federal Fund	3,888,297	4,367,200	4,210,000	4,365,600	4,365,200
<b>TOTAL EXPENDITURES</b>	13,196,206	12,595,803	14,062,800	14,458,100	14,617,200
<b>EXPENDITURES BY UNIT</b>					
Wages & Hours	1,825,588	1,774,000	1,780,800	1,904,900	1,918,500
Occupational Safety and Health	9,862,149	10,256,388	11,719,500	11,994,900	12,120,200
Commissioner's Office	1,508,468	565,415	562,500	558,300	578,500
<b>TOTAL EXPENDITURES</b>	13,196,206	12,595,803	14,062,800	14,458,100	14,617,200

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

The Department is comprised of the Commissioner's Office, Division of Wages and Hours, Division of Occupational Safety and Health Compliance, and the Division of Occupational Safety and Health Education and Training.

The Commissioner's Office serves as the oversight unit for all programs and functions assigned to the DWS.

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

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

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

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

### **Policy**

The Governor's budget includes General Fund of \$89,600 in fiscal year 2023 and \$93,600 in fiscal year 2024 for an additional wage and hour inspector to begin addressing the current 567 backlog of wage and hour cases and to assist employees with lost wages

**Education and Labor**

**Workers' Claims**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	6,578,292	4,340,698	1,355,600		
Current Receipts	543,004	1,005,509	280,000	280,000	280,000
Non-Revenue Receipts	55,160,000	49,039,900	59,056,900	60,717,100	60,913,500
<b>Total Restricted Funds</b>	<b>62,281,296</b>	<b>54,386,107</b>	<b>60,692,500</b>	<b>60,997,100</b>	<b>61,193,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>62,281,296</b>	<b>54,386,107</b>	<b>60,692,500</b>	<b>60,997,100</b>	<b>61,193,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	12,349,251	12,399,576	12,751,600	13,067,400	13,263,800
Operating Expenses	1,993,135	1,996,292	2,830,900	2,819,700	2,819,700
Grants Loans Benefits	43,489,489	38,536,626	45,000,000	45,000,000	45,000,000
Capital Outlay	100,000	102,385	110,000	110,000	110,000
<b>TOTAL EXPENDITURES</b>	<b>57,931,875</b>	<b>53,034,878</b>	<b>60,692,500</b>	<b>60,997,100</b>	<b>61,193,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	57,931,875	53,034,878	60,692,500	60,997,100	61,193,500
<b>TOTAL EXPENDITURES</b>	<b>57,931,875</b>	<b>53,034,878</b>	<b>60,692,500</b>	<b>60,997,100</b>	<b>61,193,500</b>
<b>EXPENDITURES BY UNIT</b>					
Workers' Claims	57,931,875	53,034,878	60,692,500	60,997,100	61,193,500
<b>TOTAL EXPENDITURES</b>	<b>57,931,875</b>	<b>53,034,878</b>	<b>60,692,500</b>	<b>60,997,100</b>	<b>61,193,500</b>

The Department of Workers' Claims operates under the authority of KRS Chapters 12, 336, and 342. The Department enforces statutes with regard to workers' compensation coverage for Kentucky's 2.1 million employees, administers workers' compensation claims and ensures that employers comply with the insurance, self-insurance, and rehabilitation provisions in KRS Chapter 342.

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

Division of Security and Compliance regulates individual entities that are approved to self-insure and ensure that sufficient coverage or assets are maintained to pay claims. The Division of Specialists and Medical Services focuses on constituent services to provide services to employees, employers, insurance carriers, and medical provider to assist in claim filing. Division of Claims Processing handles review and docket assignment for filed claims.

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

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

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

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

**Education and Labor  
Occupational Safety and Health Review Commission**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	16,383	44,973	20,600		
Non-Revenue Receipts	662,700	670,800	688,700	772,300	778,400
<b>Total Restricted Funds</b>	<b>679,083</b>	<b>715,773</b>	<b>709,300</b>	<b>772,300</b>	<b>778,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>679,083</b>	<b>715,773</b>	<b>709,300</b>	<b>772,300</b>	<b>778,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	597,466	660,399	647,600	707,400	713,500
Operating Expenses	36,644	34,757	61,700	64,900	64,900
<b>TOTAL EXPENDITURES</b>	<b>634,110</b>	<b>695,157</b>	<b>709,300</b>	<b>772,300</b>	<b>778,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	634,110	695,157	709,300	772,300	778,400
<b>TOTAL EXPENDITURES</b>	<b>634,110</b>	<b>695,157</b>	<b>709,300</b>	<b>772,300</b>	<b>778,400</b>
<b>EXPENDITURES BY UNIT</b>					
Occupational Safety and Health Review Commission	634,110	695,157	709,300	772,300	778,400
<b>TOTAL EXPENDITURES</b>	<b>634,110</b>	<b>695,157</b>	<b>709,300</b>	<b>772,300</b>	<b>778,400</b>

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

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

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

**Education and Labor**  
**Workers' Compensation Funding Commission**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	16,011,290	11,909,458	4,182,900		
Current Receipts	81,822,240	64,420,186	60,313,400	60,917,100	61,113,500
Non-Revenue Receipts	1,673,000	2,563,200	23,267,900	53,772,600	30,970,300
<b>Total Restricted Funds</b>	<b>99,506,529</b>	<b>78,892,844</b>	<b>87,764,200</b>	<b>114,689,700</b>	<b>92,083,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>99,506,529</b>	<b>78,892,844</b>	<b>87,764,200</b>	<b>114,689,700</b>	<b>92,083,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	80,200,459	72,906,448	86,198,700	91,345,100	91,793,800
Operating Expenses	7,395,986	1,803,517	1,565,500	344,600	290,000
Grants Loans Benefits				23,000,000	
Construction	625				
<b>TOTAL EXPENDITURES</b>	<b>87,597,071</b>	<b>74,709,964</b>	<b>87,764,200</b>	<b>114,689,700</b>	<b>92,083,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	87,597,071	74,709,964	87,764,200	114,689,700	92,083,800
<b>TOTAL EXPENDITURES</b>	<b>87,597,071</b>	<b>74,709,964</b>	<b>87,764,200</b>	<b>114,689,700</b>	<b>92,083,800</b>
<b>EXPENDITURES BY UNIT</b>					
Workers' Compensation Funding Commission	1,899,506	1,951,476	2,477,900	2,511,900	2,482,900
Benefit Reserve	78,499,205	71,935,811	84,076,600	112,177,800	89,600,900
KCWP Fund	7,198,360	822,678	1,209,700		
<b>TOTAL EXPENDITURES</b>	<b>87,597,071</b>	<b>74,709,964</b>	<b>87,764,200</b>	<b>114,689,700</b>	<b>92,083,800</b>

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

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

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

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

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

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

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

### **Policy**

Governor's budget includes an additional \$20,000,000 in restricted funds in fiscal year 2023 to support bankrupt workers compensation plans. Two private bankrupt workers' compensation plans, the Kentucky Coal Producers and AIK Comp are currently in rehabilitation with the Department of Insurance. These workers' compensation plans are not part of any guaranty fund, with no payers available for the Kentucky Coal Producers and an expected shortfall on the AIK Comp Plan. Restricted funds of \$3,000,000 are also included in fiscal year 2023 to cover an anticipated shortfall in the self-insurance fund established in KRS 342.920 which was established to make payments to workers' compensation claimants injured prior to March 1, 1997, when the security of a former self-insured employer has been depleted. These funds are necessary as the fines and penalties collected under KRS 342.267 and 342.990 are anticipated to be short of the need of the self-insurance fund. Excess restricted funds from the Department of Insurance will be transferred to the Workers' Compensation Funding Commission to support bankrupt workers compensation plans.

**Education and Labor  
Workers' Compensation Nominating Committee**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Non-Revenue Receipts			1,100	1,100	1,100
<b>Total Restricted Funds</b>			<b>1,100</b>	<b>1,100</b>	<b>1,100</b>
<b>TOTAL SOURCE OF FUNDS</b>			<b>1,100</b>	<b>1,100</b>	<b>1,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs			400	400	400
Operating Expenses			700	700	700
<b>TOTAL EXPENDITURES</b>			<b>1,100</b>	<b>1,100</b>	<b>1,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds			1,100	1,100	1,100
<b>TOTAL EXPENDITURES</b>			<b>1,100</b>	<b>1,100</b>	<b>1,100</b>
<b>EXPENDITURES BY UNIT</b>					
Workers' Compensation Nominating Committee			1,100	1,100	1,100
<b>TOTAL EXPENDITURES</b>			<b>1,100</b>	<b>1,100</b>	<b>1,100</b>

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

# Energy and Environment

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**Energy and Environment**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	88,903,000	86,352,900	90,176,800	94,726,800	96,818,700
Current Year Appropriation	700,000		249,700		
Continuing Approp-General Fund	1,798,494	1,672,752	1,670,100		
Reorganization Adjustment	2,049,300				
Mandated Allotments		102,600			
<b>Total General Fund</b>	<b>93,450,794</b>	<b>88,128,252</b>	<b>92,096,600</b>	<b>94,726,800</b>	<b>96,818,700</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	3,757,300	3,386,800	3,423,400	3,423,400	3,423,400
Continuing Approp-Tob Settlement	14,348,273	12,014,805	9,838,800		
Other	-242,554				
<b>Total Tobacco Fund</b>	<b>17,863,019</b>	<b>15,401,605</b>	<b>13,262,200</b>	<b>3,423,400</b>	<b>3,423,400</b>
<b>Restricted Funds</b>					
Balance Forward	52,277,507	53,476,408	34,490,500	19,945,400	22,351,100
Current Receipts	30,451,922	32,514,257	29,695,800	32,088,800	31,944,700
Non-Revenue Receipts	73,552,500	69,320,739	89,723,400	72,692,000	73,014,400
Fund Transfers	-14,500,000	-31,500,000	-15,000,000		
<b>Total Restricted Funds</b>	<b>141,781,930</b>	<b>123,811,404</b>	<b>138,909,700</b>	<b>124,726,200</b>	<b>127,310,200</b>
<b>Federal Fund</b>					
Balance Forward	-2,969,819	-2,780,344	-645,800		
Current Receipts	77,015,538	83,378,255	92,694,300	185,738,500	216,050,900
Non-Revenue Receipts	-2,486,130	-2,582,962	-1,154,600	-2,313,800	-2,314,100
<b>Total Federal Fund</b>	<b>71,559,589</b>	<b>78,014,949</b>	<b>90,893,900</b>	<b>183,424,700</b>	<b>213,736,800</b>
<b>Road Fund</b>					
Regular Appropriation	320,900	320,900			
<b>Total Road Fund</b>	<b>320,900</b>	<b>320,900</b>			
<b>TOTAL SOURCE OF FUNDS</b>	<b>324,976,232</b>	<b>305,677,110</b>	<b>335,162,400</b>	<b>406,301,100</b>	<b>441,289,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	156,223,401	155,286,689	165,833,400	170,889,200	171,676,900
Operating Expenses	33,344,751	35,218,290	39,879,800	39,451,200	39,691,800
Grants Loans Benefits	25,294,496	24,823,527	56,289,400	117,938,800	148,160,300
Debt Service	849,000	140,000			
Capital Outlay	10,502,542	3,586,647	7,013,700	6,197,200	6,523,400
Construction	27,023,690	33,326,507	39,015,500	42,288,400	42,662,600
<b>TOTAL EXPENDITURES</b>	<b>253,237,880</b>	<b>252,381,660</b>	<b>308,031,800</b>	<b>376,764,800</b>	<b>408,715,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	84,423,311	79,272,869	84,911,400	87,541,600	89,633,500
Tobacco Fund	5,848,215	5,562,776	13,262,200	3,423,400	3,423,400
Restricted Funds	88,305,522	88,564,519	118,964,300	102,375,100	101,921,300
Federal Fund	74,339,932	78,660,597	90,893,900	183,424,700	213,736,800
Road Fund	320,900	320,900			
<b>TOTAL EXPENDITURES</b>	<b>253,237,880</b>	<b>252,381,660</b>	<b>308,031,800</b>	<b>376,764,800</b>	<b>408,715,000</b>

**EXPENDITURES BY UNIT**

Secretary	6,723,152	6,646,402	27,659,500	7,623,300	7,646,300
Environmental Protection	121,224,680	118,815,838	127,078,700	130,350,800	131,524,400
Natural Resources	98,634,879	100,484,523	122,601,000	198,095,500	230,925,300
Public Service Commission	11,346,541	11,536,472	13,859,300	15,363,800	15,233,100
Office of Administrative Services	10,672,819	10,417,066	11,405,300	11,725,400	11,849,200
Office of KY Nature Preserves	2,902,412	2,817,457	3,449,300	3,824,600	3,839,500
Office of Energy Policy	1,733,398	1,663,902	1,978,700	9,781,400	7,697,200
<b>TOTAL EXPENDITURES</b>	<b>253,237,880</b>	<b>252,381,660</b>	<b>308,031,800</b>	<b>376,764,800</b>	<b>408,715,000</b>

The Energy and Environment Cabinet is charged with the protection and preservation of land, air and water resources as well as creating efficient, sustainable energy solutions. The Cabinet has two departments: Environmental Protection and Natural Resources. The Cabinet has three offices: the Office of the Secretary, the Office of Energy Policy, and the Office of Kentucky Nature Preserves. Attached for administrative purposes are the Mine Safety Review Commission and the Public Service Commission.

A Secretary appointed by the Governor heads the Cabinet. The Secretary is responsible for leadership, monitoring trends and shaping a vision for the future of Kentucky's energy platform and environment.

**Energy and Environment  
Secretary**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	3,372,100	3,769,800	3,772,600	4,084,600	4,100,000
Current Year Appropriation			12,000		
Reorganization Adjustments	369,600				
<b>Total General Fund</b>	3,741,700	3,769,800	3,784,600	4,084,600	4,100,000
<b>Restricted Funds</b>					
Balance Forward	1,077,851	769,039	640,800	119,700	61,000
Current Receipts	44,218		45,500	100,500	100,500
Non-Revenue Receipts	1,196,970	1,218,609	21,601,400	1,672,600	1,682,800
<b>Total Restricted Funds</b>	2,319,039	1,987,648	22,287,700	1,892,800	1,844,300
<b>Federal Fund</b>					
Balance Forward	-87,003	-116,941	-67,900		
Current Receipts	1,437,072	1,594,637	1,794,300	1,726,400	1,726,400
Non-Revenue Receipts	-18,270	-15,809	-19,500	-19,500	-19,500
<b>Total Federal Fund</b>	1,331,799	1,461,888	1,706,900	1,706,900	1,706,900
<b>TOTAL SOURCE OF FUNDS</b>	7,392,539	7,219,336	27,779,200	7,684,300	7,651,200
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	5,909,404	5,890,746	6,450,100	6,783,800	6,817,100
Operating Expenses	813,747	755,656	816,800	839,500	829,200
Grants Loans Benefits			20,378,600		
Capital Outlay			14,000		
<b>TOTAL EXPENDITURES</b>	6,723,152	6,646,402	27,659,500	7,623,300	7,646,300
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	3,724,411	3,769,800	3,784,600	4,084,600	4,100,000
Restricted Funds	1,550,000	1,346,832	22,168,000	1,831,800	1,839,400
Federal Fund	1,448,740	1,529,770	1,706,900	1,706,900	1,706,900
<b>TOTAL EXPENDITURES</b>	6,723,152	6,646,402	27,659,500	7,623,300	7,646,300
<b>EXPENDITURES BY UNIT</b>					
Administrative Hearings	1,273,394	1,175,590	1,290,800	1,310,800	1,314,600
Ofc of Sec - Leg & Interg Aff - Gen Coun	5,449,757	5,470,813	26,368,700	6,312,500	6,331,700
<b>TOTAL EXPENDITURES</b>	6,723,152	6,646,402	27,659,500	7,623,300	7,646,300

The Office of the Secretary formulates and executes Cabinet policies based on administration priorities, state and federal statutes, regulations and legislative initiatives. The Office of the Secretary responds to concerns of the general public and initiates public information and education efforts.

The Office of Legislative and Intergovernmental Affairs is responsible for communicating programmatic and policy information to stakeholders including the legislature and local governments.

The Office of Legal Services provides litigation and other legal services for the Cabinet.

The Office of Communications oversees all internal and external communications about the agency.

The Office of Administrative Hearings conducts administrative appeal hearings and issues recommended orders for review by the Secretary.

**Energy and Environment  
Administrative Services**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation		5,175,900	5,187,900	5,326,300	5,359,200
Current Year Appropriation			18,800		
Reorganization Adjustment	5,169,700				
<b>Total General Fund</b>	5,169,700	5,175,900	5,206,700	5,326,300	5,359,200
<b>Restricted Funds</b>					
Balance Forward	1,109,220	759,450	1,220,700	300,000	150,000
Current Receipts	1,393	8			
Non-Revenue Receipts	3,920,573	4,070,877	3,319,600	4,267,600	4,350,500
<b>Total Restricted Funds</b>	5,031,185	4,830,335	4,540,300	4,567,600	4,500,500
<b>Federal Fund</b>					
Balance Forward		-55,171	52,000		
Current Receipts	1,205,912	1,769,703	1,914,700	2,011,500	2,019,500
Non-Revenue Receipts	-26,588	-30,969	-8,400	-30,000	-30,000
<b>Total Federal Fund</b>	1,179,324	1,683,563	1,958,300	1,981,500	1,989,500
<b>TOTAL SOURCE OF FUNDS</b>	11,380,209	11,689,798	11,705,300	11,875,400	11,849,200
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	8,962,999	8,563,929	9,797,500	10,035,600	10,112,800
Operating Expenses	1,621,043	1,751,609	1,525,700	1,689,800	1,736,400
Grants Loans Benefits			82,100		
Capital Outlay	88,777	101,528			
<b>TOTAL EXPENDITURES</b>	10,672,819	10,417,066	11,405,300	11,725,400	11,849,200
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,166,588	5,175,900	5,206,700	5,326,300	5,359,200
Restricted Funds	4,271,736	3,609,633	4,240,300	4,417,600	4,500,500
Federal Fund	1,234,494	1,631,533	1,958,300	1,981,500	1,989,500
<b>TOTAL EXPENDITURES</b>	10,672,819	10,417,066	11,405,300	11,725,400	11,849,200
<b>EXPENDITURES BY UNIT</b>					
Office of Administrative Services	10,672,819	10,417,066	11,405,300	11,725,400	11,849,200
<b>TOTAL EXPENDITURES</b>	10,672,819	10,417,066	11,405,300	11,725,400	11,849,200

The Office of Administrative Services was established effective November 1, 2017 per Executive Order 2017-0748 and authorized by House Bill 264 during the 2018 regular session.

The establishment of the Office resulted in consolidated internal support functions for the Cabinet, which included administrative, financial management, human resource and information service roles.

**Energy and Environment  
Environmental Protection**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	28,567,500	23,067,100	25,314,500	25,952,900	27,181,300
Current Year Appropriation	700,000		72,200		
Reorganization Adjustment	-3,120,400				
Other	203,400				
<b>Total General Fund</b>	26,350,500	23,067,100	25,386,700	25,952,900	27,181,300
<b>Restricted Funds</b>					
Balance Forward	34,490,395	36,845,899	19,053,300	9,715,300	15,070,200
Current Receipts	24,537,241	23,703,005	21,663,000	23,328,500	23,184,400
Non-Revenue Receipts	61,096,994	60,798,397	59,383,400	59,223,900	59,174,900
Fund Transfers	-14,500,000	-31,500,000	-15,000,000		
<b>Total Restricted Funds</b>	105,624,630	89,847,300	85,099,700	92,267,700	97,429,500
<b>Federal Fund</b>					
Balance Forward	-138,560	-1,198,347	-116,700		
Current Receipts	26,770,629	28,258,123	27,644,300	28,754,500	28,966,800
Non-Revenue Receipts	-1,789,429	-1,828,784	-1,220,000	-1,554,100	-1,554,100
<b>Total Federal Fund</b>	24,842,641	25,230,993	26,307,600	27,200,400	27,412,700
<b>Road Fund</b>					
Regular Appropriation	320,900	320,900			
<b>Total Road Fund</b>	320,900	320,900			
<b>TOTAL SOURCE OF FUNDS</b>	157,138,671	138,466,293	136,794,000	145,421,000	152,023,500
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	74,452,566	74,958,882	78,572,500	79,298,200	79,578,800
Operating Expenses	20,606,528	22,574,964	26,164,900	26,988,700	27,445,000
Grants Loans Benefits	15,994,183	16,771,683	16,975,100	18,586,000	18,831,000
Debt Service	849,000	140,000			
Capital Outlay	7,491,389	2,935,001	5,341,200	5,452,900	5,644,600
Construction	1,831,014	1,435,308	25,000	25,000	25,000
<b>TOTAL EXPENDITURES</b>	121,224,680	118,815,838	127,078,700	130,350,800	131,524,400
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	26,084,061	23,067,100	25,386,700	25,952,900	27,181,300
Restricted Funds	68,778,731	70,080,062	75,384,400	77,197,500	76,930,400
Federal Fund	26,040,988	25,347,776	26,307,600	27,200,400	27,412,700
Road Fund	320,900	320,900			
<b>TOTAL EXPENDITURES</b>	121,224,680	118,815,838	127,078,700	130,350,800	131,524,400
<b>EXPENDITURES BY UNIT</b>					
Commissioner	1,107,944	1,193,462	1,251,300	1,279,000	1,284,700
Water	33,849,627	31,495,696	33,360,300	34,360,300	34,360,300
Waste Management	34,792,011	35,921,430	36,288,800	36,420,500	36,420,500
Air Quality	18,410,311	18,189,876	20,032,300	20,469,700	20,402,000
Environmental Program Support	3,601,764	3,592,715	3,716,100	3,666,800	3,640,500
Enforcement	2,321,499	2,186,508	2,635,100	2,877,700	3,109,100
Compliance Assistance	1,966,520	1,770,492	2,271,600	2,424,200	2,442,800
Petroleum Storage Tank	25,175,004	24,465,659	27,523,200	28,852,600	29,864,500
Environmental Assurance Fund					
<b>TOTAL EXPENDITURES</b>	121,224,680	118,815,838	127,078,700	130,350,800	131,524,400

The Department for Environmental Protection is responsible for the protection of the environment through the prevention, abatement, and control of water, land, and air pollution. The Department is also responsible for the Maxey Flats low-level nuclear waste disposal site.

**Energy and Environment  
Environmental Protection  
Commissioner**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	619,000	881,600	886,300	887,700	891,400
Current Year Appropriation			1,300		
Other	203,400	80,000			
<b>Total General Fund</b>	822,400	961,600	887,600	887,700	891,400
<b>Restricted Funds</b>					
Balance Forward	67,582	13,538	131,100	152,500	77,200
Non-Revenue Receipts	231,500	262,615	242,000	242,000	242,000
<b>Total Restricted Funds</b>	299,082	276,153	373,100	394,500	319,200
<b>Federal Fund</b>					
Current Receipts		93,756	153,600	84,500	84,600
Non-Revenue Receipts		-6,951	-10,500	-10,500	-10,500
<b>Total Federal Fund</b>		86,805	143,100	74,000	74,100
<b>TOTAL SOURCE OF FUNDS</b>	1,121,482	1,324,558	1,403,800	1,356,200	1,284,700
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,057,622	1,095,540	1,178,400	1,200,000	1,207,600
Operating Expenses	50,322	97,923	72,900	79,000	77,100
<b>TOTAL EXPENDITURES</b>	1,107,944	1,193,462	1,251,300	1,279,000	1,284,700
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	822,400	961,600	887,600	887,700	891,400
Restricted Funds	285,544	145,057	220,600	317,300	319,200
Federal Fund		86,805	143,100	74,000	74,100
<b>TOTAL EXPENDITURES</b>	1,107,944	1,193,462	1,251,300	1,279,000	1,284,700

The Office of the Commissioner, pursuant to KRS 224.10-020(1), provides leadership, policy direction, and management for the Department for Environmental Protection.

**Energy and Environment  
Environmental Protection**

**Water**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	14,188,700	11,472,800	13,622,100	13,843,100	15,058,500
Current Year Appropriation			21,500		
Other		266,600			
<b>Total General Fund</b>	<b>14,188,700</b>	<b>11,739,400</b>	<b>13,643,600</b>	<b>13,843,100</b>	<b>15,058,500</b>
<b>Restricted Funds</b>					
Balance Forward	3,686,185	3,473,856	2,589,600	1,250,700	123,100
Current Receipts	1,870,211	1,392,818	1,166,000	1,376,900	1,166,000
Non-Revenue Receipts	911,174	764,241	632,800	627,100	627,100
<b>Total Restricted Funds</b>	<b>6,467,570</b>	<b>5,630,914</b>	<b>4,388,400</b>	<b>3,254,700</b>	<b>1,916,200</b>
<b>Federal Fund</b>					
Balance Forward	3,825,949	2,461,077	3,448,900		
Current Receipts	15,927,540	18,445,572	17,574,800	18,201,600	18,201,600
Non-Revenue Receipts	-943,698	-1,063,730	-4,444,700	-816,000	-816,000
<b>Total Federal Fund</b>	<b>18,809,790</b>	<b>19,842,919</b>	<b>16,579,000</b>	<b>17,385,600</b>	<b>17,385,600</b>
<b>Road Fund</b>					
Regular Appropriation	320,900	320,900			
<b>Total Road Fund</b>	<b>320,900</b>	<b>320,900</b>			
<b>TOTAL SOURCE OF FUNDS</b>	<b>39,786,961</b>	<b>37,534,133</b>	<b>34,611,000</b>	<b>34,483,400</b>	<b>34,360,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	26,505,949	26,379,372	27,600,000	27,600,000	27,600,000
Operating Expenses	3,009,118	2,795,949	3,191,800	3,191,800	3,191,800
Grants Loans Benefits	2,878,736	2,152,952	2,468,500	3,468,500	3,468,500
Debt Service	849,000	140,000			
Capital Outlay	606,823	27,423	100,000	100,000	100,000
<b>TOTAL EXPENDITURES</b>	<b>33,849,627</b>	<b>31,495,696</b>	<b>33,360,300</b>	<b>34,360,300</b>	<b>34,360,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	14,186,298	11,739,400	13,643,600	13,843,100	15,058,500
Restricted Funds	2,993,715	3,041,321	3,137,700	3,131,600	1,916,200
Federal Fund	16,348,714	16,394,075	16,579,000	17,385,600	17,385,600
Road Fund	320,900	320,900			
<b>TOTAL EXPENDITURES</b>	<b>33,849,627</b>	<b>31,495,696</b>	<b>33,360,300</b>	<b>34,360,300</b>	<b>34,360,300</b>

The Division of Water, pursuant to KRS Chapters 146, 149, 151, 220, 223, 224, 224A, 261, 350.029, 350.275 and federal law including PL 92-500 as amended (the Clean Water Act) and 92-523 as amended (the Safe Drinking Water Act), is responsible for administering programs for: ensuring a safe drinking water supply, water quality planning and monitoring, stormwater management, dam safety, groundwater protection, wastewater treatment and sewer line construction, water conservation, and regulation development.

The Division administers programs relating to groundwater protection plans, Total Maximum Daily Load Plans, the Non-Point Source 319(h) Grant program, watershed management, dam safety inspections, floodplain management, 401 Water Quality Certifications, water quality standards, water quality monitoring and assessment, Clean Water and Drinking Water State Revolving Loan programs, Kentucky Pollution Discharge Elimination System permitting, confined animal feeding operations compliance, and logging operations.

**Policy**

The budget includes \$200,000 in fiscal year 2023 and \$1,300,000 in fiscal year 2024 from the General Fund to replace non-recurring Restricted Funds.

The budget includes additional Federal Fund appropriation in the amount of \$1,000,000 in each fiscal year for grant funds provided through the federal Infrastructure Investment and Jobs Act related to the Gulf Hypoxia Program.

**Energy and Environment  
Environmental Protection  
Waste Management**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	5,886,400	5,919,800	5,846,500	5,661,800	5,665,400
Current Year Appropriation	700,000				
Other		-340,700			
<b>Total General Fund</b>	6,586,400	5,579,100	5,846,500	5,661,800	5,665,400
<b>Restricted Funds</b>					
Balance Forward	5,748,777	6,479,134	4,737,800	2,082,200	1,679,300
Current Receipts	4,818,771	4,549,699	3,460,300	3,460,300	3,460,300
Non-Revenue Receipts	20,759,794	20,193,456	20,359,900	21,069,800	21,615,500
Fund Transfers	-3,000,000	-1,500,000	-2,000,000		
<b>Total Restricted Funds</b>	28,327,342	29,722,289	26,558,000	26,612,300	26,755,100
<b>Federal Fund</b>					
Balance Forward	1,751,138	2,088,472	2,132,600		
Current Receipts	7,486,551	6,241,820	6,104,700	6,345,400	6,345,400
Non-Revenue Receipts	-620,341	-509,398	-2,270,800	-519,700	-519,700
<b>Total Federal Fund</b>	8,617,347	7,820,894	5,966,500	5,825,700	5,825,700
<b>TOTAL SOURCE OF FUNDS</b>	43,531,089	43,122,283	38,371,000	38,099,800	38,246,200
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	17,439,208	17,730,898	18,574,000	18,574,000	18,574,000
Operating Expenses	2,635,670	2,474,385	2,821,500	2,821,500	2,821,500
Grants Loans Benefits	12,528,449	14,289,234	13,639,100	13,800,000	13,800,000
Capital Outlay	2,172,299	1,426,914	1,229,200	1,200,000	1,200,000
Construction	16,385		25,000	25,000	25,000
<b>TOTAL EXPENDITURES</b>	34,792,011	35,921,430	36,288,800	36,420,500	36,420,500
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	6,414,927	5,579,100	5,846,500	5,661,800	5,665,400
Restricted Funds	21,848,208	24,654,013	24,475,800	24,933,000	24,929,400
Federal Fund	6,528,875	5,688,318	5,966,500	5,825,700	5,825,700
<b>TOTAL EXPENDITURES</b>	34,792,011	35,921,430	36,288,800	36,420,500	36,420,500

The Division of Waste Management, pursuant to KRS 224, administers programs that regulate the generation, transportation, storage, treatment, and disposal of all hazardous and solid wastes in the state. Additional responsibilities include resources use and recycling initiatives, technical assistance to counties, and solid waste management districts to facilitate compliance with 401 KAR, Chapter 49. The Division is also responsible for investigation and restoration duties at abandoned hazardous waste disposal sites and citizen education concerning waste management issues. The Division also administers the Voluntary Environmental Remediation Act and the Certified Clean Counties initiative.

Pursuant to KRS 224.43-505, the Division manages the Kentucky Pride Fund, which encourages proper solid waste management in Kentucky through waste reduction, recycling, proper closure of abandoned landfills, education, proper collection and disposal of solid waste, elimination of illegal open dumps, and abatement of litter.

Maxey Flats, once a low-level nuclear waste disposal site and closed in 1977, was designated to be in its Final Closure Period as of November, 2012. This includes the installation of a permanent vegetative cap, permanent surface water control features, and surface monuments to identify the location of buried waste. This project was funded in the 2012-14 biennial budget from private funds paid into a trust fund by the Private Settling Parties and from General Fund supported bonds. The final cap was substantially completed in November 2016. The Construction Final Completion Inspection was successfully conducted in September 2017 and the Certification of Completion is dependent on EPA approval of the commonwealth's Institutional Control Plan. The Commonwealth of Kentucky assumed ownership and responsibility for the toxic site in 1978, and is responsible for long-term monitoring and maintenance activities of the site in perpetuity. Ongoing monitoring and maintenance is funded from the General Fund.



**Energy and Environment  
Environmental Protection  
Air Quality**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation				537,000	534,200
Current Year Appropriation			41,300		
<b>Total General Fund</b>			41,300	537,000	534,200
<b>Restricted Funds</b>					
Balance Forward	1,678,221	2,025,405	2,900,300	1,176,100	664,800
Current Receipts	16,707,515	16,825,469	16,312,900	17,475,500	17,834,300
Non-Revenue Receipts	137,493	163,402	-37,300	-43,300	-43,300
<b>Total Restricted Funds</b>	18,523,228	19,014,277	19,175,900	18,608,300	18,455,800
<b>Federal Fund</b>					
Balance Forward	599,836	628,170	612,600		
Current Receipts	2,078,315	2,223,716	2,091,100	2,101,900	2,114,100
Non-Revenue Receipts	-137,493	-163,402	-712,500	-112,700	-112,700
<b>Total Federal Fund</b>	2,540,658	2,688,484	1,991,200	1,989,200	2,001,400
<b>TOTAL SOURCE OF FUNDS</b>	21,063,887	21,702,761	21,208,400	21,134,500	20,991,400
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	15,541,943	15,783,141	16,815,700	17,312,300	17,497,800
Operating Expenses	1,991,837	1,857,874	2,063,900	2,119,700	2,112,500
Grants Loans Benefits	250,170	192,133	426,700	426,700	426,700
Capital Outlay	626,360	356,728	726,000	611,000	365,000
<b>TOTAL EXPENDITURES</b>	18,410,311	18,189,876	20,032,300	20,469,700	20,402,000
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund			41,300	537,000	534,200
Restricted Funds	16,497,823	16,113,967	17,999,800	17,943,500	17,866,400
Federal Fund	1,912,488	2,075,909	1,991,200	1,989,200	2,001,400
<b>TOTAL EXPENDITURES</b>	18,410,311	18,189,876	20,032,300	20,469,700	20,402,000

The Division of Air Quality is responsible for the identification and implementation of measures necessary to achieve and maintain ambient air quality standards as mandated by the federal Clean Air Act and KRS 224.10-100. The Division accomplishes its mission through air quality monitoring, permitting, source inspections and enforcement to ensure compliance with air pollution laws and regulations.

The 1990 Clean Air Act Amendments imposed new permitting requirements to protect air quality. Federal law requires that an emission fee be levied on facilities with significant air pollutants to fund the implementation of the new requirements. If a state does not have continued authorization, the fee will be collected by the U.S. Environmental Protection Agency to fund a federal permitting program. The Division has been granted authority to enforce portions of the Clean Air Act in the Commonwealth. Under that authority the Division operates the Title V Operating Permit Program, and costs associated therewith are funded through emission fees assessed pursuant to the Clean Air Act and KRS 224.20-050.

**Energy and Environment  
Environmental Protection  
Environmental Program Support**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	6,546,000	3,389,600	3,545,300	3,601,800	3,575,500
Current Year Appropriation			8,100		
Reorganization Adjustment	-3,120,400				
Other		94,100			
<b>Total General Fund</b>	3,425,600	3,483,700	3,553,400	3,601,800	3,575,500
<b>Restricted Funds</b>					
Balance Forward	145,565	39,573	31,400		
Current Receipts	82,970	51,779	65,000	65,000	65,000
Non-Revenue Receipts		2,055	1,800		
<b>Total Restricted Funds</b>	228,535	93,407	98,200	65,000	65,000
<b>Federal Fund</b>					
Balance Forward	-51,048	-51,048	-51,000		
Current Receipts		49,060	66,300		
Non-Revenue Receipts		-2,055	49,200		
<b>Total Federal Fund</b>	-51,048	-4,042	64,500		
<b>TOTAL SOURCE OF FUNDS</b>	3,603,088	3,573,065	3,716,100	3,666,800	3,640,500
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,597,513	2,555,299	2,624,000	2,651,600	2,670,600
Operating Expenses	984,681	1,035,701	1,050,900	1,012,000	966,700
Grants Loans Benefits	1,575	1,715	3,200	3,200	3,200
Capital Outlay	17,995		38,000		
<b>TOTAL EXPENDITURES</b>	3,601,764	3,592,715	3,716,100	3,666,800	3,640,500
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	3,412,802	3,483,700	3,553,400	3,601,800	3,575,500
Restricted Funds	188,962	62,010	98,200	65,000	65,000
Federal Fund		47,005	64,500		
<b>TOTAL EXPENDITURES</b>	3,601,764	3,592,715	3,716,100	3,666,800	3,640,500

The Division of Environmental Program Support provides centralized laboratory testing for the Department. Activities are conducted pursuant to KRS 224.10-100(7).

**Energy and Environment  
Environmental Protection  
Enforcement**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,103,000	1,047,200	1,062,100	1,070,300	1,101,400
<b>Total General Fund</b>	<b>1,103,000</b>	<b>1,047,200</b>	<b>1,062,100</b>	<b>1,070,300</b>	<b>1,101,400</b>
<b>Restricted Funds</b>					
Balance Forward	282,417	184,187	231,400		
Non-Revenue Receipts	796,915	830,727	857,500	890,700	891,000
<b>Total Restricted Funds</b>	<b>1,079,332</b>	<b>1,014,914</b>	<b>1,088,900</b>	<b>890,700</b>	<b>891,000</b>
<b>Federal Fund</b>					
Balance Forward	60,862	60,862	74,200		
Current Receipts	442,702	401,490	514,100	960,100	1,160,100
Non-Revenue Receipts	-40,926	-32,334	-104,200	-43,400	-43,400
<b>Total Federal Fund</b>	<b>462,638</b>	<b>430,017</b>	<b>484,100</b>	<b>916,700</b>	<b>1,116,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>2,644,970</b>	<b>2,492,131</b>	<b>2,635,100</b>	<b>2,877,700</b>	<b>3,109,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,103,007	1,981,064	2,404,000	2,207,700	2,239,100
Operating Expenses	218,492	205,443	231,100	220,000	220,000
Grants Loans Benefits				450,000	650,000
<b>TOTAL EXPENDITURES</b>	<b>2,321,499</b>	<b>2,186,508</b>	<b>2,635,100</b>	<b>2,877,700</b>	<b>3,109,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,024,577	1,047,200	1,062,100	1,070,300	1,101,400
Restricted Funds	895,146	783,538	1,088,900	890,700	891,000
Federal Fund	401,776	355,769	484,100	916,700	1,116,700
<b>TOTAL EXPENDITURES</b>	<b>2,321,499</b>	<b>2,186,508</b>	<b>2,635,100</b>	<b>2,877,700</b>	<b>3,109,100</b>

The Division of Enforcement, pursuant to KRS 224.10-050, is responsible for effective and timely enforcement of Kentucky's environmental laws pertaining to air, waste, and water. The Division carries out enforcement actions against corporations and individuals who are out of compliance with environmental law and/or regulations.

**Policy**

The budget includes additional Federal Fund appropriation in the amount of \$450,000 in fiscal year 2023 and \$650,000 in fiscal year 2024 for grant funds provided through the federal Infrastructure Investment and Jobs Act related to assessment and cleanup for the Brownfield Program.

**Energy and Environment  
Environmental Protection  
Compliance Assistance**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	224,400	356,100	352,200	351,200	354,900
Other		-100,000			
<b>Total General Fund</b>	224,400	256,100	352,200	351,200	354,900
<b>Restricted Funds</b>					
Balance Forward	629,375	563,567	800,600	814,200	929,400
Current Receipts	538,550	752,345	528,600	820,600	528,600
Non-Revenue Receipts	289,971	324,513	325,200	358,400	361,900
<b>Total Restricted Funds</b>	1,457,897	1,640,425	1,654,400	1,993,200	1,819,900
<b>Federal Fund</b>					
Balance Forward	-6,325,296	-6,385,880	-6,334,000		
Current Receipts	835,522	802,708	1,139,700	1,061,000	1,061,000
Non-Revenue Receipts	-46,971	-50,913	6,273,500	-51,800	-51,800
<b>Total Federal Fund</b>	-5,536,746	-5,634,085	1,079,200	1,009,200	1,009,200
<b>TOTAL SOURCE OF FUNDS</b>	-3,854,449	-3,737,560	3,085,800	3,353,600	3,184,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,458,338	1,483,414	1,649,000	1,773,300	1,792,300
Operating Expenses	214,809	180,078	230,000	258,300	257,900
Grants Loans Benefits	293,373	107,000	392,600	392,600	392,600
<b>TOTAL EXPENDITURES</b>	1,966,520	1,770,492	2,271,600	2,424,200	2,442,800
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	223,056	256,100	352,200	351,200	354,900
Restricted Funds	894,330	814,497	840,200	1,063,800	1,078,700
Federal Fund	849,134	699,895	1,079,200	1,009,200	1,009,200
<b>TOTAL EXPENDITURES</b>	1,966,520	1,770,492	2,271,600	2,424,200	2,442,800

The Division of Compliance Assistance supports the Cabinet's environmental mission by providing training and technical assistance to regulated facilities, helping communities in brownfield redevelopment efforts, certifying environmental professionals and encouraging environmental leadership.

**Energy and Environment  
Environmental Protection  
Petroleum Storage Tank Environmental Assurance Fund**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	22,252,273	24,066,640	7,631,100	4,239,600	11,596,400
Current Receipts	519,224	130,895	130,200	130,200	130,200
Non-Revenue Receipts	37,970,147	38,257,387	37,001,500	36,079,200	35,480,700
Fund Transfers	-11,500,000	-30,000,000	-13,000,000		
<b>Total Restricted Funds</b>	<b>49,241,644</b>	<b>32,454,922</b>	<b>31,762,800</b>	<b>40,449,000</b>	<b>47,207,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>49,241,644</b>	<b>32,454,922</b>	<b>31,762,800</b>	<b>40,449,000</b>	<b>47,207,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	7,748,985	7,950,154	7,727,400	7,979,300	7,997,400
Operating Expenses	11,501,598	13,927,611	16,502,800	17,286,400	17,797,500
Grants Loans Benefits	41,881	28,648	45,000	45,000	90,000
Capital Outlay	4,067,911	1,123,937	3,248,000	3,541,900	3,979,600
Construction	1,814,629	1,435,308			
<b>TOTAL EXPENDITURES</b>	<b>25,175,004</b>	<b>24,465,659</b>	<b>27,523,200</b>	<b>28,852,600</b>	<b>29,864,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	25,175,004	24,465,659	27,523,200	28,852,600	29,864,500
<b>TOTAL EXPENDITURES</b>	<b>25,175,004</b>	<b>24,465,659</b>	<b>27,523,200</b>	<b>28,852,600</b>	<b>29,864,500</b>

The Petroleum Storage Tank Environmental Assurance Fund (PSTEAF), pursuant to KRS Chapter 224.60, assists owners and operators of underground storage tanks to meet federal environmental mandates and provides reimbursement for eligible clean-up costs and third party damages in the event of a release into the environment. Pursuant to KRS 224.60-130, the Fund is managed by the Department for Environmental Protection, Division of Waste Management.

**Energy and Environment**

**Natural Resources**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	37,702,200	36,068,600	37,115,300	38,778,800	39,497,700
Current Year Appropriation			110,600		
Mandated Allotments		102,600			
<b>Total General Fund</b>	<b>37,702,200</b>	<b>36,171,200</b>	<b>37,225,900</b>	<b>38,778,800</b>	<b>39,497,700</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	3,757,300	3,386,800	3,423,400	3,423,400	3,423,400
Continuing Approp-Tob Settlement	14,348,273	12,014,805	9,838,800		
Other	-242,554				
<b>Total Tobacco Fund</b>	<b>17,863,019</b>	<b>15,401,605</b>	<b>13,262,200</b>	<b>3,423,400</b>	<b>3,423,400</b>
<b>Restricted Funds</b>					
Balance Forward	10,213,474	9,372,876	7,120,100	3,455,600	1,552,200
Current Receipts	3,860,319	6,471,780	5,503,100	5,785,800	5,785,800
Non-Revenue Receipts	6,654,726	1,867,046	3,681,500	4,908,400	5,186,700
<b>Total Restricted Funds</b>	<b>20,728,519</b>	<b>17,711,702</b>	<b>16,304,700</b>	<b>14,149,800</b>	<b>12,524,700</b>
<b>Federal Fund</b>					
Balance Forward	-2,434,643	-1,199,006	-348,700		
Current Receipts	45,885,411	49,500,974	59,337,900	143,821,900	176,006,000
Non-Revenue Receipts	-493,516	-491,727	274,600	-526,200	-526,500
<b>Total Federal Fund</b>	<b>42,957,252</b>	<b>47,810,240</b>	<b>59,263,800</b>	<b>143,295,700</b>	<b>175,479,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>119,250,990</b>	<b>117,094,747</b>	<b>126,056,600</b>	<b>199,647,700</b>	<b>230,925,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	53,855,991	52,788,715	55,382,100	56,662,700	56,962,000
Operating Expenses	8,211,555	7,975,629	8,949,600	8,377,100	8,418,600
Grants Loans Benefits	8,556,931	7,379,449	17,738,400	90,119,200	122,099,500
Capital Outlay	2,817,725	449,531	1,540,400	673,100	807,600
Construction	25,192,677	31,891,199	38,990,500	42,263,400	42,637,600
<b>TOTAL EXPENDITURES</b>	<b>98,634,879</b>	<b>100,484,523</b>	<b>122,601,000</b>	<b>198,095,500</b>	<b>230,925,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	37,274,764	36,171,200	37,225,900	38,778,800	39,497,700
Tobacco Fund	5,848,215	5,562,776	13,262,200	3,423,400	3,423,400
Restricted Funds	11,355,643	10,591,701	12,849,100	12,597,600	12,524,700
Federal Fund	44,156,258	48,158,846	59,263,800	143,295,700	175,479,500
<b>TOTAL EXPENDITURES</b>	<b>98,634,879</b>	<b>100,484,523</b>	<b>122,601,000</b>	<b>198,095,500</b>	<b>230,925,300</b>

**EXPENDITURES BY UNIT**

Commissioner	1,117,440	1,248,407	1,392,000	1,311,400	1,315,400
Forestry	20,501,170	18,696,275	19,784,800	23,782,000	24,092,800
Conservation	7,946,708	7,571,977	15,359,600	5,457,000	5,402,700
Oil and Gas	3,779,173	2,982,275	3,227,900	24,139,900	40,118,800
Mine Permits	5,410,140	4,840,506	4,987,000	5,075,900	5,123,000
Mine Reclamation and Enforcement	14,426,524	13,578,913	15,211,500	14,473,200	14,583,900
Abandoned Mine Lands	13,827,664	15,371,711	15,340,400	16,157,100	16,531,300
Mine Safety	9,944,608	9,007,789	9,743,000	10,090,900	10,143,500
Reclamation Guaranty Fund	768,198	844,080	1,824,200	1,877,500	1,883,300
Abandoned Mine Land Reclamation Projects	20,869,876	26,294,689	35,674,500	95,674,500	111,674,500
Mine Safety Review Commission	43,378	47,900	56,100	56,100	56,100
<b>TOTAL EXPENDITURES</b>	<b>98,634,879</b>	<b>100,484,523</b>	<b>122,601,000</b>	<b>198,095,500</b>	<b>230,925,300</b>

The Department for Natural Resources' mission is to preserve, protect, and enhance the Commonwealth's natural land resources.

The Department oversees activities and programs related to forestry, conservation, mining, and oil and gas. The Department, through its divisions and partnerships, provides technical assistance, educational programs, and funding to assist the general public, landowners, institutions, industries, and communities in conserving and sustaining Kentucky's natural resources. In addition, the Department is responsible for the inspection of timber harvests, mining operations, and oil and gas wells to ensure compliance with laws that protect the public, the environment, and Kentucky's coal miners.

**Energy and Environment  
Natural Resources  
Commissioner**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	846,000	627,000	730,100	899,400	900,600
Current Year Appropriation			2,600		
Other	-84,900				
<b>Total General Fund</b>	761,100	627,000	732,700	899,400	900,600
<b>Restricted Funds</b>					
Balance Forward	577,244	498,618	234,600		
Non-Revenue Receipts	3,830	3,965	3,500	3,500	3,500
<b>Total Restricted Funds</b>	581,074	502,582	238,100	3,500	3,500
<b>Federal Fund</b>					
Balance Forward		-13,227	12,900		
Current Receipts	281,825	383,532	411,800	412,000	414,800
Non-Revenue Receipts	-3,830	-3,965	-3,500	-3,500	-3,500
<b>Total Federal Fund</b>	277,995	366,341	421,200	408,500	411,300
<b>TOTAL SOURCE OF FUNDS</b>	1,620,170	1,495,923	1,392,000	1,311,400	1,315,400
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,006,780	1,149,068	1,226,100	1,167,200	1,170,200
Operating Expenses	93,344	75,560	100,900	79,200	80,200
Grants Loans Benefits		23,779	65,000	65,000	65,000
Capital Outlay	17,316				
<b>TOTAL EXPENDITURES</b>	1,117,440	1,248,407	1,392,000	1,311,400	1,315,400
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	743,762	627,000	732,700	899,400	900,600
Restricted Funds	82,456	268,007	238,100	3,500	3,500
Federal Fund	291,222	353,400	421,200	408,500	411,300
<b>TOTAL EXPENDITURES</b>	1,117,440	1,248,407	1,392,000	1,311,400	1,315,400

The Office of the Commissioner provides leadership, policy direction, and management for the Department for Natural Resources. The Commissioner provides guidance in policy and program implementation for the sustainability of Kentucky's natural resources and the safety of Kentucky's miners.



**Energy and Environment  
Natural Resources  
Forestry**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	14,253,200	13,292,200	14,292,800	14,863,900	15,428,700
Current Year Appropriation			37,700		
Mandated Allotments		102,600			
Other		773,000			
<b>Total General Fund</b>	14,253,200	14,167,800	14,330,500	14,863,900	15,428,700
<b>Restricted Funds</b>					
Balance Forward	3,717,362	1,548,830	1,581,100	620,600	156,300
Current Receipts	1,192,029	2,241,173	1,376,800	1,655,400	1,655,400
Non-Revenue Receipts	-311,772	-272,940	-274,000	-274,000	-274,000
<b>Total Restricted Funds</b>	4,597,619	3,517,063	2,683,900	2,002,000	1,537,700
<b>Federal Fund</b>					
Balance Forward	59,387	-308,441	-249,000		
Current Receipts	2,942,580	2,796,370	3,848,400	7,221,400	7,275,400
Non-Revenue Receipts	-111,228	-144,480	-208,400	-149,000	-149,000
<b>Total Federal Fund</b>	2,890,740	2,343,448	3,391,000	7,072,400	7,126,400
<b>TOTAL SOURCE OF FUNDS</b>	21,741,558	20,028,311	20,405,400	23,938,300	24,092,800
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	14,602,675	14,682,594	14,797,200	15,141,600	15,250,200
Operating Expenses	3,205,173	3,042,603	3,335,200	3,229,900	3,254,800
Grants Loans Benefits	846,741	620,397	1,031,200	4,980,100	4,980,200
Capital Outlay	1,846,582	350,681	621,200	430,400	607,600
<b>TOTAL EXPENDITURES</b>	20,501,170	18,696,275	19,784,800	23,782,000	24,092,800
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	14,253,200	14,167,800	14,330,500	14,863,900	15,428,700
Restricted Funds	3,048,789	1,936,000	2,063,300	1,845,700	1,537,700
Federal Fund	3,199,181	2,592,475	3,391,000	7,072,400	7,126,400
<b>TOTAL EXPENDITURES</b>	20,501,170	18,696,275	19,784,800	23,782,000	24,092,800

In accordance with KRS 149 the Division of Forestry provides technical assistance on sound forest management practices; provides forest stewardship assistance to private landowners; assists timber operators and wood-using industries; grows and distributes tree seedlings at low cost for timber production; and provides urban and community forestry technical assistance to provide sustainability of the Commonwealth's 11.9 million acres of forestland.

The Division enforces the Kentucky Forest Conservation Act (149.330 – 149.355); the Division is responsible for inspecting logging operations and enforcing compliance with the Kentucky Master Logger Program and Best Management Practices to protect water quality. In addition, the Division maintains an inventory of Kentucky's forests. The Division provides administrative oversight to the Forestry Best Management Practices Board.

The Kentucky Division of Forestry is mandated to provide wildland fire protection for the Commonwealth. The Division has established a statewide system of wildland fire prevention, detection and suppression.

**Policy**

The budget includes additional \$200,000 in fiscal year 2023 and \$700,000 in fiscal year 2024 from the General Fund to offset reliance on non-recurring Restricted Funds.

The budget includes additional Federal Fund appropriation in the amount of \$3,800,000 in fiscal year 2023 and \$3,800,000 in fiscal year 2024 for grants related to the Infrastructure Investment and Jobs act related to wildfire management.

**Energy and Environment  
Natural Resources  
Conservation**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	893,000	1,125,000	1,193,300	1,326,500	1,342,200
Current Year Appropriation			4,300		
Other	235,400				
<b>Total General Fund</b>	1,128,400	1,125,000	1,197,600	1,326,500	1,342,200
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	3,757,300	3,386,800	3,423,400	3,423,400	3,423,400
Continuing Approp-Tob Settlement	14,348,273	12,014,805	9,838,800		
Other	-242,554				
<b>Total Tobacco Fund</b>	17,863,019	15,401,605	13,262,200	3,423,400	3,423,400
<b>Restricted Funds</b>					
Balance Forward	2,052,725	1,547,439	1,038,500	555,200	264,600
Current Receipts	11,194	2,574	72,500	72,500	72,500
Non-Revenue Receipts	300,000	294,420	300,000	300,000	300,000
<b>Total Restricted Funds</b>	2,363,919	1,844,434	1,411,000	927,700	637,100
<b>Federal Fund</b>					
Balance Forward	-24,673	-18,856	-26,300		
Current Receipts	160,648	70,901	45,600	44,000	
Non-Revenue Receipts			24,700		
<b>Total Federal Fund</b>	135,976	52,045	44,000	44,000	
<b>TOTAL SOURCE OF FUNDS</b>	21,491,314	18,423,084	15,914,800	5,721,600	5,402,700
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,524,312	1,502,179	1,535,200	1,545,200	1,555,600
Operating Expenses	132,528	94,921	118,200	154,400	109,500
Grants Loans Benefits	6,264,023	5,974,877	13,706,200	3,757,400	3,737,600
Capital Outlay	25,845				
<b>TOTAL EXPENDITURES</b>	7,946,708	7,571,977	15,359,600	5,457,000	5,402,700
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,127,181	1,125,000	1,197,600	1,326,500	1,342,200
Tobacco Fund	5,848,215	5,562,776	13,262,200	3,423,400	3,423,400
Restricted Funds	816,480	805,848	855,800	663,100	637,100
Federal Fund	154,832	78,354	44,000	44,000	
<b>TOTAL EXPENDITURES</b>	7,946,708	7,571,977	15,359,600	5,457,000	5,402,700

The Division of Conservation provides assistance to Kentucky's 121 conservation districts in the development and implementation of sound conservation programs to protect, enhance, and develop the Commonwealth's natural resources.

The Division administers the Kentucky Soil Erosion and Water Quality Cost Share Program and the Kentucky Soil Stewardship Program to help agricultural operations protect and preserve Kentucky's soil and water resources. The Division provides administrative services to the State Soil and Water Conservation Commission. The Division and the conservation districts provide educational opportunities to promote conservation of Kentucky's natural resources. These programs mitigate soil erosion, and other environmental problems associated with agricultural, woodland and construction operations which impact water quality.

**Policy**

The budget includes \$100,000 in each fiscal year from the General Fund to replace non-recurring Restricted Funds..

The budget includes Phase I Tobacco Settlement Funds in the amount of \$2,516,100 in each fiscal year for the state share of the Environmental Stewardship Program.

The budget includes Phase I Tobacco Settlement Funds in the amount of \$907,300 in each fiscal year for the Division of Conservation to provide direct aid to local conservation districts.

**Energy and Environment  
Natural Resources  
Oil and Gas**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,244,100	2,540,900	2,657,900	2,722,800	2,740,000
Current Year Appropriation			8,900		
Other	161,800				
<b>Total General Fund</b>	2,405,900	2,540,900	2,666,800	2,722,800	2,740,000
<b>Restricted Funds</b>					
Balance Forward	611,008	703,599	569,800	271,100	116,400
Current Receipts	209,665	249,328	206,100	206,100	206,100
Non-Revenue Receipts	1,126,994	-71,662	-72,900	-72,900	-72,900
<b>Total Restricted Funds</b>	1,947,667	881,264	703,000	404,300	249,600
<b>Federal Fund</b>					
Balance Forward		-140,000			
Current Receipts		282,000	140,100	21,140,100	37,140,100
Non-Revenue Receipts	-10,794	-12,138	-10,900	-10,900	-10,900
<b>Total Federal Fund</b>	-10,794	129,862	129,200	21,129,200	37,129,200
<b>TOTAL SOURCE OF FUNDS</b>	4,342,772	3,552,027	3,499,000	24,256,300	40,118,800
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,486,911	2,399,259	2,753,700	2,786,700	2,806,700
Operating Expenses	258,923	411,504	309,700	310,500	312,100
Grants Loans Benefits				21,000,000	37,000,000
Capital Outlay	70,438		70,000	42,700	
Construction	962,902	171,513	94,500		
<b>TOTAL EXPENDITURES</b>	3,779,173	2,982,275	3,227,900	24,139,900	40,118,800
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	2,405,900	2,540,900	2,666,800	2,722,800	2,740,000
Restricted Funds	1,244,068	311,513	431,900	287,900	249,600
Federal Fund	129,206	129,862	129,200	21,129,200	37,129,200
<b>TOTAL EXPENDITURES</b>	3,779,173	2,982,275	3,227,900	24,139,900	40,118,800

The Division of Oil and Gas, pursuant to KRS Chapter 353, is responsible for the conservation of oil and gas resources of the Commonwealth and for the protection of correlative rights of mineral owners. The Division's mission is to prevent waste and unnecessary loss, to encourage the maximum recovery of oil and gas, to promote safety, and to prevent contamination of underground water resources. The Division is also charged with the collection of geological data obtained from the drilling of oil and gas wells for deposit in the Kentucky Geological Survey whose records are for public use. The Division is also responsible for the plugging of abandoned wells.

**Policy**

The budget includes additional Federal Fund appropriation in the amount of \$21,000,000 in fiscal year 2023 and \$37,000,000 in fiscal year 2024 for grants provided through the federal Infrastructure Investment and Jobs Act to characterize, identify, plug, and cleanup orphan wells and tanks.

**Energy and Environment  
Natural Resources  
Mine Permits**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,000,600	1,846,200	1,744,000	2,341,800	2,381,500
Current Year Appropriation			6,100		
Other		308,200			
<b>Total General Fund</b>	<b>2,000,600</b>	<b>2,154,400</b>	<b>1,750,100</b>	<b>2,341,800</b>	<b>2,381,500</b>
<b>Restricted Funds</b>					
Balance Forward	961,578	567,702	715,000	134,800	50,600
Current Receipts	563,225	607,075	405,000	405,000	405,000
Non-Revenue Receipts	-315,157	-325,524	-328,400	-327,800	-327,700
<b>Total Restricted Funds</b>	<b>1,209,645</b>	<b>849,253</b>	<b>791,600</b>	<b>212,000</b>	<b>127,900</b>
<b>Federal Fund</b>					
Balance Forward	-297,427	-302,344	-210,300		
Current Receipts	2,812,791	2,691,009	2,385,100	2,617,500	2,658,500
Non-Revenue Receipts	-49,595	-47,076	405,300	-44,800	-44,900
<b>Total Federal Fund</b>	<b>2,465,769</b>	<b>2,341,590</b>	<b>2,580,100</b>	<b>2,572,700</b>	<b>2,613,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>5,676,014</b>	<b>5,345,242</b>	<b>5,121,800</b>	<b>5,126,500</b>	<b>5,123,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	4,517,606	4,205,129	4,220,100	4,377,800	4,415,000
Operating Expenses	547,978	460,073	579,900	527,900	537,800
Grants Loans Benefits	318,671	175,303	187,000	170,200	170,200
Capital Outlay	25,884				
<b>TOTAL EXPENDITURES</b>	<b>5,410,140</b>	<b>4,840,506</b>	<b>4,987,000</b>	<b>5,075,900</b>	<b>5,123,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	2,000,084	2,154,400	1,750,100	2,341,800	2,381,500
Restricted Funds	641,944	134,259	656,800	161,400	127,900
Federal Fund	2,768,112	2,551,846	2,580,100	2,572,700	2,613,600
<b>TOTAL EXPENDITURES</b>	<b>5,410,140</b>	<b>4,840,506</b>	<b>4,987,000</b>	<b>5,075,900</b>	<b>5,123,000</b>

The Division of Mine Permits, pursuant to KRS 350 and 405 KAR Chapter 8, reviews all surface mining permit applications in accordance with Kentucky law and the federal Surface Mining Control and Reclamation Act. The Division, pursuant to KRS 350.450 and 405 KAR 7:080, administers the federal Small Operator Assistance Program and pursuant to KRS 350.610, the Lands Unsuitable for Mining program. The Division, pursuant to KRS 350.060(13) and 405 KAR 8:040, also reviews underground mining permit applications to determine the surface effects of such operations.

**Energy and Environment  
Natural Resources  
Mine Reclamation and Enforcement**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	7,324,800	7,256,900	7,462,900	7,218,500	7,256,700
Current Year Appropriation			25,700		
Other		-150,000			
<b>Total General Fund</b>	<b>7,324,800</b>	<b>7,106,900</b>	<b>7,488,600</b>	<b>7,218,500</b>	<b>7,256,700</b>
<b>Restricted Funds</b>					
Balance Forward	656,815	677,593	579,100	299,500	123,700
Current Receipts	95,089	102,515	98,600	98,600	98,600
Non-Revenue Receipts	129,058	110,991	127,300	127,300	127,300
<b>Total Restricted Funds</b>	<b>880,963</b>	<b>891,099</b>	<b>805,000</b>	<b>525,400</b>	<b>349,600</b>
<b>Federal Fund</b>					
Balance Forward	-57,026	-78,408	147,300		
Current Receipts	6,994,384	6,496,720	6,799,700	6,980,300	7,104,900
Non-Revenue Receipts	-117,396	-110,991	270,400	-127,300	-127,300
<b>Total Federal Fund</b>	<b>6,819,962</b>	<b>6,307,321</b>	<b>7,217,400</b>	<b>6,853,000</b>	<b>6,977,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>15,025,724</b>	<b>14,305,320</b>	<b>15,511,000</b>	<b>14,596,900</b>	<b>14,583,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	12,268,819	11,654,498	12,426,300	12,719,900	12,769,100
Operating Expenses	1,653,295	1,737,377	2,119,500	1,661,800	1,723,300
Grants Loans Benefits	97,461	88,189	91,500	91,500	91,500
Capital Outlay	406,949	98,850	574,200		
<b>TOTAL EXPENDITURES</b>	<b>14,426,524</b>	<b>13,578,913</b>	<b>15,211,500</b>	<b>14,473,200</b>	<b>14,583,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	7,324,785	7,106,900	7,488,600	7,218,500	7,256,700
Restricted Funds	203,369	311,994	505,500	401,700	349,600
Federal Fund	6,898,370	6,160,019	7,217,400	6,853,000	6,977,600
<b>TOTAL EXPENDITURES</b>	<b>14,426,524</b>	<b>13,578,913</b>	<b>15,211,500</b>	<b>14,473,200</b>	<b>14,583,900</b>

The Division of Mine Reclamation and Enforcement, pursuant to KRS 350, develops policies and procedures for reclamation and enforcement programs related to coal and non-coal minerals. The Division reviews permit applications for non-coal mineral operations pursuant to KRS 350.028 and 405 KAR 5:032. The Division conducts inspection programs to carry out these policies and procedures in accordance with applicable federal and state statutes. Pursuant to KRS 351 and 805 KAR Chapter 4, the Division is charged with ensuring the safety and regulation of all blasting operations within the Commonwealth, which includes the use, storage or transportation of explosives. The Division investigates citizens' complaints relating to surface mining and blasting activities.

**Energy and Environment  
Natural Resources  
Abandoned Mine Lands**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	1,089,404	3,186,926	1,737,200	1,196,400	648,300
Current Receipts	1,607,763	3,150,497	3,202,800	3,202,600	3,202,600
Non-Revenue Receipts	5,316,151	1,653,171	2,853,200	3,967,500	4,241,500
<b>Total Restricted Funds</b>	<b>8,013,318</b>	<b>7,990,594</b>	<b>7,793,200</b>	<b>8,366,500</b>	<b>8,092,400</b>
<b>Federal Fund</b>					
Balance Forward	-620,704	-349,594	-700		
Current Receipts	9,452,233	9,646,883	8,919,900	8,612,200	8,612,300
Non-Revenue Receipts	-179,851	-179,660	-175,600	-173,300	-173,400
<b>Total Federal Fund</b>	<b>8,651,678</b>	<b>9,117,630</b>	<b>8,743,600</b>	<b>8,438,900</b>	<b>8,438,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>16,664,996</b>	<b>17,108,223</b>	<b>16,536,800</b>	<b>16,805,400</b>	<b>16,531,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	8,233,590	8,343,782	8,202,400	8,312,800	8,312,800
Operating Expenses	1,063,191	1,106,027	1,184,000	1,200,400	1,200,400
Grants Loans Benefits	10,000	46,200	55,000	55,000	55,000
Capital Outlay	121,589		75,000		
Construction	4,399,294	5,875,701	5,824,000	6,588,900	6,963,100
<b>TOTAL EXPENDITURES</b>	<b>13,827,664</b>	<b>15,371,711</b>	<b>15,340,400</b>	<b>16,157,100</b>	<b>16,531,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	4,826,392	6,253,448	6,596,800	7,718,200	8,092,400
Federal Fund	9,001,272	9,118,262	8,743,600	8,438,900	8,438,900
<b>TOTAL EXPENDITURES</b>	<b>13,827,664</b>	<b>15,371,711</b>	<b>15,340,400</b>	<b>16,157,100</b>	<b>16,531,300</b>

The Division of Abandoned Mine Lands administers abandoned or unreclaimed land reclamation activities on previously surface-mined land or land used in connection with surface mining under Title IV of Public Law 95-87 and/or KRS 350.550 to KRS 350.597.

The division administers a bond forfeiture reclamation program; bonds forfeited to the commonwealth due to the failure to mine and reclaim a coal mine site to the standards specified by the mine permit are used by the state to reclaim the site for which the bond was posted.

The division administers a water supply replacement program which extends waterlines into areas where drinking water has been contaminated by past mining. The division budgets up to 30 percent of its annual funding on waterline projects each year. Federal funds for this program are provided from federal tax levies imposed under Public Law 95-87 on all coal mined since August 3, 1977. Approximately 150,000 acres of abandoned mine lands in Kentucky are eligible for reclamation. All state and partial federal project contracts are administered by this agency.

**Energy and Environment  
Natural Resources  
Mine Safety**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	9,933,800	9,324,300	8,978,200	9,349,800	9,391,900
Current Year Appropriation			25,300		
Other	-161,700	-923,000			
<b>Total General Fund</b>	<b>9,772,100</b>	<b>8,401,300</b>	<b>9,003,500</b>	<b>9,349,800</b>	<b>9,391,900</b>
<b>Restricted Funds</b>					
Balance Forward	489,329	598,693	551,700	369,500	190,000
Current Receipts	179,234	118,655	140,100	144,400	144,400
Non-Revenue Receipts	17,441		10,200	10,200	10,200
<b>Total Restricted Funds</b>	<b>686,004</b>	<b>717,348</b>	<b>702,000</b>	<b>524,100</b>	<b>344,600</b>
<b>Federal Fund</b>					
Current Receipts	498,264	440,849	417,200	417,200	417,200
Non-Revenue Receipts	-17,441		-10,200	-10,200	-10,200
<b>Total Federal Fund</b>	<b>480,823</b>	<b>440,849</b>	<b>407,000</b>	<b>407,000</b>	<b>407,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>10,938,926</b>	<b>9,559,497</b>	<b>10,112,500</b>	<b>10,280,900</b>	<b>10,143,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	8,442,948	8,008,280	8,404,700	8,742,900	8,809,500
Operating Expenses	1,198,539	999,508	1,138,300	1,148,000	1,134,000
Capital Outlay	303,122		200,000	200,000	200,000
<b>TOTAL EXPENDITURES</b>	<b>9,944,608</b>	<b>9,007,789</b>	<b>9,743,000</b>	<b>10,090,900</b>	<b>10,143,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	9,376,475	8,401,300	9,003,500	9,349,800	9,391,900
Restricted Funds	87,311	165,640	332,500	334,100	344,600
Federal Fund	480,823	440,849	407,000	407,000	407,000
<b>TOTAL EXPENDITURES</b>	<b>9,944,608</b>	<b>9,007,789</b>	<b>9,743,000</b>	<b>10,090,900</b>	<b>10,143,500</b>

The Division of Mine Safety, pursuant to KRS Chapter 351, is responsible for the regulation of mining practices to prevent injuries and fatalities in underground, strip, and auger mines.

The Division trains, tests, and licenses mine personnel. Mine safety instructors provide general and technical safety training and education courses to mine personnel to maintain an adequate number of certified and qualified personnel for the mining industry. Moreover, the agency encourages safe work habits of coal miners by providing quality on-the-job, one-on-one safety training for surface and underground miners.

The Division licenses all underground and surface coal mines in the Commonwealth. It issues permits for specific mining methods including the use of diesel equipment, roof control, extended cuts, mining near oil and gas wells, and additional mine openings. The agency inspects mines and investigates illegal mining operations.

The Division develops and maintains a database to track information about each mining operation. The database includes the number of miners employed by the mine, type of operations, type of worker's compensation insurance, and the number and type of mining law violations, closures, and abatements for each mine and mine operator. A second database provides information on all individuals certified as surface mine foremen, surface mine safety analysts, underground mine foremen, underground mine instructors, underground mine inspectors, and electrical inspectors.

The Division administers drug testing of all miners as a condition of certification. A database is maintained on the status of those miners whose certifications have been revoked as a result of testing positive for drugs. The Division provides administrative oversight of the Kentucky Mining Board.

Federal Law 30 CFR, Section 49, requires mine rescue teams to be stationed within one hour of each active coal mine and to be trained and knowledgeable about each mine the team covers. The Commonwealth, through the Division of Mine Safety and Licensing, provides state-sponsored mine rescue teams to help Kentucky's mines comply with this federal regulation.

**Energy and Environment  
Natural Resources  
Reclamation Guaranty Fund**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	58,009	43,476	113,100	8,500	2,300
Current Receipts	2,120	-36	1,200	1,200	1,200
Non-Revenue Receipts	388,181	474,626	1,062,600	1,174,600	1,178,800
<b>Total Restricted Funds</b>	<b>448,310</b>	<b>518,066</b>	<b>1,176,900</b>	<b>1,184,300</b>	<b>1,182,300</b>
<b>Federal Fund</b>					
Balance Forward		11,953	8,900		
Current Receipts	378,698	439,939	653,600	702,700	708,300
Non-Revenue Receipts	-3,381	-3,926	-6,700	-7,200	-7,300
<b>Total Federal Fund</b>	<b>375,317</b>	<b>447,966</b>	<b>655,800</b>	<b>695,500</b>	<b>701,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>823,627</b>	<b>966,032</b>	<b>1,832,700</b>	<b>1,879,800</b>	<b>1,883,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	711,651	796,925	1,763,200	1,815,400	1,819,700
Operating Expenses	56,546	47,155	61,000	62,100	63,600
<b>TOTAL EXPENDITURES</b>	<b>768,198</b>	<b>844,080</b>	<b>1,824,200</b>	<b>1,877,500</b>	<b>1,883,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	404,833	404,992	1,168,400	1,182,000	1,182,300
Federal Fund	363,364	439,088	655,800	695,500	701,000
<b>TOTAL EXPENDITURES</b>	<b>768,198</b>	<b>844,080</b>	<b>1,824,200</b>	<b>1,877,500</b>	<b>1,883,300</b>

The Office of Reclamation Guaranty Fund, pursuant to KRS 350.500-350.521, provides the additional money necessary to reclaim permitted mine areas. In the event a permit-specific reclamation bond is insufficient to complete reclamation on the permitted mine site, the Fund provides financial assistance to the cabinet for reclamation.



**Energy and Environment  
Natural Resources  
Abandoned Mine Land Reclamation Projects**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>Federal Fund</b>					
Balance Forward	-1,494,200	-88	-31,500		
Current Receipts	22,363,988	26,252,770	35,716,500	95,674,500	111,674,500
Non-Revenue Receipts		10,508	-10,500		
<b>Total Federal Fund</b>	<b>20,869,788</b>	<b>26,263,189</b>	<b>35,674,500</b>	<b>95,674,500</b>	<b>111,674,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>20,869,788</b>	<b>26,263,189</b>	<b>35,674,500</b>	<b>95,674,500</b>	<b>111,674,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	19,360				
Grants Loans Benefits	1,020,035	450,704	2,602,500	60,000,000	76,000,000
Construction	19,830,481	25,843,985	33,072,000	35,674,500	35,674,500
<b>TOTAL EXPENDITURES</b>	<b>20,869,876</b>	<b>26,294,689</b>	<b>35,674,500</b>	<b>95,674,500</b>	<b>111,674,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Federal Fund	20,869,876	26,294,689	35,674,500	95,674,500	111,674,500
<b>TOTAL EXPENDITURES</b>	<b>20,869,876</b>	<b>26,294,689</b>	<b>35,674,500</b>	<b>95,674,500</b>	<b>111,674,500</b>

The Abandoned Mine Lands (AML) Reclamation Projects program in the Department for Natural Resources receives 100 percent federal funding for the reclamation of certain mine sites that have been abandoned or left unreclaimed under Title IV of Public Law 95-87 or KRS 350. If the Commonwealth does not maintain an approved AML Reclamation program, federal funds allocated for reclamation projects within Kentucky may be reallocated to other coal-producing states. The Department reclaims abandoned mine sites through a priority ranking system based on human health and safety considerations.

**Policy**

The budget includes additional Federal Fund appropriation in the amount of \$60,000,000 in fiscal year 2023 and \$76,000,000 in fiscal year 2024 for grants related to the Infrastructure Investment and Jobs act related to reclamation of Abandoned Mine Lands.

**Energy and Environment  
Natural Resources  
Mine Safety Review Commission**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	206,700	56,100	56,100	56,100	56,100
Other	-150,600	-8,200			
<b>Total General Fund</b>	<b>56,100</b>	<b>47,900</b>	<b>56,100</b>	<b>56,100</b>	<b>56,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>56,100</b>	<b>47,900</b>	<b>56,100</b>	<b>56,100</b>	<b>56,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	41,339	47,000	53,200	53,200	53,200
Operating Expenses	2,038	900	2,900	2,900	2,900
<b>TOTAL EXPENDITURES</b>	<b>43,378</b>	<b>47,900</b>	<b>56,100</b>	<b>56,100</b>	<b>56,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	43,378	47,900	56,100	56,100	56,100
<b>TOTAL EXPENDITURES</b>	<b>43,378</b>	<b>47,900</b>	<b>56,100</b>	<b>56,100</b>	<b>56,100</b>

The Mine Safety Review Commission, pursuant to KRS Chapter 351, protects the health and safety of coal miners by ensuring the enforcement of mine safety regulations. Its three members, appointed by the governor, conduct hearings on drug and safety violations and impose penalties for serious violations. The Commission has the power to probate, revoke or suspend a mine's license or an individual miner's certification and fine certified miners up to the equivalent of wages for ten working days for their first offense.

The Commission is an independent agency attached to the Energy and Environment Cabinet for administrative purposes only.

**Energy and Environment  
Energy Policy**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,433,800	361,300	861,500	866,100	867,100
Current Year Appropriation			900		
Reorganization Adjustment	-369,600				
Other	-203,400				
<b>Total General Fund</b>	860,800	361,300	862,400	866,100	867,100
<b>Restricted Funds</b>					
Balance Forward	2,057,540	1,880,967	1,821,400	1,569,100	1,109,800
Current Receipts		20,149			
Non-Revenue Receipts	203,841	325,576	130,500	130,500	130,500
<b>Total Restricted Funds</b>	2,261,381	2,226,692	1,951,900	1,699,600	1,240,300
<b>Federal Fund</b>					
Balance Forward	-39,634	-1,400	-3,400		
Current Receipts	727,990	963,280	767,400	8,356,000	6,264,000
Non-Revenue Receipts	-42,317	-39,103	-30,500	-30,500	-30,500
<b>Total Federal Fund</b>	646,039	922,777	733,500	8,325,500	6,233,500
<b>TOTAL SOURCE OF FUNDS</b>	3,768,220	3,510,769	3,547,800	10,891,200	8,340,900
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,062,148	1,045,426	1,202,700	1,285,200	1,295,200
Operating Expenses	161,636	187,963	250,700	219,100	217,000
Grants Loans Benefits	509,614	430,513	525,300	8,277,100	6,185,000
<b>TOTAL EXPENDITURES</b>	1,733,398	1,663,902	1,978,700	9,781,400	7,697,200
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	705,545	361,300	862,400	866,100	867,100
Restricted Funds	380,414	376,471	382,800	589,800	596,600
Federal Fund	647,439	926,130	733,500	8,325,500	6,233,500
<b>TOTAL EXPENDITURES</b>	1,733,398	1,663,902	1,978,700	9,781,400	7,697,200
<b>EXPENDITURES BY UNIT</b>					
Office of Energy Policy	1,733,398	1,663,902	1,978,700	9,781,400	7,697,200
<b>TOTAL EXPENDITURES</b>	1,733,398	1,663,902	1,978,700	9,781,400	7,697,200

The Office of Energy Policy, formerly known as the Department for Energy Development and Independence, was reorganized as result of the passage of Senate Bill 129 during the 2018 regular session.

The Office oversees the development and implementation of Kentucky's comprehensive energy strategy, *Intelligent Energy Choices for Kentucky's Future*. The Office provides leadership to enhance the benefits of energy efficiency and alternative energy through supporting awareness, technology development, energy preparedness, partnerships and resource development. The Office also enhances the economic opportunities and benefits to Kentucky's citizens and industry by expanding current markets and developing market opportunities for Kentucky coal, natural gas, petroleum, oil shale, tar sands, liquid and gaseous fuels from coal, and chemicals from coal.

To the extent that funding is available, the Office administers grant programs to support energy-related research, development and demonstration, including supporting multi-state cooperative regional partnerships and research initiatives. The Office develops and implements programs for the production, utilization and conservation of energy in a manner that meets basic needs while maintaining Kentucky's economic growth at the highest feasible level.

The Office enters into agreements, administers grant programs and serves as a liaison with the federal government and other states in matters relating to energy; and participates in the review of applications, and upon request of the Kentucky Economic Development Finance Authority, assists in monitoring tax incentive agreements as provided in Subchapter 27 of KRS 154.

**Policy**

The budget includes additional Restricted Funds appropriation in the amount of \$201,900 in fiscal year 2023 and \$207,600 in fiscal year 2024 for the UK Stem Education program.

The budget includes additional Federal Fund appropriation in the amount of \$4,050,000 in each fiscal year for grant funds provided through the federal Infrastructure Investment and Jobs Act related to the State Energy Program.

The budget includes additional Federal Fund appropriation in the amount of \$2,092,000 in fiscal year 2023 for grant funds provided through the federal Infrastructure Investment and Jobs Act related to the Energy Efficiency Block Grant Program.

The budget includes additional Federal Fund appropriation in the amount of \$1,450,000 in each fiscal year for grant funds provided through the federal Infrastructure Investment and Jobs Act related to the Energy Efficiency Revolving Loan Fund-Capitalization Program.

**Energy and Environment  
Kentucky Nature Preserves**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,244,800	1,253,600	1,257,700	1,244,600	1,259,400
Current Year Appropriation			6,500		
<b>Total General Fund</b>	1,244,800	1,253,600	1,264,200	1,244,600	1,259,400
<b>Restricted Funds</b>					
Balance Forward	2,806,792	2,476,520	2,240,000	1,541,300	851,500
Current Receipts	856,458	875,421	1,046,100	1,436,100	1,436,100
Non-Revenue Receipts	343,903	343,622	321,000	340,500	340,500
<b>Total Restricted Funds</b>	4,007,153	3,695,563	3,607,100	3,317,900	2,628,100
<b>Federal Fund</b>					
Balance Forward	-2,656	-70,243	-88,600		
Current Receipts	67,795	111,789	210,200	118,600	118,600
Non-Revenue Receipts	-8,403	-8,122	-2,300	-5,000	-5,000
<b>Total Federal Fund</b>	56,737	33,424	119,300	113,600	113,600
<b>TOTAL SOURCE OF FUNDS</b>	5,308,689	4,982,587	4,990,600	4,676,100	4,001,100
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,266,873	2,221,691	2,465,300	2,533,400	2,562,600
Operating Expenses	363,063	313,280	347,200	334,700	232,100
Grants Loans Benefits	215,576	235,586	589,900	956,500	1,044,800
Capital Outlay	56,900	46,900	46,900		
<b>TOTAL EXPENDITURES</b>	2,902,412	2,817,457	3,449,300	3,824,600	3,839,500
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,244,800	1,253,600	1,264,200	1,244,600	1,259,400
Restricted Funds	1,530,632	1,441,843	2,065,800	2,466,400	2,466,500
Federal Fund	126,979	122,013	119,300	113,600	113,600
<b>TOTAL EXPENDITURES</b>	2,902,412	2,817,457	3,449,300	3,824,600	3,839,500
<b>EXPENDITURES BY UNIT</b>					
Office of KY Nature Preserves	2,902,412	2,817,457	3,449,300	3,824,600	3,839,500
<b>TOTAL EXPENDITURES</b>	2,902,412	2,817,457	3,449,300	3,824,600	3,839,500

Pursuant to KRS 146.410-146.530, the Office of Kentucky Nature Preserves', formerly known as the Kentucky State Nature Preserves Commission, mission is two-fold: to inventory the Commonwealth for its natural diversity, including its plants, animal life, biological communities, and areas of natural significance, and to protect these natural features by establishing a system of nature preserves. Pursuant to KRS 224.10-022, the Office is attached to the Energy and Environment Cabinet.

Acquisition and management funds for the agency are derived through a tax refund check-off system authorized in KRS 141.450-141.480, through gifts, grants, devises and bequests pursuant to KRS 146.465, and through allocations from the Kentucky Heritage Land Conservation Fund pursuant to KRS 146.570. The Office, together with the Kentucky Department of Fish and Wildlife Resources, shares equally the receipts generated by the Non-game Species Protection and Habitat Acquisition program.

The Office is responsible for administering the Wild Rivers program. Whose mission is to preserve the Commonwealth's natural streams and attract out-of-state visitors pursuant to KRS 146.200-360.

**Policy**

The budget includes additional Restricted Fund appropriation in the amount of \$400,000 in each fiscal year for additional contract work to be performed by the Office of Kentucky Nature Preserves.

**Energy and Environment  
Public Service Commission**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	16,582,600	16,656,600	16,667,300	18,473,500	18,554,000
Current Year Appropriation			28,700		
Continuing Approp-General Fund	1,798,494	1,672,752	1,670,100		
<b>Total General Fund</b>	<b>18,381,094</b>	<b>18,329,352</b>	<b>18,366,100</b>	<b>18,473,500</b>	<b>18,554,000</b>
<b>Restricted Funds</b>					
Balance Forward	522,235	1,371,657	2,394,200	3,244,400	3,556,400
Current Receipts	1,152,294	1,443,894	1,438,100	1,437,900	1,437,900
Non-Revenue Receipts	135,494	696,612	1,286,000	2,148,500	2,148,500
<b>Total Restricted Funds</b>	<b>1,810,023</b>	<b>3,512,164</b>	<b>5,118,300</b>	<b>6,830,800</b>	<b>7,142,800</b>
<b>Federal Fund</b>					
Balance Forward	-267,324	-139,236	-72,500		
Current Receipts	920,729	1,179,748	1,025,500	949,600	949,600
Non-Revenue Receipts	-107,607	-168,448	-148,500	-148,500	-148,500
<b>Total Federal Fund</b>	<b>545,798</b>	<b>872,064</b>	<b>804,500</b>	<b>801,100</b>	<b>801,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>20,736,915</b>	<b>22,713,580</b>	<b>24,288,900</b>	<b>26,105,400</b>	<b>26,497,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	9,713,419	9,817,300	11,963,200	14,290,300	14,348,400
Operating Expenses	1,567,179	1,659,188	1,824,900	1,002,300	813,500
Grants Loans Benefits	18,192	6,297			
Capital Outlay	47,751	53,687	71,200	71,200	71,200
<b>TOTAL EXPENDITURES</b>	<b>11,346,541</b>	<b>11,536,472</b>	<b>13,859,300</b>	<b>15,363,800</b>	<b>15,233,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	10,223,142	9,473,969	11,180,900	11,288,300	11,368,800
Restricted Funds	438,365	1,117,976	1,873,900	3,274,400	3,063,200
Federal Fund	685,034	944,528	804,500	801,100	801,100
<b>TOTAL EXPENDITURES</b>	<b>11,346,541</b>	<b>11,536,472</b>	<b>13,859,300</b>	<b>15,363,800</b>	<b>15,233,100</b>
<b>EXPENDITURES BY UNIT</b>					
Public Service Commission	11,346,541	11,536,472	13,859,300	15,363,800	15,233,100
<b>TOTAL EXPENDITURES</b>	<b>11,346,541</b>	<b>11,536,472</b>	<b>13,859,300</b>	<b>15,363,800</b>	<b>15,233,100</b>

The Public Service Commission, pursuant to KRS Chapter 278, regulates the intrastate rates and services of over 500 investor-owned electric, natural gas, telephone, water and sewage utilities, rural electric and telephone cooperatives, and water districts. The three-member Commission performs its regulatory functions through written orders following adjudicative and rulemaking procedures outlined in statute. The Commission is an independent agency attached to the Energy and Environment Cabinet for administrative purposes only.

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

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

The Commission staff is organized into the Divisions of Inspections, General Counsel, General Administration, Commission Operations, Financial Analysis, and Gas Pipeline Safety.

**Policy**

The budget includes additional Restricted Funds in the amount of \$221,300 in fiscal year 2022, \$690,000 in fiscal year 2023, and \$516,000 in fiscal year 2024 for Damage Prevention program.

The budget includes additional Restricted Fund in the amount of \$913,200 in fiscal year 2023 and \$870,300 in fiscal year for expenses related to Siting Board.

The budget includes additional General Funds in the amount of \$1,663,300 in fiscal year 2023 and \$1,386,300 in fiscal year 2024 for 14 additional positions. Positions includes 6 staff attorneys and 6 Public Utility Rate Analysts to timely rule on rural water utilities' applications and to expand services.

The budget includes \$7,185,200 in each fiscal year that shall lapse to the credit of the General Fund from the Public Service Commission.

# Finance and Administration

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**Finance and Administration**  
**Finance and Administration**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	693,435,500	685,172,300	729,694,300	613,591,300	624,774,700
Special Appropriation			3,069,000		
Current Year Appropriation	2,800,000		7,371,600		
Other					
<b>Total General Fund</b>	696,235,500	685,172,300	740,134,900	613,591,300	624,774,700
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	32,128,700	31,113,200	26,851,200	25,531,300	23,928,700
Continuing Approp-Tob Settlement					
<b>Total Tobacco Fund</b>		31,113,200	26,851,200	25,531,300	23,928,700
<b>Restricted Funds</b>					
Balance Forward	40,603,091	38,264,690	52,066,200	44,864,800	34,594,800
Current Receipts	232,732,469	234,637,812	247,024,800	258,516,900	258,458,900
Non-Revenue Receipts	3,467,606	3,060,867	3,698,000	2,786,900	2,796,300
Fund Transfers	-2,800,000	-16,894,040	-250,000		
<b>Total Restricted Funds</b>	274,003,166	259,069,329	302,539,000	306,168,600	295,850,000
<b>Federal Fund</b>					
Balance Forward	3,033	-153,107	149,935,900		
Current Receipts	155,140	376,780,453	133,129,500	60,894,400	57,734,800
Non-Revenue Receipts			2,400		
<b>Total Federal Fund</b>	158,174	376,627,346	283,067,800	60,894,400	57,734,800
<b>Road Fund</b>					
Regular Appropriation	3,887,400	4,047,400			
<b>Total Road Fund</b>	3,887,400	4,047,400			
<b>TOTAL SOURCE OF FUNDS</b>	1,006,412,940	1,356,029,575	1,352,592,900	1,006,185,600	1,002,288,200
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	268,178,519	246,749,044	265,695,400	279,952,100	282,409,000
Operating Expenses	136,556,675	125,590,836	151,925,200	160,346,800	161,005,700
Grants Loans Benefits	524,150	90,009,756	283,391,600	61,729,800	57,845,400
Debt Service	490,137,581	521,758,011	542,376,400	411,633,200	421,020,400
Capital Outlay	27,362,111	24,496,097	34,199,900	46,434,800	37,580,500
Construction	7,100				
<b>TOTAL EXPENDITURES</b>	922,766,135	1,008,603,744	1,277,588,500	960,096,700	959,861,000
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	652,801,817	673,977,299	711,781,000	603,763,900	615,879,000
Tobacco Fund	30,141,200	29,186,600	25,065,500	23,864,600	22,429,800
Restricted Funds	235,738,476	207,003,089	257,674,200	271,573,800	263,817,400
Federal Fund	311,281	94,389,356	283,067,800	60,894,400	57,734,800
Road Fund	3,773,362	4,047,400			
<b>TOTAL EXPENDITURES</b>	922,766,135	1,008,603,744	1,277,588,500	960,096,700	959,861,000
<b>EXPENDITURES BY UNIT</b>					
General Administration	37,373,015	115,784,210	320,899,900	112,130,200	99,267,900
Controller	18,091,345	18,376,718	20,039,200	21,910,700	21,981,000
Debt Service	481,226,081	512,825,704	531,857,100	398,771,900	405,817,100
Facilities and Support Services	52,916,531	54,469,930	61,134,400	65,466,000	68,378,100
County Costs	21,855,317	17,457,930	21,446,000	25,842,300	25,842,300
Commonwealth Office of Technology	130,086,715	119,434,556	141,183,000	142,074,300	143,213,800
Revenue	121,699,450	110,307,996	120,509,800	129,919,200	130,907,300
Property Valuation Administrators	59,517,683	59,946,700	60,519,100	63,982,100	64,453,500
<b>TOTAL EXPENDITURES</b>	922,766,135	1,008,603,744	1,277,588,500	960,096,700	959,861,000

The Finance and Administration Cabinet is responsible for managing the financial resources of the Commonwealth and for providing central administrative services to agencies of state and local government. The mission of the Finance and Administration Cabinet is to provide its customers with assistance in the delivery of quality services, effective administration, and sound financial management. The Cabinet provides leadership, coordination, and support to other state agencies to ensure accountability and integrity in the use of public resources. The Finance and Administration Cabinet constantly strives to conduct government business more effectively. Moreover, among the highest priorities of the Cabinet is providing state government with the resources necessary to carry out its mission by equitable and efficient revenue collection.

The Cabinet's duties include construction of state facilities, property management including motor vehicles, tax administration and collection, management of the Commonwealth's information technology systems, expenditure control, and state purchasing.

**Finance and Administration**

**General Administration**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	7,889,800	7,442,000	7,418,700	9,616,600	8,848,000
Current Year Appropriation			1,050,000		
Reorganization Adjustment		-312,800			
<b>Total General Fund</b>	<b>7,889,800</b>	<b>7,129,200</b>	<b>8,468,700</b>	<b>9,616,600</b>	<b>8,848,000</b>
<b>Restricted Funds</b>					
Balance Forward	12,447,063	8,259,416	12,369,000	9,528,000	676,800
Current Receipts	24,913,896	22,312,814	26,470,300	31,462,400	31,462,400
Non-Revenue Receipts	500,000	500,000	500,000	2,200,000	2,200,000
Fund Transfers		-250,000	-250,000		
<b>Total Restricted Funds</b>	<b>37,860,959</b>	<b>30,822,230</b>	<b>39,089,300</b>	<b>43,190,400</b>	<b>34,339,200</b>
<b>Federal Fund</b>					
Balance Forward	1	1	150,037,000		
Current Receipts		372,267,324	132,832,900	60,000,000	56,115,600
<b>Total Federal Fund</b>	<b>1</b>	<b>372,267,325</b>	<b>282,869,900</b>	<b>60,000,000</b>	<b>56,115,600</b>
<b>Road Fund</b>					
Regular Appropriation	266,400	273,600			
<b>Total Road Fund</b>	<b>266,400</b>	<b>273,600</b>			
<b>TOTAL SOURCE OF FUNDS</b>	<b>46,017,160</b>	<b>410,492,355</b>	<b>330,427,900</b>	<b>112,807,000</b>	<b>99,302,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	12,112,886	11,527,814	13,622,900	15,156,000	15,321,800
Operating Expenses	14,967,658	13,722,960	14,514,000	14,901,500	14,611,100
Grants Loans Benefits		89,609,895	282,339,100	60,677,300	56,792,900
Capital Outlay	10,292,471	923,542	10,423,900	21,395,400	12,542,100
<b>TOTAL EXPENDITURES</b>	<b>37,373,015</b>	<b>115,784,210</b>	<b>320,899,900</b>	<b>112,130,200</b>	<b>99,267,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	7,619,111	7,129,200	8,468,700	9,616,600	8,848,000
Restricted Funds	29,601,543	18,453,177	29,561,300	42,513,600	34,304,300
Federal Fund		89,928,233	282,869,900	60,000,000	56,115,600
Road Fund	152,362	273,600			
<b>TOTAL EXPENDITURES</b>	<b>37,373,015</b>	<b>115,784,210</b>	<b>320,899,900</b>	<b>112,130,200</b>	<b>99,267,900</b>
<b>EXPENDITURES BY UNIT</b>					
Secretary	2,635,116	92,198,466	285,500,100	64,571,100	59,668,500
Gubernatorial Transition	32,652				220,000
General Counsel	2,483,699	2,306,158	2,958,000	2,442,900	2,462,800
Administrative Services	2,897,843	2,886,613	3,961,400	5,010,700	5,075,300
Fleet Management	25,650,582	14,805,620	24,572,000	35,362,100	27,064,800
Postal Services	2,766,607	2,833,295	3,003,400	3,559,800	3,582,200
Policy and Audit	906,517	754,057	905,000	1,183,600	1,194,300
<b>TOTAL EXPENDITURES</b>	<b>37,373,015</b>	<b>115,784,210</b>	<b>320,899,900</b>	<b>112,130,200</b>	<b>99,267,900</b>

The General Administration appropriation unit provides coordination and management of the Cabinet. It is comprised of the Office of the Secretary, Office of Legislative and Intergovernmental Affairs, Office of the Inspector General, Office of General Counsel, Office of Equal Employment Opportunity and Contract Compliance, Office of Policy and Audit, and Office of Administrative Services.

The Office of the Secretary, including the Office of Legislative and Intergovernmental Affairs and the Office of the Inspector General, develops executive policy and directs the overall management of the Commonwealth's property and financial assets. Office staff coordinates fiscal and personnel administration for the Cabinet, reviews all internal reorganizations, prepares the Cabinet legislative package, and handles inquiries and issues that arise from the General Assembly, the news media, and the general public. The Secretary of Finance serves on numerous boards and commissions including

the Kentucky Economic Development Partnership Board, the Kentucky Economic Development Finance Authority, the Kentucky Infrastructure Authority, the Kentucky Higher Education Assistance Authority, and the Kentucky Housing Corporation. The Office of the Inspector General is responsible for conducting various investigations within the Executive Branch pursuant to KRS 45.131.

The Office of Equal Employment Opportunity (EEO) and Contract Compliance is responsible for developing, implementing, and monitoring the Finance and Administration Cabinet's affirmative action plan as required by KRS 18A.138. The Office also monitors all contracts in excess of \$250,000 awarded by the Cabinet to ensure compliance with the affirmative action provisions of the Kentucky Equal Opportunity Act.

The Office of General Counsel provides legal services to the departments of the Finance and Administration Cabinet and Cabinet-related entities. Members of this office represent the Secretary of the Cabinet in civil litigation. The unit also reviews legislation being considered by the General Assembly.

The Office of Administrative Services manages personnel, fiscal policy, and payroll functions for all units within the Finance and Administration Cabinet, the Governor's Office, the Executive Branch Ethics Commission, the School Facilities Construction Commission, and the Lieutenant Governor's Office. This unit prepares the Cabinet's budget and manages the Cabinet's personal property inventory. The Office also has responsibility for the management and oversight of the Division of Postal Services and the Division of Fleet Management.

The Division of Postal Services includes one mail management center which provides a secure environment for the Commonwealth's mail. The Division provides messenger service to all state agencies and performs mail processing functions for over 125 state agencies. This division advises agencies about USPS rules, regulations, and services.

The Division of Fleet Management manages and maintains the Commonwealth's vehicle fleet for use by state agencies and employees.

The Office of Policy and Audit is responsible for assuring the reliability and integrity of information used to support management decision making, evaluating how state assets are safeguarded, providing risk and insurance management to the Cabinet, and appraising the economy and efficiency of resource use. Staff also ascertains whether the operations and programs are being implemented as planned, and performs special studies at the request of management.

## **Policy**

General Fund in the amount of \$1,023,000 in fiscal year 2022 and \$1,040,000 in fiscal year 2023 is included to cover the moving costs associated with the Executive Branch's relocation from the Capitol Annex to 200 Mero Street at the direction of the General Assembly.

Additional Federal Funds in the amount of \$132,202,100 in fiscal year 2022, \$60,000,000 in fiscal year 2023, and \$56,115,600 in fiscal year 2024 are included to fully expend remaining Eviction Relief Funds awarded to the Commonwealth, to be administered by the Kentucky Housing Corporation.

Included in the above Restricted Fund appropriation is \$11,005,500 in fiscal year 2023 and \$2,714,700 in fiscal year 2024 to fund replacement vehicles in the Division of Fleet Management. Also included is \$454,700 in fiscal year 2023 and \$467,100 in fiscal year 2024 from the Fleet Management Fund to support three additional positions in the division.

The budget recommends an additional \$525,000 of Restricted Funds in fiscal years 2023 and 2024 for the replacement of aging equipment in the Division of Postal Services.

General Fund in the amount of \$258,400 in fiscal year 2023 and \$266,200 in fiscal year 2024 is included to support an audit supervisor in the Office of Policy and Audit and a position in the Office of Equal Employment Opportunity to expand the office's equal pay compliance efforts for state contractors and vendors.

The Office of Administrative Services includes additional Restricted Fund expenditures of \$801,100 in fiscal year 2023 and \$843,300 in fiscal 2024 to support six additional budget and accounting staff that support all agencies within the Cabinet.

The budget includes \$220,000 from the General Fund in fiscal year 2024 to support the Gubernatorial Transition.

The enacted fiscal year 2022 budget included a General fund baseline subsidy of \$677,300 to assist the Kentucky Housing Corporation with the employer contribution to the non-hazardous pension plan. The Governor's budget suspends the provisions of KRS 61.5991(6)(b) and includes General Fund in the amount of \$677,300 in both fiscal years 2023 and 2024 to cover 100 percent of the Kentucky Housing Corporation's marginal cost associated with the new fixed allocation funding policy for the non-hazardous pension plan.

**Finance and Administration  
Controller**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	6,422,500	5,576,700	5,582,800	6,634,600	6,662,200
Current Year Appropriation			264,400		
<b>Total General Fund</b>	6,422,500	5,576,700	5,847,200	6,634,600	6,662,200
<b>Restricted Funds</b>					
Balance Forward	5,700,796	8,072,590	7,649,900	8,151,700	7,461,800
Current Receipts	11,778,189	12,338,183	12,095,800	12,349,300	12,300,400
Non-Revenue Receipts	2,327,732	2,039,100	2,598,000	2,236,900	2,245,800
Fund Transfers		-2,000,000			
<b>Total Restricted Funds</b>	19,806,716	20,449,872	22,343,700	22,737,900	22,008,000
<b>TOTAL SOURCE OF FUNDS</b>	26,229,216	26,026,572	28,190,900	29,372,500	28,670,200
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	9,750,573	9,463,593	10,918,800	12,549,400	12,654,200
Operating Expenses	8,340,772	8,913,124	9,120,400	9,361,300	9,326,800
<b>TOTAL EXPENDITURES</b>	18,091,345	18,376,718	20,039,200	21,910,700	21,981,000
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	6,357,218	5,576,700	5,847,200	6,634,600	6,662,200
Restricted Funds	11,734,127	12,800,018	14,192,000	15,276,100	15,318,800
<b>TOTAL EXPENDITURES</b>	18,091,345	18,376,718	20,039,200	21,910,700	21,981,000
<b>EXPENDITURES BY UNIT</b>					
Controller	3,677,483	3,724,764	4,045,500	5,315,300	5,328,200
Local Government Services	761,220	771,963	792,300	803,400	805,100
Financial Management	4,105,798	4,048,934	4,234,700	4,073,100	4,083,200
Procurement Services	2,324,384	2,492,497	2,895,200	2,945,600	2,959,100
Customer Resource Center	5,124,271	5,206,703	5,400,100	6,089,100	6,112,300
State Risk and Insurance Services	2,098,189	2,131,857	2,671,400	2,684,200	2,693,100
<b>TOTAL EXPENDITURES</b>	18,091,345	18,376,718	20,039,200	21,910,700	21,981,000

The Office of the Controller provides management for financial accounting control policies and procedures; financial accounting systems; debt management; state purchasing; administration of the Old-Age, Survivors, Disability and Hospital Insurance program; and functions relating to the county fee systems for local entities. The State Controller functions as the Commonwealth's Chief Accounting Officer and participates in the development and maintenance of the Commonwealth's strategic financial management program.

The Division of Local Government Services administers, for the benefit of state employees and political subdivisions within the Commonwealth, the Old Age and Survivors Insurance program under Section 218 of the federal Social Security Act. This program is responsible for ensuring that the social security obligations of the state and its political subdivisions are met. To fulfill this responsibility, the State Office for Social Security periodically visits each of the political subdivisions for a procedural, compliance, and fiscal audit pursuant to KRS 61.410 61.500. The Division also provides personnel, accounting, and other administrative services to counties through the County Costs, County Fees, and PVA programs.

The Division of Statewide Accounting Services is responsible for maintenance and operation of the central statewide accounting system and provides centralized accounting of all receipts and disbursements of the Commonwealth. In addition, this division prepares daily, monthly, and annual financial reports, which constitute a complete report of the financial activities and condition of the Commonwealth.

The Office of Financial Management manages the state's investments and debt. This includes managing cash flow to maximize the return on state investments, making debt service payments, managing the sale of bonds, and reporting to the General Assembly on all investment and debt matters. The Office is responsible for developing a long-term debt plan for the Commonwealth, including the development of criteria for the issuance of debt, providing an evaluation of how much total state debt is justified, and evaluating revenue projections relative to proposed revenue bond issues. The Office handles all investments on behalf of the General Fund, the Capital Construction Fund, the Road Fund, and approximately 50 other accounts.

The Office of Material and Procurement Services is responsible for the central purchasing and materials management for state government (excluding construction and road maintenance). The Office supports the Procurement software module of eMARS, designing and testing modifications to the software to ensure it meets the needs of user agencies. The Division of Goods and Services Procurement and the Division of Technology Services Procurement are responsible, with respect to their area of expertise, for purchasing all commodities and non-professional services for state agencies that exceed an agency's small purchase authority limit. The office also provides administrative oversight and review of all personal service contracts and Memoranda of Agreement, and ensures compliance with the provisions of KRS Chapter 45A prior to forwarding contracts to the Legislative Research Commission, Government Contract Review Committee, for review.

The Office of the Customer Resource Center (CRC) operates a help desk to support nearly 5,000 users of the eMARS system and is responsible for training Commonwealth employees on all eMARS products. In addition, CRC is responsible for developing and analyzing reports to identify areas that need improvement.

The Division of State Risk Services manages the state property insurance program, the state building sprinkler system program and the state automobile insurance program in accordance with KRS Chapter 56.

## **Policy**

The Governor's budget restores the 15.5% General Fund cut enacted by the 2020 General Assembly by including additional General Fund in the amount of \$245,600 in fiscal year 2022, and \$992,900 in fiscal years 2023 and 2024. The funding will be used to restore the Controller's Office staffing to a level adequate to carry out core functions of the Office.

The budget includes Restricted Funds in the amount of \$80,000 in both fiscal years 2023 and 2024 for a required audit of the state's financial accounting system, eMARS. Also included is \$120,400 in fiscal year 2023 and \$124,200 in fiscal year 2024 from Restricted Funds for an auditor position necessary to address new accounting and reporting standards imposed by the Governmental Accounting Standards Board (GASB).

Additional Restricted Fund expenditures are included for the Customer Resource Center in fiscal years 2023 and 2024 in the amount of \$631,500 and \$651,300 respectively to support critically needed staff for ongoing eMARS support.

The Governor's budget includes additional Restricted Fund spending of \$232,600 in fiscal years 2023 and 2024 to fund ongoing support of the Commonwealth's financial reporting tool.

**Finance and Administration**

**Debt Service**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	491,371,500	491,964,100	532,326,500	384,997,200	392,545,500
Special Appropriation			3,069,000		
<b>Total General Fund</b>	<b>491,371,500</b>	<b>491,964,100</b>	<b>535,395,500</b>	<b>384,997,200</b>	<b>392,545,500</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	31,878,700	30,863,200	26,601,200	25,268,800	23,666,200
<b>Total Tobacco Fund</b>	<b>31,878,700</b>	<b>30,863,200</b>	<b>26,601,200</b>	<b>25,268,800</b>	<b>23,666,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>523,250,200</b>	<b>522,827,300</b>	<b>561,996,700</b>	<b>410,266,000</b>	<b>416,211,700</b>
<b>EXPENDITURES BY CLASS</b>					
Debt Service	481,226,081	512,825,704	531,857,100	398,771,900	405,817,100
<b>TOTAL EXPENDITURES</b>	<b>481,226,081</b>	<b>512,825,704</b>	<b>531,857,100</b>	<b>398,771,900</b>	<b>405,817,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	451,334,881	483,889,104	507,041,600	375,169,800	383,649,800
Tobacco Fund	29,891,200	28,936,600	24,815,500	23,602,100	22,167,300
<b>TOTAL EXPENDITURES</b>	<b>481,226,081</b>	<b>512,825,704</b>	<b>531,857,100</b>	<b>398,771,900</b>	<b>405,817,100</b>
<b>EXPENDITURES BY UNIT</b>					
Debt Service	481,226,081	512,825,704	531,857,100	398,771,900	405,817,100
<b>TOTAL EXPENDITURES</b>	<b>481,226,081</b>	<b>512,825,704</b>	<b>531,857,100</b>	<b>398,771,900</b>	<b>405,817,100</b>

Previously authorized State Property and Buildings Commission General Fund debt service for all agencies is consolidated in the Finance and Administration Cabinet. All new 2022-2024 General Fund debt service is reflected in budgets of the affected agencies.

**Policy**

The American Recovery and Reinvestment Act of 2009 created a new debt instrument for tax-exempt municipal bond issuers, called Build America Bonds. Municipal bond issuers could issue Build America Bonds for eligible tax-exempt purposes on a permanent basis only. The Commonwealth was eligible for a subsidy for bonds issued as Build America Bonds prior to December 31, 2010. Subsidies from the Build America Bonds shall lapse to the General Fund. The amount of the General Fund lapse is \$9,942,600 in fiscal year 2022, \$9,328,000 in fiscal year 2023, and \$8,396,000 in fiscal year 2024. The amount of Tobacco Fund lapse is \$1,785,700 in fiscal year 2022, \$1,666,700 in fiscal year 2023, and \$1,498,900 in fiscal year 2024.

KRS 150.021 requires that the Finance and Administration Cabinet assess the Department of Fish & Wildlife Resources each fiscal year an amount equal to five percent of the debt service associated with all phases of the Kentucky State Police Two-Way Radio capital project. In fiscal year 2022 that amounts to \$296,100, in fiscal year 2023 it equals \$499,400, and in fiscal year 2024 it equals \$499,700 for phases I and II. Those amounts are included as a net adjustment to General Fund debt service expenditures included above.

**Finance and Administration  
Facilities and Support Services**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	7,178,000	4,002,000	3,826,200	9,897,800	12,632,100
Current Year Appropriation			2,668,200		
<b>Total General Fund</b>	<b>7,178,000</b>	<b>4,002,000</b>	<b>6,494,400</b>	<b>9,897,800</b>	<b>12,632,100</b>
<b>Restricted Funds</b>					
Balance Forward	7,702,008	4,559,584	6,704,000	4,513,800	3,864,500
Current Receipts	42,040,892	52,181,854	51,949,800	54,718,900	54,718,500
Non-Revenue Receipts	621,094	320,397	500,000	200,000	200,500
Fund Transfers		-599,640			
<b>Total Restricted Funds</b>	<b>50,363,993</b>	<b>56,462,195</b>	<b>59,153,800</b>	<b>59,432,700</b>	<b>58,783,500</b>
<b>Federal Fund</b>					
Current Receipts		709,776			
<b>Total Federal Fund</b>		<b>709,776</b>			
<b>TOTAL SOURCE OF FUNDS</b>	<b>57,541,993</b>	<b>61,173,971</b>	<b>65,648,200</b>	<b>69,330,500</b>	<b>71,415,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	24,764,263	25,630,940	25,560,400	26,920,900	27,460,400
Operating Expenses	24,469,143	16,612,957	18,647,400	19,046,800	19,078,400
Grants Loans Benefits	90				
Debt Service	1,168,000	8,932,306	10,519,300	12,861,300	15,203,300
Capital Outlay	2,507,935	3,293,727	6,407,300	6,637,000	6,636,000
Construction	7,100				
<b>TOTAL EXPENDITURES</b>	<b>52,916,531</b>	<b>54,469,930</b>	<b>61,134,400</b>	<b>65,466,000</b>	<b>68,378,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	7,112,122	4,002,000	6,494,400	9,897,800	12,632,100
Restricted Funds	45,804,409	49,758,154	54,640,000	55,568,200	55,746,000
Federal Fund		709,776			
<b>TOTAL EXPENDITURES</b>	<b>52,916,531</b>	<b>54,469,930</b>	<b>61,134,400</b>	<b>65,466,000</b>	<b>68,378,100</b>
<b>EXPENDITURES BY UNIT</b>					
Commissioner's Office	938,221	1,943,373	1,427,000	3,323,300	5,667,100
Facility Development and Efficiency	4,892,717	5,129,619	5,431,200	6,397,400	6,451,600
Real Property	1,717,773	1,627,054	1,680,200	1,719,800	1,731,300
Historic Properties	363,137	367,141	395,000	366,900	367,900
Building and Mechanical Services	43,909,996	44,482,484	51,321,800	52,768,800	53,266,600
State Surplus Property	812,962	751,443	810,800	820,900	824,700
Federal Surplus Property	281,725	168,815	68,400	68,900	68,900
<b>TOTAL EXPENDITURES</b>	<b>52,916,531</b>	<b>54,469,930</b>	<b>61,134,400</b>	<b>65,466,000</b>	<b>68,378,100</b>

The Department for Facilities and Support Services consists of the Commissioner's Office and five offices/divisions: Facility Development and Efficiency, Historic Properties, Real Properties, Surplus Properties, and the Office of Building and Mechanical Services. The Department manages the State's facilities construction program, maintains Finance and Administration Cabinet buildings, provides management and oversight of state-owned historical buildings and sites, and provides real property acquisition, disposition, leasing, and inventory services.

The Commissioner's Office coordinates and supervises the activities of the five offices/divisions authorized in KRS 42.027.

The Office of Facility Development and Efficiency includes the Division of Engineering and Contract Administration which provides professional and technical engineering and architectural services to state agencies, reviews capital construction design documents, acts as a liaison between the Department and state agencies on new construction and major maintenance projects, and monitors construction and maintenance contracts for compliance with plans and specifications. The Division is also responsible for administering the procurement process for construction projects of the Commonwealth



of Kentucky, excluding roads and bridges, as prescribed by the Kentucky Model Procurement Code (KRS 45A) and the related administrative regulations. The Division prepares invitations to bid, opens and evaluates those bids, and awards contracts.

The Office of Facility Development and Efficiency also includes the Division of Facility Efficiency which is responsible for managing the Guaranteed Energy Saving Performance Contracting program and for implementing the Commonwealth Energy Management and Control System (CEMCS). The CEMCS project is an aggressive effort to use an enterprise software platform to reduce energy use in state buildings.

The Division of Real Properties provides buildings and parking facilities for state agencies throughout the Commonwealth. The Division manages the Commonwealth's acquisition, inventory, and use of both state-owned and privately-owned leased space.

The Division of Historic Properties, in accordance with KRS 42.019 and KRS 11.026, is responsible for the preservation and maintenance of Finance and Administration Cabinet-owned historic sites including the Kentucky State Capitol, Executive Mansion, Old Governor's Mansion, Berry Hill Mansion, and the Vest-Lindsey State Meeting House. The Division consults with the Department of Parks to preserve and maintain those historic sites under the management and control of the Tourism Cabinet. The same consultation services are provided to other agencies within state government as requested. The Director of the Division of Historic Properties serves as State Curator and a member of the Historic Properties Advisory Commission.

The Office of Building and Mechanical Services, which includes the Division of Building Services and the Division of Mechanical Services, as authorized by KRS 42.027, provides services for all Finance and Administration Cabinet-operated buildings and for the state agencies occupying those facilities. The Office is responsible for several buildings in Frankfort including the Capitol, New Capitol Annex, Old Capitol, Old Capitol Annex, Human Resources Building, Executive Mansion, Old Governor's Mansion, 300 Building, State Office Building, KHEAA Building, Library and Archives Building, Central Lab Facility, the Kentucky History Center, the Transportation Cabinet building, and the Mayo-Underwood Building. The Office also services buildings at the London Regional state office complex, the Spindletop Research Complex in Fayette County, and offices in Louisville and Richmond that were formerly owned and operated by Cabinet for Health and Family Services. Services provided include minor renovations; maintaining parking lots, sidewalks and ramps; janitorial and landscaping services; maintaining the heating, ventilating, and air conditioning systems; maintaining special equipment within the buildings as requested; roof repair; fire alarm and security systems; electrical systems; energy conservation; maintaining elevators and escalators; maintaining emergency power systems; and after-hours emergency services.

Additionally, the Office is responsible for developing plans and specifications for a wide variety of construction projects. After plans and specifications are complete and have been approved, the Office oversees the construction phase and provides contract administration.

Recently, the Department entered into two public-private partnerships for the development of new state office space in Franklin County. The first, included in the 2014-2016 Executive Branch appropriations act, authorized the Department for Facilities and Support Services to construct a new state office building to house displaced state workers from the Capital Plaza Tower and privately leased space. The Department entered into an agreement with a private developer to construct, operate, and maintain the property at 300 Sower Boulevard in Franklin County for a period of 35 years, at which time the Commonwealth will take over ownership of the property. Construction was complete in the spring of 2016, and state employees began to occupy the new building shortly thereafter. Payments to the developer for amortization of the construction cost and for ongoing maintenance and operations are made by the Department for Facilities and Support Services in conjunction with the Office of Financial Management. The second project was authorized by Senate Bill 238 from the 2017 Regular Session of the General Assembly and was completed in the Fall of 2019. The Mayo-Underwood Building is on the former site of the Capital Plaza Tower in downtown Frankfort. Both new construction projects are consistent with the Cabinet's goal of reducing the Commonwealth's reliance on private leases.

## **Policy**

The Governor's budget restores the 43% General Fund cut enacted by the 2020 General Assembly by including additional General Fund in the amount of \$2,577,300 in all three fiscal years. The funding will be used to restore funding for minor maintenance projects in state-owned facilities. Also included is \$80,000 in fiscal year 2022, \$226,300 in fiscal year 2023, and \$571,200 in fiscal year 2024 from the General Fund to replace the loss of revenue resulting from vacated space at the Capitol while it undergoes renovation.

Included in the General Fund appropriation is an additional \$846,800 in fiscal year 2023 and \$871,200 in fiscal year 2024 for five additional Construction Management positions to enable timely management of construction projects. Also

included is \$499,000 in fiscal year 2023 and \$517,700 in fiscal year 2024 from Restricted Funds for five additional positions in the Office of Building and Mechanical Services to keep state-owned facilities properly maintained.

New General Fund debt service in the amount of \$2,342,000 in fiscal year 2023 and \$4,684,000 in fiscal year 2024 is included to support bonds included in the capital budget.

**Finance and Administration**  
**County Costs**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	19,743,500	19,743,500	19,743,500	24,139,800	24,139,800
Current Year Appropriation	2,800,000				
<b>Total General Fund</b>	<b>22,543,500</b>	<b>19,743,500</b>	<b>19,743,500</b>	<b>24,139,800</b>	<b>24,139,800</b>
<b>Restricted Funds</b>					
Balance Forward	26				
Current Receipts	965,842	834,435	1,702,500	1,702,500	1,702,500
<b>Total Restricted Funds</b>	<b>965,868</b>	<b>834,435</b>	<b>1,702,500</b>	<b>1,702,500</b>	<b>1,702,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>23,509,368</b>	<b>20,577,935</b>	<b>21,446,000</b>	<b>25,842,300</b>	<b>25,842,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	4,036,413	3,313,707	4,026,200	5,734,200	5,734,200
Operating Expenses	17,294,843	13,744,362	16,367,300	19,055,600	19,055,600
Grants Loans Benefits	524,060	399,861	1,052,500	1,052,500	1,052,500
<b>TOTAL EXPENDITURES</b>	<b>21,855,317</b>	<b>17,457,930</b>	<b>21,446,000</b>	<b>25,842,300</b>	<b>25,842,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	20,889,448	16,623,494	19,743,500	24,139,800	24,139,800
Restricted Funds	965,868	834,435	1,702,500	1,702,500	1,702,500
<b>TOTAL EXPENDITURES</b>	<b>21,855,317</b>	<b>17,457,930</b>	<b>21,446,000</b>	<b>25,842,300</b>	<b>25,842,300</b>
<b>EXPENDITURES BY UNIT</b>					
Public Defender Program	4,014,078	3,291,858	4,001,200	4,151,200	4,151,200
Witnesses	42,710	12,092	90,000	90,000	90,000
DUI Service Fees	524,060	399,861	1,052,500	1,052,500	1,052,500
Sheriffs Fees'	13,631,581	11,835,800	11,835,800	15,927,100	15,927,100
County Clerks (Make Tax Bills)	218,627	176,394	300,000	300,000	300,000
Board Of Assessment Appeals	35,500	35,646	40,000	40,000	40,000
Fugitive From Justice	1,084,465	879,419	1,056,000	1,056,000	1,056,000
Jury Fund	1,991,918	490,533	2,600,000	2,600,000	2,600,000
Sheriffs Expense Allowance	309,633	333,548	465,500	620,500	620,500
Premium On Sheriffs' Bonds	2,743	2,777	5,000	5,000	5,000
<b>TOTAL EXPENDITURES</b>	<b>21,855,317</b>	<b>17,457,930</b>	<b>21,446,000</b>	<b>25,842,300</b>	<b>25,842,300</b>

The County Costs program provides payment to local officials for the performance of functions required by state statutes. Payments under the County Costs program are statutorily mandated and are regarded as a necessary governmental expense.

KRS 31.185 requires the fiscal court or legislative body of an urban county government, containing less than ten circuit judges, to annually appropriate twelve and one-half cents (\$0.125) per capita to the county as determined by the Council of Local Governments' most recent population statistics. The funds, which shall not lapse, shall be held in a special account to be administered by the Finance and Administration Cabinet, and shall be used to pay all court orders that have been entered into as a result of a needy defendant's motion for funding assistance. If the funds are depleted in any given year, any unpaid court orders will be paid as a judgment against the Commonwealth.

In accordance with KRS 421.015 and 421.250, circuit and district court clerks provide witnesses compensation with reimbursement being provided by the State Treasury upon claim accompanied by documentation.

The service fee imposed by KRS 189A.050 for persons convicted of driving under the influence of alcohol or other substances shall be disbursed among various state and local agencies to fund such programs as enforcement, indigent defense, and the traumatic brain injury trust fund.

Pursuant to KRS 64.092, the sheriff or other law enforcement officer providing security in a Circuit or District Court shall be compensated at the rate of \$8 per hour of service.

Pursuant to KRS 133.240, county clerks are paid \$0.30 per tax bill for preparing property tax bills and \$1.00 for omitted assessments. The Finance and Administration Cabinet is responsible for remitting half of the allowed amount to the county clerk.

Pursuant to KRS 133.030, each member of a county board of assessment appeals is compensated \$100 per day for their services in hearing tax appeals and reviewing tax assessments. The Finance and Administration Cabinet refunds county fiscal courts for half of the board members' compensation.

As authorized by the County Judge Executive or the Governor, and pursuant to KRS 440.090 and 440.380, duly appointed officers are reimbursed by the Finance and Administration Cabinet for mileage and expenses incurred while traveling out of state and returning a fugitive from justice to Kentucky.

KRS 29A.170 and KRS 30A.110 require that all jurors in circuit and district court be paid a daily compensation of \$12.50 per day plus expenses. The Finance and Administration Cabinet administers this compensation and reimbursement program in cooperation with each county circuit court clerk office. Under KRS 29A.180, sequestered jurors are provided meals, housing, transportation, and security which are funded by the Finance and Administration Cabinet.

Pursuant to KRS 70.170, the Finance and Administration Cabinet administers the sheriffs' expense allowance program by issuing monthly checks to each of the 120 county sheriffs. The payments of \$300 per month are for expenses incurred in the performance of his or her official duties.

KRS 62.140 and KRS 62.155 requires the Commonwealth to reimburse each county sheriff for the cost of bond premiums required by law in the performance of his or her official duties.

Under KRS 27A.630, filing fees for civil actions include \$20 in Circuit Court and \$10 in District Court to support access to justice by indigent clients. The fees are paid to the General Fund, and the Finance and Administration Cabinet distributes them monthly to non-profit agencies designated by the Chief Justice in each judicial district to provide the legal services. In previous years these have been accounted for as expenditures requiring an appropriation. Upon recommendation of the Finance Cabinet, these will be considered as reductions to revenue and accounted for solely on the revenue side of the ledger.

## **Policy**

Funds required to pay county costs are appropriated, and additional funds may be allotted from the General Fund Surplus Account (KRS 48.700) 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.

The Governor's budget includes additional General Fund of \$2,688,300 in fiscal years 2023 and 2024 to fund estimated expenses associated with the Sheriffs' Fees program, which pays for court security officers across the Commonwealth. Additionally, the budget suspends the provisions of KRS 64.092(6) and includes a wage of \$10 per hour for court security officers. Additional General Fund of \$1,403,000 in fiscal years 2023 and 2024 is included to support the increase from \$9 to \$10 per hour.

Additional General Fund of \$155,000 in fiscal years 2023 and 2024 is included to fully fund the Sheriffs' expense allowance at the statutory level of \$300 per month.

The budget includes \$150,000 from the General Fund in fiscal years 2023 and 2024 for estimated expenses associated with the Public Defender program, with the goal of preserving the Budget Reserve Trust Fund.

**Finance and Administration**  
**Commonwealth Office of Technology**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,923,000			1,074,400	1,293,800
<b>Total General Fund</b>	1,923,000			1,074,400	1,293,800
<b>Restricted Funds</b>					
Balance Forward	10,962,665	15,122,916	20,435,500	18,894,000	20,209,500
Current Receipts	134,804,132	135,040,867	139,443,600	142,921,000	142,912,300
Non-Revenue Receipts	18,780	1,370		-1,500,000	-1,500,000
Fund Transfers	-2,800,000	-14,044,400			
<b>Total Restricted Funds</b>	142,985,577	136,120,754	159,879,100	160,315,000	161,621,800
<b>Federal Fund</b>					
Balance Forward	4,269	-153,108	-101,100		
Current Receipts	143,677	3,801,338	296,600	894,400	1,619,200
Non-Revenue Receipts			2,400		
<b>Total Federal Fund</b>	147,945	3,648,230	197,900	894,400	1,619,200
<b>TOTAL SOURCE OF FUNDS</b>	145,056,523	139,768,984	160,077,000	162,283,800	164,534,800
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	72,073,408	56,568,149	67,121,600	63,110,700	63,313,800
Operating Expenses	41,528,603	42,587,579	56,692,700	60,561,200	61,497,600
Debt Service	1,923,000				
Capital Outlay	14,561,704	20,278,828	17,368,700	18,402,400	18,402,400
<b>TOTAL EXPENDITURES</b>	130,086,715	119,434,556	141,183,000	142,074,300	143,213,800
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,923,000			1,074,400	1,293,800
Restricted Funds	127,862,661	115,685,225	140,985,100	140,105,500	140,300,800
Federal Fund	301,054	3,749,331	197,900	894,400	1,619,200
<b>TOTAL EXPENDITURES</b>	130,086,715	119,434,556	141,183,000	142,074,300	143,213,800
<b>EXPENDITURES BY UNIT</b>					
Commonwealth Office of Technology	6,242,559	6,414,158	4,948,300	6,003,300	6,015,400
Chief Information Security Officer	9,119,325	9,464,340	12,686,100	13,571,100	14,536,400
Infrastructure Services	49,947,715	45,537,098	51,744,000	48,322,900	48,369,200
Architecture and Governance	32,909,128	21,495,138	28,946,600	39,092,700	39,132,300
Client Support Services	31,867,988	36,523,822	42,858,000	35,084,300	35,160,500
<b>TOTAL EXPENDITURES</b>	130,086,715	119,434,556	141,183,000	142,074,300	143,213,800

The Commonwealth Office of Technology (COT) provides leadership, policy direction, and technical support to all Executive Branch agencies in the application of information technology and the delivery of information services. This broad statement of responsibility encompasses major information resource functions such as data center operations; voice, data, and video communications; application development; data security administration; computer hardware selection and installation; and related end-user and customer support services. The workload for COT is highly sensitive to agency programmatic shifts, particularly changes mandated by state and federal legislation.

COT consists of five units: Commissioner, Chief Information Security Officer, Architecture and Governance, Infrastructure Services, and Client Support Services.

The Commissioner's Office is responsible for developing strategies and policies to promote the effective application of information technology within state government as a means of saving money, increasing efficiency and employee productivity, and improving services to the public, including electronic access to information of the Commonwealth.

The Chief Information Security Officer manages security, access and acceptable use policies for all COT functions. As more and more of the Commonwealth's mission-critical applications go on-line, their potential exposure to malicious activity increases. In addition to maintaining the physical security of the Commonwealth Data Center and other COT facilities, the Security Office develops and maintains the disaster recovery business continuity plan.

The Office of Architecture and Governance is responsible for providing comprehensive application development services. These services are provided upon request to Commonwealth agencies and adhere to the structure of the Office's system development lifecycle process that follows industry best practices for software development.

The Office of Infrastructure Services is responsible for operation of the Commonwealth enterprise computing and communications environment. The office offers day-to-day technical support and operation of Executive Branch IT resources and operates the Commonwealth Data Center. This includes oversight of shared IT infrastructure resources and services, including large-scale computing, server hosting, IT security, data and voice communications networks, and phone systems.

The Office of Client Support Services provides frontline customer support, asset management, and monitoring of the Commonwealth's infrastructure and application availability.

The Commonwealth Office of Technology operates as an internal service fund agency with budgetary support derived through the application of a federally-approved cost allocation plan, which distributes costs to user agencies based upon utilization of services. The rate schedule by which COT bills agencies for IT services is reviewed annually and adjusted as necessary to accurately reflect actual cost. By consolidating infrastructure services and purchases of equipment and software licenses, COT is able to provide many basic services at very competitive rates.

## **Policy**

The Governor's budget includes additional Restricted Funds of \$2,000,000 in fiscal years 2023 and 2024 to support the Commonwealth Office of Technology's cyber security efforts and Restricted Funds of \$3,000,000 in fiscal years 2023 and 2024 for the additional cost of Enterprise-level Microsoft Licensing.

General Fund in the amount of \$74,400 in fiscal year 2023 and \$293,800 in fiscal year 2024 is included to match federal funds of \$744,000 in fiscal year 2023 and \$1,468,800 in fiscal year 2024 awarded to the Commonwealth in the Infrastructure Investment and Jobs Act for the State Cybersecurity Grant program.

Included in both fiscal year 2023 and 2024 is \$1,000,000 from the General Fund for the Kentucky From Above program, which provides a publicly available, common basemap for the Commonwealth, including leaf-off aerial photography and elevation data. The additional funding will provide recurring resources to refresh the aerial photography data, with the intent to have a statewide refresh every three years.

**Finance and Administration**

**Revenue**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	102,768,300	99,997,300	104,202,800	116,748,800	117,699,800
Current Year Appropriation			3,250,000		
Reorganization Adjustment		312,800			
Other					
<b>Total General Fund</b>	102,768,300	100,310,100	107,452,800	116,748,800	117,699,800
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	250,000	250,000	250,000	262,500	262,500
<b>Total Tobacco Fund</b>	250,000	250,000	250,000	262,500	262,500
<b>Restricted Funds</b>					
Balance Forward	3,242,120	2,249,767	4,402,900	3,558,700	2,163,600
Current Receipts	15,395,687	7,925,128	11,862,800	11,862,800	11,862,800
Non-Revenue Receipts		200,000	100,000	-350,000	-350,000
<b>Total Restricted Funds</b>	18,637,808	10,374,896	16,365,700	15,071,500	13,676,400
<b>Federal Fund</b>					
Balance Forward	-1,236				
Current Receipts	11,464	2,016			
<b>Total Federal Fund</b>	10,227	2,016			
<b>Road Fund</b>					
Regular Appropriation	3,621,000	3,773,800			
<b>Total Road Fund</b>	3,621,000	3,773,800			
<b>TOTAL SOURCE OF FUNDS</b>	125,287,335	114,710,812	124,068,500	132,082,800	131,638,700
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	86,255,005	80,647,008	84,218,400	92,646,800	93,619,100
Operating Expenses	29,623,945	29,660,988	36,291,400	37,272,400	37,288,200
Debt Service	5,820,500				
<b>TOTAL EXPENDITURES</b>	121,699,450	110,307,996	120,509,800	129,919,200	130,907,300
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	101,430,182	100,310,100	107,452,800	116,748,800	117,699,800
Tobacco Fund	250,000	250,000	250,000	262,500	262,500
Restricted Funds	16,388,041	5,972,080	12,807,000	12,907,900	12,945,000
Federal Fund	10,227	2,016			
Road Fund	3,621,000	3,773,800			
<b>TOTAL EXPENDITURES</b>	121,699,450	110,307,996	120,509,800	129,919,200	130,907,300
<b>EXPENDITURES BY UNIT</b>					
Commissioner's Office	49,262,020	40,184,043	49,391,200	56,853,600	57,271,900
Property Valuation	7,705,620	8,063,836	7,702,100	8,214,700	8,274,000
Field Operations	14,153,654	13,295,095	13,777,100	13,958,900	14,058,600
Income Taxation	10,039,139	9,557,318	10,058,700	10,291,400	10,381,900
Sales and Excise Taxes	9,889,684	9,117,765	9,700,300	10,110,900	10,190,300
Registration and Operations	14,222,057	14,113,264	14,327,300	14,852,900	14,974,400
Office of Tax Policy & Regulation	773,160	685,603	689,100	677,300	685,100
Enforcement	15,654,115	15,291,072	14,864,000	14,959,500	15,071,100
<b>TOTAL EXPENDITURES</b>	121,699,450	110,307,996	120,509,800	129,919,200	130,907,300

The Department of Revenue is responsible for the accurate and equitable administration of all state revenue laws, and for the assessment and collection of over 40 separate state taxes. The Department aims to ensure the taxpayer's voluntary compliance with the revenue laws, to enforce such laws in those instances where necessary, and to supervise and assist county property valuation administrators in assessing property for taxation.

The Commissioner's Office includes the Division of Protest Resolution, the Division of Information Management, the Special Investigations Division, and the Taxpayer Ombudsman. Department-wide costs such as office rent, printing, postage, and information technology are budgeted in this unit.

The Office of Property Valuation monitors and evaluates the real property assessments produced by the 120 locally-elected Property Valuation Administrators (PVAs). The office is charged with assessing the property of public service companies; collecting and distributing personal property taxes; and providing education, training, and technical support to the PVAs and sheriffs.

The Office of Field Operations has 10 regional taxpayer service centers located across the state and is responsible for field audits and providing taxpayer assistance.

The Office of Income Taxation administers individual and business income taxes, including employer withholding. The Office is responsible for technical tax research, compliance, taxpayer assistance, tax-specific training, and publications.

The Office of Sales and Excise Taxes administers sales and use taxes and miscellaneous excise taxes. The Office conducts technical tax research and is responsible for compliance, taxpayer assistance, training and publications.

The Office of Enforcement, comprised of the Division of Collections, is responsible for collecting, in the most efficient manner, delinquent debt owed the Commonwealth.

The Office of Registration and Operations receives all tax receipts, returns, refunds, documents and correspondence; registers new businesses; and maintains appropriate storage, retrieval and management of tax records for the Commonwealth.

The Office of Tax Policy and Regulation is responsible for providing oral and written technical advice on Kentucky tax law; drafting proposed tax legislation and regulations; analyzing tax publications; providing expert witness testimony in tax litigation cases; providing consultation and assistance in protested tax cases; and conducting training and education programs.

## **Policy**

The Governor's budget includes \$4,459,500 in fiscal year 2023 and \$4,625,500 in fiscal year 2024 from the General Fund for 40 additional staff to support the implementation of numerous tax and policy changes enacted by the General Assembly over the last several legislative sessions, but without providing additional funding. The additional staff will restore capacity for the department to continue its core functions of registration, processing, taxpayer services, auditing, and compliance work.

General Fund in the amount of \$3,002,200 in fiscal year 2022, \$5,280,000 in fiscal year 2023, and \$5,540,000 in fiscal year 2024 is included in the Governor's budget to support the operating costs associated with the implementation of the Department's new Integrated Tax System, DORIS.

In accordance with Executive Order 2020-0994, the Special Investigations Division was transferred to the Department of Revenue from the Office of Inspector General to include \$312,800 General Fund in fiscal year 2021.

The budget includes Phase I Tobacco Settlement Funds in the amount of \$250,000 in fiscal year 2022 and \$262,500 in fiscal years 2023 and 2024 for the state's diligent enforcement of noncompliant nonparticipating manufacturers.



**Finance and Administration**  
**Property Valuation Administrators**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	56,138,900	56,446,700	56,593,800	60,482,100	60,953,500
Current Year Appropriation			139,000		
<b>Total General Fund</b>	<b>56,138,900</b>	<b>56,446,700</b>	<b>56,732,800</b>	<b>60,482,100</b>	<b>60,953,500</b>
<b>Restricted Funds</b>					
Balance Forward	548,413	417	504,900	218,600	218,600
Current Receipts	2,833,832	4,004,529	3,500,000	3,500,000	3,500,000
<b>Total Restricted Funds</b>	<b>3,382,244</b>	<b>4,004,946</b>	<b>4,004,900</b>	<b>3,718,600</b>	<b>3,718,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>59,521,144</b>	<b>60,451,646</b>	<b>60,737,700</b>	<b>64,200,700</b>	<b>64,672,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	59,185,971	59,597,833	60,227,100	63,834,100	64,305,500
Operating Expenses	331,712	348,867	292,000	148,000	148,000
<b>TOTAL EXPENDITURES</b>	<b>59,517,683</b>	<b>59,946,700</b>	<b>60,519,100</b>	<b>63,982,100</b>	<b>64,453,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	56,135,855	56,446,700	56,732,800	60,482,100	60,953,500
Restricted Funds	3,381,828	3,500,000	3,786,300	3,500,000	3,500,000
<b>TOTAL EXPENDITURES</b>	<b>59,517,683</b>	<b>59,946,700</b>	<b>60,519,100</b>	<b>63,982,100</b>	<b>64,453,500</b>
<b>EXPENDITURES BY UNIT</b>					
Property Valuation Administrators	59,517,683	59,946,700	60,519,100	63,982,100	64,453,500
<b>TOTAL EXPENDITURES</b>	<b>59,517,683</b>	<b>59,946,700</b>	<b>60,519,100</b>	<b>63,982,100</b>	<b>64,453,500</b>

Each of the state's 120 counties has a locally elected Property Valuation Administrator (PVA). The PVA and an appointed staff are responsible for locating, identifying, and assessing at fair market value all taxable real property (land and improvements) and tangible personal property in the county. Tax revenues generated by these assessments are used to fund services provided by the state, cities, counties, and school districts as well as special taxing districts such as fire departments, libraries, extension offices, and refuse disposal services. Funding for PVA offices is provided by state, county, and city governments as well as from sales of maps and other geographic information.

**Policy**

The Governor's budget includes General Fund in the amount of \$252,500 in fiscal year 2023 and \$250,400 in fiscal year 2024 to fully fund the PVA expense allowance at the statutory level of \$300 per month.

General Fund in the amount of \$2,847,200 in fiscal year 2023 and \$2,872,300 in fiscal year 2024 is included to restore past budget cuts and expand current staffing levels.

Included in the fiscal year 2022 Restricted Funds appropriation is an additional \$286,300 to cover expenses that accrued to fiscal year 2021 but due to the General Assembly's suspension of the Executive branch's statutory ability to increase their Restricted Funds appropriation, they had to delay making a payment to the Commonwealth's self-insured Health Insurance Trust Fund. PVA restricted fund resources come from local PVA offices as a means of supporting staff not covered by General Fund appropriations.

# Health and Family Services

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**Health and Family Services**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,871,337,800	2,902,696,700	2,788,375,200	3,042,210,200	3,517,309,900
Special Appropriation			32,000,000		
Current Year Appropriation	300,000	16,312,500	350,500		
Reorganization Adjustment	-151,800				
Other		-25,245,400			
<b>Total General Fund</b>	<b>2,871,486,000</b>	<b>2,893,763,800</b>	<b>2,820,725,700</b>	<b>3,042,210,200</b>	<b>3,517,309,900</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	29,222,900	26,039,100	26,204,700	26,961,300	26,151,300
Current Year Appropriation			2,080,000		
Continuing Approp-Tob Settlement	14,467,167	14,647,654	17,308,900		
Other	-1,841,176	3,696,458			
<b>Total Tobacco Fund</b>	<b>41,848,891</b>	<b>44,383,211</b>	<b>45,593,600</b>	<b>26,961,300</b>	<b>26,151,300</b>
<b>Restricted Funds</b>					
Balance Forward	91,546,817	168,688,511	150,753,000	561,692,300	85,868,000
Current Receipts	834,688,081	910,458,483	1,088,623,900	1,249,329,100	1,264,840,000
Non-Revenue Receipts	222,485,429	192,156,875	841,268,000	526,610,600	703,699,000
Fund Transfers		-4,000,000			
<b>Total Restricted Funds</b>	<b>1,148,720,327</b>	<b>1,267,303,869</b>	<b>2,080,644,900</b>	<b>2,337,632,000</b>	<b>2,054,407,000</b>
<b>Federal Fund</b>					
Balance Forward	-23,186,950	18,596,081	6,549,300	1,986,000	872,500
Current Receipts	10,668,732,926	13,391,377,306	14,565,200,300	13,766,386,000	13,697,157,800
Non-Revenue Receipts	-659	30,635		185,729,200	5,874,000
<b>Total Federal Fund</b>	<b>10,645,545,317</b>	<b>13,410,004,022</b>	<b>14,571,749,600</b>	<b>13,954,101,200</b>	<b>13,703,904,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>14,707,600,535</b>	<b>17,615,454,902</b>	<b>19,518,713,800</b>	<b>19,360,904,700</b>	<b>19,301,772,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	945,132,207	1,189,437,059	1,310,079,000	1,429,295,200	1,371,489,100
Operating Expenses	116,206,612	153,361,420	164,116,600	168,411,700	159,802,400
Grants Loans Benefits	13,409,996,629	16,085,621,752	17,470,981,300	17,661,733,600	17,747,808,600
Debt Service	12,300,725	11,730,725	9,809,600	14,674,700	19,537,000
Capital Outlay	197,664	632,770	49,000	49,000	49,000
Construction	52,118	59,831			
<b>TOTAL EXPENDITURES</b>	<b>14,483,885,954</b>	<b>17,440,843,555</b>	<b>18,955,035,500</b>	<b>19,274,164,200</b>	<b>19,298,686,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	2,849,703,664	2,893,763,800	2,820,725,700	3,042,210,200	3,517,309,900
Tobacco Fund	27,201,237	27,074,135	45,593,600	26,961,300	26,151,300
Restricted Funds	980,031,816	1,116,550,768	1,518,952,600	2,251,764,000	2,051,320,600
Federal Fund	10,626,949,236	13,403,454,853	14,569,763,600	13,953,228,700	13,703,904,300
<b>TOTAL EXPENDITURES</b>	<b>14,483,885,954</b>	<b>17,440,843,555</b>	<b>18,955,035,500</b>	<b>19,274,164,200</b>	<b>19,298,686,100</b>

**EXPENDITURES BY UNIT**

General Administration and Program Support	92,994,884	94,315,470	181,905,100	114,012,400	114,424,700
Aging and Independent Living	71,458,303	87,123,134	108,477,100	120,609,100	120,724,300
Income Support	105,252,200	103,657,947	117,688,400	121,598,700	121,507,500
Public Health	357,568,845	597,384,688	768,670,000	860,349,500	562,303,200
Behavioral Health, Developmental & Intellectual Disabilities	455,089,957	448,687,275	495,868,400	534,322,500	537,232,700
Family Resource Centers and Volunteer Services	17,981,890	18,655,295	36,810,700	27,650,700	27,660,000
Community Based Services	1,298,045,289	1,431,956,567	1,907,235,400	1,795,734,300	1,563,962,400
Medicaid Services	12,043,415,613	14,607,307,180	15,277,089,500	15,634,543,800	16,185,592,900
Office for Children with Special Health Care Needs	18,290,766	17,446,805	19,436,000	20,862,000	20,779,600
Office of Health Data and Analytics	23,788,208	34,309,193	41,854,900	44,481,200	44,498,800
<b>TOTAL EXPENDITURES</b>	<b>14,483,885,954</b>	<b>17,440,843,555</b>	<b>18,955,035,500</b>	<b>19,274,164,200</b>	<b>19,298,686,100</b>

The Cabinet for Health and Family Services is the primary state agency responsible for leadership in protecting and promoting the health and well-being of all Kentuckians through the delivery of quality health and human services. The following departments and/or offices comprise the Cabinet for Health and Family Services: the Office of the Secretary, Office of the Inspector General, Office of Legal Services, Office of Administrative Services, Office of Application Technology Services, Office of Human Resource Management, Office of Finance and Budget, Office of Legislative and Regulatory Affairs, Office of Ombudsman and Administrative Review, and Office of Public Affairs which comprise the Administration and Program Support appropriation unit. Remaining agencies/appropriation units within the Cabinet include the Office of Health Data and Analytics; Department for Medicaid Services; Department for Behavioral Health, Developmental and Intellectual Disabilities; Department for Public Health; Department for Aging and Independent Living; Department for Community Based Services; Department for Income Support; Department for Family Resource Centers and Volunteer Services; and the Commission for Children with Special Health Care Needs.

**Health and Family Services**  
**General Administration and Program Support**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	36,475,900	10,323,200	10,168,000	10,395,700	10,428,000
Current Year Appropriation			15,100		
<b>Total General Fund</b>	36,475,900	10,323,200	10,183,100	10,395,700	10,428,000
<b>Restricted Funds</b>					
Balance Forward	4,689,361	5,335,023	6,434,400	6,161,300	3,915,000
Current Receipts	7,124,177	6,689,701	7,762,400	7,801,100	7,801,300
Non-Revenue Receipts	10,403,032	38,048,478	45,494,100	44,106,000	44,585,000
<b>Total Restricted Funds</b>	22,216,570	50,073,202	59,690,900	58,068,400	56,301,300
<b>Federal Fund</b>					
Balance Forward	2,817,650	3,508,538	3,536,200	728,400	356,200
Current Receipts	40,602,449	40,381,220	115,384,600	49,091,100	49,158,800
<b>Total Federal Fund</b>	43,420,099	43,889,757	118,920,800	49,819,500	49,515,000
<b>TOTAL SOURCE OF FUNDS</b>	102,112,569	104,286,159	188,794,800	118,283,600	116,244,300
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	73,562,140	61,124,033	80,699,400	82,386,500	82,798,300
Operating Expenses	19,124,909	32,875,578	31,937,400	31,525,900	31,526,400
Grants Loans Benefits	130		69,268,300	100,000	100,000
Debt Service	307,500	199,000			
Capital Outlay		82,989			
Construction	205	33,870			
<b>TOTAL EXPENDITURES</b>	92,994,884	94,315,470	181,905,100	114,012,400	114,424,700
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	36,201,777	10,323,200	10,183,100	10,395,700	10,428,000
Restricted Funds	16,881,546	43,638,730	53,529,600	54,153,400	54,481,700
Federal Fund	39,911,561	40,353,540	118,192,400	49,463,300	49,515,000
<b>TOTAL EXPENDITURES</b>	92,994,884	94,315,470	181,905,100	114,012,400	114,424,700
<b>EXPENDITURES BY UNIT</b>					
Administrative Support	67,754,873	68,368,557	147,742,200	79,399,900	79,669,500
Inspector General	25,240,012	25,946,913	34,162,900	34,612,500	34,755,200
<b>TOTAL EXPENDITURES</b>	92,994,884	94,315,470	181,905,100	114,012,400	114,424,700

General Administration and Program Support consists of Administrative Support and the Office of the Inspector General (OIG).

The Administrative Support function includes the Office of the Secretary, the Office of Public Affairs, the Office of Legal Services, the Office of Administrative Services, the Office of Application Technology Services, the Office of Human Resource Management, the Office of Legislative & Regulatory Affairs, the Office of Finance and Budget, and the Office of the Ombudsman and Administrative Review. These offices provide policy, administrative, legal, financial, technological, and personnel support services to the program areas of the Cabinet.

The Office of Inspector General provides support to other programs in the Cabinet for Health and Family Services as well as its programmatic functions of health care facility licensure and child care facility regulation.

The OIG has four major functions:

- Audits and Investigations
- Regulated Child Care
- Health Care Licensing
- Certificate of Need

**Policy**

The budget in each fiscal year includes General Fund resources in the amount of \$100,000 to support Special Olympics.

The Governor's budget includes General Fund of \$23,500 in each fiscal to support a ten percent pay increase for employees in the Social Service Worker classifications effective December 16, 2021.

**Health and Family Services  
General Administration and Program Support  
Administrative Support**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	29,885,200	2,000,000	2,007,000	2,119,400	2,124,900
Other	500,000				
<b>Total General Fund</b>	<b>30,385,200</b>	<b>2,000,000</b>	<b>2,007,000</b>	<b>2,119,400</b>	<b>2,124,900</b>
<b>Restricted Funds</b>					
Balance Forward	149,927	100,000		1,582,900	1,234,600
Current Receipts	2,031,846	2,230,678	2,331,600	2,331,600	2,331,600
Non-Revenue Receipts	10,313,834	38,418,307	45,367,600	43,979,400	44,458,400
<b>Total Restricted Funds</b>	<b>12,495,606</b>	<b>40,748,984</b>	<b>47,699,200</b>	<b>47,893,900</b>	<b>48,024,600</b>
<b>Federal Fund</b>					
Balance Forward	1,790,525	2,356,932	2,400,000	231,400	135,900
Current Receipts	25,624,688	25,662,677	97,450,300	30,525,700	30,531,400
<b>Total Federal Fund</b>	<b>27,415,213</b>	<b>28,019,609</b>	<b>99,850,300</b>	<b>30,757,100</b>	<b>30,667,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>70,296,020</b>	<b>70,768,593</b>	<b>149,556,500</b>	<b>80,770,400</b>	<b>80,816,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	51,290,008	37,610,924	50,958,000	52,195,500	52,464,600
Operating Expenses	16,157,029	30,441,774	27,515,900	27,104,400	27,104,900
Grants Loans Benefits	130		69,268,300	100,000	100,000
Debt Service	307,500	199,000			
Capital Outlay		82,989			
Construction	205	33,870			
<b>TOTAL EXPENDITURES</b>	<b>67,754,873</b>	<b>68,368,557</b>	<b>147,742,200</b>	<b>79,399,900</b>	<b>79,669,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	30,300,984	2,000,000	2,007,000	2,119,400	2,124,900
Restricted Funds	12,395,606	40,748,984	46,116,300	46,659,300	46,877,300
Federal Fund	25,058,282	25,619,573	99,618,900	30,621,200	30,667,300
<b>TOTAL EXPENDITURES</b>	<b>67,754,873</b>	<b>68,368,557</b>	<b>147,742,200</b>	<b>79,399,900</b>	<b>79,669,500</b>

Administrative Support provides funding for nine organizational units within the Cabinet for Health and Family Services (CHFS) including the Office of the Secretary, the Office of Legal Services, the Office of Public Affairs, the Office of Human Resource Management, the Office of Legislative & Regulatory Affairs, the Office of Finance and Budget, the Office of Administrative Services, the Office of Application Technology Services, and the Office of the Ombudsman and Administrative Review.

The Office of the Secretary provides leadership, oversight and guidance in order for CHFS to deliver quality services that enhance the health, safety, and wellbeing of all people in the Commonwealth of Kentucky.

Legal Services provides legal guidance and assistance to all units of the Cabinet in any legal action in which it may be involved. This office provides legal representation for the Cabinet in federal courts, state courts, and before quasi-judicial and administrative bodies; administers all personal service contracts of the Cabinet for legal services; assists in drafting and reviewing legislation, regulations, statutes, and other legal documents and instruments; and provides the Secretary, Commissioners, and Directors in the Cabinet with the legal guidance and representation necessary for them to properly administer the Cabinet's programs.

Administrative Services consists of Cabinet functions related to accounting, facilities management, and procurement; Accounting services supports and oversees the cabinet's accounting functions. Facility Services oversees the management of facilities, fixed assets and leased properties; Procurement services oversees grants and Memoranda of Agreement, personal services contracts, acquisition of commodities and services, IT procurement and requests for proposals.

Application Technology Services is responsible for providing CHFS agencies information technology (IT) support for cabinet and agency IT systems, including development, maintenance and operations, technical support (help desk), project management and oversight of all vendor developed/lead IT systems.

Human Resource Management serves all Cabinet employees and programs and provides payroll and health benefits administration, equal employment opportunity compliance, and professional development and training activities. This office serves as the Cabinet's appointing authority and performs all the duties, responsibilities and functions required to maintain an effective and efficient personnel management system in accordance with the Kentucky Revised Statutes, Kentucky Administrative Regulations, and the policy guidelines of the Secretary of the Cabinet.

Legislative & Regulatory Affairs coordinates activities related to the Cabinet's public policy initiatives and administrative and legislative agendas with other governmental and private agencies. The office is responsible for coordination and oversight of over 660 regulations in the cabinet on behalf of the Office of the Secretary. This office develops, implements, and pursues the cabinet's legislative agenda including reviewing, evaluating, and analyzing all legislative, regulatory, and public policy proposals impacting the cabinet and responding to requests for public policy information from the cabinet. Each legislative session, CHFS and its departments provide comprehensive reviews, analysis, and feedback on approximately 200 bills and numerous amendments impacting the cabinet's departments and programs.

Finance and Budget manages the cabinet's budget in coordination with departments on behalf of the Office of the Secretary. This office reviews and coordinates activities related to budgetary and programmatic issues across agency lines within the cabinet as well as with other state agencies outside the cabinet, including the Governor's Office for Policy and Management, the Finance and Administration Cabinet, and the Legislative Research Commission. In addition, the office reviews legislation for fiscal impact on the cabinet and responds to budgetary requests for information from various sources.

Ombudsman and Administrative Review answers questions from recipients of CHFS programs and provides information to the public about CHFS programs. The Office also investigates customer complaints and works with CHFS management to resolve them. The Ombudsman advises CHFS management regarding patterns of complaints and recommends corrective action when appropriate. Staff conducts federally mandated management evaluation and access reviews for the food stamp program and assists in writing county and regional corrective action plans. The Ombudsman is responsible for determining administrative hearing eligibility related to service complaints regarding the Department for Community Based Services Protection and Permanency cases and requests to appeal child abuse and/or child neglect substantiations.



**Health and Family Services  
General Administration and Program Support  
Inspector General**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	6,590,700	8,323,200	8,161,000	8,276,300	8,303,100
Current Year Appropriation			15,100		
Other	-500,000				
<b>Total General Fund</b>	6,090,700	8,323,200	8,176,100	8,276,300	8,303,100
<b>Restricted Funds</b>					
Balance Forward	4,539,434	5,235,023	6,434,400	4,578,400	2,680,400
Current Receipts	5,092,331	4,459,023	5,430,800	5,469,500	5,469,700
Non-Revenue Receipts	89,198	-369,829	126,500	126,600	126,600
<b>Total Restricted Funds</b>	9,720,963	9,324,217	11,991,700	10,174,500	8,276,700
<b>Federal Fund</b>					
Balance Forward	1,027,125	1,151,606	1,136,200	497,000	220,300
Current Receipts	14,977,761	14,718,542	17,934,300	18,565,400	18,627,400
<b>Total Federal Fund</b>	16,004,886	15,870,148	19,070,500	19,062,400	18,847,700
<b>TOTAL SOURCE OF FUNDS</b>	31,816,549	33,517,566	39,238,300	37,513,200	35,427,500
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	22,272,132	23,513,109	29,741,400	30,191,000	30,333,700
Operating Expenses	2,967,880	2,433,804	4,421,500	4,421,500	4,421,500
<b>TOTAL EXPENDITURES</b>	25,240,012	25,946,913	34,162,900	34,612,500	34,755,200
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,900,792	8,323,200	8,176,100	8,276,300	8,303,100
Restricted Funds	4,485,940	2,889,746	7,413,300	7,494,100	7,604,400
Federal Fund	14,853,279	14,733,967	18,573,500	18,842,100	18,847,700
<b>TOTAL EXPENDITURES</b>	25,240,012	25,946,913	34,162,900	34,612,500	34,755,200

The Inspector General has four divisions: the Division of Audits and Investigations, the Division of Regulated Child Care, the Division of Health Care, and the Division of Certificate of Need. The general authority for the Office of the Inspector General is codified within KRS 194A.030.

The Division of Audits and Investigations examines Cabinet programs to assess contractor compliance with state and federal laws and regulations. In accordance with KRS 194A.030, the Division is responsible for conducting audits of programs within the Cabinet for Health and Family Services, their grantees and contractors. Investigations are conducted to detect fraud or abuse of any program by any client, or vendor of services with whom the Cabinet has contracted. Special investigations may be requested by the Secretary, commissioners, or agency heads into matters related to the Cabinet and its programs. Any information relevant to possible criminal violations is forwarded to the appropriate prosecuting authority. The agency operates a toll-free welfare and Medicaid fraud and abuse hotline (mandated by KRS 205.8483 and 42 CFR 455); conducts investigations of Women, Infants, and Children program vendors; and collects and reports data on assistance program fraud investigations by the Office of the Inspector General and the Office of the Attorney General. The Kentucky All Schedule Prescription Enforcement Reporting or KASPER system is also maintained here.

Regulated Child Care is charged with licensing certified Family Day Care homes, licensed day care centers (Type I and II), child caring facilities, child-placing agencies, and private adoptive service agencies. This includes initial licensure surveys, yearly re-licensure surveys, and complaint surveys.

Health Care is responsible for inspecting, monitoring, licensing and certifying all health care facilities as defined by KRS 216.510 (1). On-site inspections are conducted of all health facilities and services throughout the state (including nursing homes, hospitals and laboratories) to determine compliance with state licensing standards and federal Medicare and Medicaid certification requirements. Allegations of abuse and neglect that may occur in a licensed health facility are also investigated.

Certificate of Need (CON) staff is responsible for administering the certificate of need program in order to prevent unnecessary proliferation and/or duplication of health care facilities, health services and major medical equipment that increase the cost of health care within the Commonwealth. Staff are responsible for developing the State Health Plan which guides the decision-making process for many types of CON applications. The proposed State Health Plan goes through an extensive review process allowing for comment and input from the public as well as the provider community.

**Health and Family Services**  
**Office for Children with Special Health Care Needs**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	5,249,000	3,863,100	5,851,900	6,907,600	6,887,000
Current Year Appropriation			17,200		
<b>Total General Fund</b>	5,249,000	3,863,100	5,869,100	6,907,600	6,887,000
<b>Restricted Funds</b>					
Balance Forward	3,739,152	3,033,510	4,314,200	2,951,100	1,437,600
Current Receipts	7,914,088	10,967,316	8,286,500	8,448,200	8,443,200
Non-Revenue Receipts	-50,288	-654,688	-655,000	-655,000	-655,000
<b>Total Restricted Funds</b>	11,602,953	13,346,139	11,945,700	10,744,300	9,225,800
<b>Federal Fund</b>					
Balance Forward	-16,293	70,986	95,000		
Current Receipts	4,640,180	4,575,850	4,477,300	4,647,700	4,666,800
<b>Total Federal Fund</b>	4,623,887	4,646,836	4,572,300	4,647,700	4,666,800
<b>TOTAL SOURCE OF FUNDS</b>	21,475,840	21,856,074	22,387,100	22,299,600	20,779,600
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	13,200,429	13,101,675	14,657,000	15,124,700	15,263,600
Operating Expenses	2,131,462	2,115,961	2,218,700	2,998,500	2,831,300
Grants Loans Benefits	2,947,445	2,158,310	2,548,900	2,727,400	2,673,300
Capital Outlay	11,430	70,860	11,400	11,400	11,400
<b>TOTAL EXPENDITURES</b>	18,290,766	17,446,805	19,436,000	20,862,000	20,779,600
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,168,423	3,863,100	5,869,100	6,907,600	6,887,000
Restricted Funds	8,569,442	9,031,905	8,994,600	9,306,700	9,225,800
Federal Fund	4,552,901	4,551,800	4,572,300	4,647,700	4,666,800
<b>TOTAL EXPENDITURES</b>	18,290,766	17,446,805	19,436,000	20,862,000	20,779,600
<b>EXPENDITURES BY UNIT</b>					
Children's Health Services	18,290,766	17,446,805	19,436,000	20,862,000	20,779,600
<b>TOTAL EXPENDITURES</b>	18,290,766	17,446,805	19,436,000	20,862,000	20,779,600

The Office for Children with Special Health Care Needs (OCSHCN), formerly the Commission for Children with Special Health Care Needs, provides comprehensive care to children and youth with special health care needs who are Kentucky residents; younger than 21 years of age; meet medical eligibility; and meet financial eligibility. OCSHCN's mission is to enhance the quality of life for Kentucky's children with special health care needs through quality service, leadership, advocacy, education and collaboration. OCSHCN supports the highest quality of life for Kentucky's children with special health care needs and their families through collaboration and creation of a more accessible community based system of support.

OCSHCN believes in working with partners including families on new initiatives to develop and promote a more robust system of care. OCSHCN continues to build collaborations to ensure more of Kentucky's most vulnerable children will have access to the care they need for a wide variety of direct, enabling, population-based and surveillance programs which provide specialized health care; early periodic screening diagnosis and treatment services; social services and support to children, youth, and his/her families.

The programs/services currently operating within OCSHCN are:

- **Support Services:** Outreaches to providers, schools, and the community through trainings, meetings, and participation in health fairs and educational symposiums. OCSHCN increases community and family engagement through the agency's Facebook page, Youth Advisory Committee, Parent Advisory Committee and Spanish speaking support groups. OCSHCN provides interpreters (at no cost to families) for those directly enrolled in OCSHCN services who have limited English proficiency.

- Family to Family: OCSHCN employs two family consultants who oversee family-to-family connections in each OCSHCN district office through a mentoring program called the Family-to-Family (F2F) Health Information Center. The mentors identify available community resources and educate families, children, and young adults about how to navigate and access those resources. Over the last few fiscal years, F2F had over 70 support parents across the state assisting over 1,000 families for various needs related to healthcare. OCSHCN utilizes data to identify areas of the Commonwealth where there may be gaps in services. Based on the data, outreach is increased and partnerships are pursued. To ensure a successful transition from pediatric to adult health care, OCSHCN works with the patient and their family to connect the patient with an adult health care provider prior to discharge from OCSHCN services at 21 years of age. OCSHCN partners with schools, state and local agencies and other community organizations, to encourage family centered decision-making, which leads to each child reaching his/her personal goals for the future. The transition administrator conducts regular follow-up calls to aged-out youth – of over 100 patients who have been contacted, 98% have successfully transitioned to adult health care providers.
- Clinical and Augmentative Services Program: Provides services to children with special needs under 21 years of age throughout the Commonwealth as authorized by KRS 200.460 - 200.499 and 902 KAR 4:100. Three new OCSHCN regulations became effective July 2019 and August 2019: Application to Clinical programs (911 KAR 1:010), Billing and fees (911 KAR 1:020) and Medical staff (911 KAR 1:060). The program provides preventative, diagnostic, and treatment services, which include: medical care; hospitalization; durable medical goods; care coordination/medical case management; therapy; transportation; and nutritional education. Diagnostic conditions eligible for direct service, care coordination/case management and/or financial assistance include: asthma (severe), autism spectrum disorder; cardiology, cerebral palsy; craniofacial anomalies, cleft lip & palate, cystic fibrosis, diabetes; hearing loss, hemophilia, neurology, ophthalmology, orthopedic, otology, rheumatology, scoliosis and spina bifida. The critical services provided enhances the quality of many children's lives enabling them to reach their full potential during their lives.
- Hemophilia Program: Mandated by KRS 200.550 and KRS 200.560. It is a unique program that provides care for both children and adults with hemophilia and related bleeding disorders. This program is designed to assist those people who require continuing treatment with blood derivatives or a manufactured product to avoid debilitating effects and premium assistance toward health insurance for qualified patients. The program is operated through partnership with both University of Louisville and the University of Kentucky. Together they provide clinical services and systems of intervention and education in order to provide a safety net for this vulnerable population and improve the quality of life for those enrolled in the program across the commonwealth.
- Foster Care: Provides children and youth safe and nurturing foster homes that cultivate trust and stability and provide for their health needs, as well as a service delivery system that supports access among our community's most vulnerable citizens, the children and youth who are medically complex and in foster care. Nurses stationed in child welfare offices (and those in regional OCSHCN offices) now convene individual health planning meetings and reviews, as well as conduct monthly home visits to approximately 140 medically complex children placed in out-of-home care throughout the state. Annually, over 1,500 visits are conducted by OCSHCN. Medical consultation is also available on behalf of any child in or at risk of placement in the child welfare system on an as-needed basis.
- Early Hearing Detection and Intervention (EHDI) Program: Mandated by KRS 216.2970 with the goal of ensuring that infants diagnosed with permanent hearing loss receive timely and appropriate services, and thereby live a greater quality of life. It strives to ensure that all infants born in a Kentucky hospital (with at least 40 births annually) receive a physiologic hearing screening prior to discharge, and that the results of the screen are shared with the parents, physicians, and OCSHCN for tracking and follow-up purposes. The program is designed to assist families in obtaining diagnostic follow-up and early intervention in a timely manner. EHDI supports statewide screening for the early detection of hearing disorders and referral for follow-up treatment. The program has strong partnerships with Kentucky birthing hospitals, resulting in a consistently high hearing screening rate (98%) prior to discharge.
- First Steps Point of Entry (POE) for KIPDA Region: Serves as the Local Lead Agency in the KIPDA Region for Kentucky's Early Intervention System (KEIS). KEIS is mandated by 20 US Code Chapter 33: Education of Individuals with Disabilities, Part 303 (Part C) –Early Intervention Program for Infants and Toddlers with Disabilities the program serve children from birth to age three that have significant developmental delay or a specific medically established risk condition that is known to cause a developmental delay. The Department for Public Health, which serves as the state lead agency, funds the POE for the KIPDA region. The POE ensures access to core services, which include screenings; service coordination; evaluation and assessment; individualized family service plan development; and

implementation of procedural safeguards. The EHDI program expanded the Early Childhood Hearing Outreach in Kentucky that distributed Otoacoustic Emissions equipment to Part 303 (Part C) –Early Intervention Program for Infants and Toddlers with Disabilities (First Steps) point of entry staff, and provided training in service delivery and EHDI reporting procedures. OCSHCN district offices receive direct referrals from First Steps for any child at risk of hearing loss who cannot be screened or who fails the screening provided by First Steps.

## **Policy**

The Governor’s budget includes General Fund of \$49,800 in fiscal year 2023 and \$49,600 in fiscal year 2024 to support ten percent pay increase for employees in the Social service worker classifications effective December 16, 2021.

The Governor’s budget includes additional funding of \$863,000 from the General Fund and \$100,000 from Restricted Funds in fiscal year 2023 and \$798,500 from the General Fund in fiscal year 2024 for software upgrades, purchase of audiology equipment, increases in professional services, and meeting increased demand for programmatic services.

**Health and Family Services**

**Medicaid Services**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,043,016,800	2,061,886,000	1,993,705,600	2,044,835,600	2,487,161,900
Current Year Appropriation		16,312,500	8,900		
<b>Total General Fund</b>	<b>2,043,016,800</b>	<b>2,078,198,500</b>	<b>1,993,714,500</b>	<b>2,044,835,600</b>	<b>2,487,161,900</b>
<b>Restricted Funds</b>					
Balance Forward	45,985,879	106,561,980	47,544,300	516,897,500	63,916,200
Current Receipts	282,305,045	457,723,041	593,884,200	704,408,800	707,450,800
Non-Revenue Receipts	260,646,347	156,744,871	787,907,600	469,283,600	645,792,400
<b>Total Restricted Funds</b>	<b>588,937,271</b>	<b>721,029,891</b>	<b>1,429,336,100</b>	<b>1,690,589,900</b>	<b>1,417,159,400</b>
<b>Federal Fund</b>					
Balance Forward	-22,463,564	3,860,097	3,132,500	180,100	
Current Receipts	9,545,012,665	11,854,895,460	12,367,984,000	11,962,854,400	12,281,271,600
<b>Total Federal Fund</b>	<b>9,522,549,101</b>	<b>11,858,755,556</b>	<b>12,371,116,500</b>	<b>11,963,034,500</b>	<b>12,281,271,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>12,154,503,172</b>	<b>14,657,983,948</b>	<b>15,794,167,100</b>	<b>15,698,460,000</b>	<b>16,185,592,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	157,473,065	179,575,109	193,460,000	359,178,100	352,371,200
Operating Expenses	7,790,967	6,847,377	7,282,800	7,388,100	7,388,100
Grants Loans Benefits	11,878,151,581	14,420,884,694	15,076,346,700	15,267,977,600	15,825,833,600
<b>TOTAL EXPENDITURES</b>	<b>12,043,415,613</b>	<b>14,607,307,180</b>	<b>15,277,089,500</b>	<b>15,634,543,800</b>	<b>16,185,592,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	2,042,351,318	2,078,198,500	1,993,714,500	2,044,835,600	2,487,161,900
Restricted Funds	482,375,291	673,485,550	912,438,600	1,626,673,700	1,417,159,400
Federal Fund	9,518,689,004	11,855,623,130	12,370,936,400	11,963,034,500	12,281,271,600
<b>TOTAL EXPENDITURES</b>	<b>12,043,415,613</b>	<b>14,607,307,180</b>	<b>15,277,089,500</b>	<b>15,634,543,800</b>	<b>16,185,592,900</b>
<b>EXPENDITURES BY UNIT</b>					
Medicaid Administration	200,636,484	222,341,253	237,792,800	403,616,200	396,809,300
Medicaid Benefits	11,842,779,130	14,384,965,927	15,039,296,700	15,230,927,600	15,788,783,600
<b>TOTAL EXPENDITURES</b>	<b>12,043,415,613</b>	<b>14,607,307,180</b>	<b>15,277,089,500</b>	<b>15,634,543,800</b>	<b>16,185,592,900</b>

Medicaid Services is comprised of two appropriation units: Administration and Benefits. Additionally, two major programs operate within each of those appropriation units: the Kentucky Medical Assistance program (regular Medicaid program) and the Kentucky Children's Health Insurance program (KCHIP).

The Medical Assistance program provides for comprehensive physical and behavioral health services by reimbursing providers for health care provided to medically indigent Kentuckians. Providers are reimbursed directly on a fee-for-service basis or indirectly through contractual arrangements with managed care organizations who receive a monthly capitation payment for each enrolled recipient. Eligibility for services is determined by staff in each county through a contractual agreement with the Department for Community Based Services. Individuals may automatically qualify for benefits if they are eligible for Supplemental Security Income benefits administered by the Social Security Administration.

KCHIP provides for comprehensive physical and behavioral health services for uninsured children up to 218 percent of the federal poverty level who are not otherwise eligible for Medicaid.

**Health and Family Services  
Medicaid Administration**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	59,367,300	59,304,800	59,310,400	65,505,400	66,197,300
Current Year Appropriation			8,900		
<b>Total General Fund</b>	59,367,300	59,304,800	59,319,300	65,505,400	66,197,300
<b>Restricted Funds</b>					
Balance Forward	18,810,783	13,953,769	3,542,700	387,100	
Current Receipts	213,268	130,037	232,600	232,600	232,600
Non-Revenue Receipts	-807,294	102,589	9,204,900	54,641,700	48,445,900
<b>Total Restricted Funds</b>	18,216,758	14,186,395	12,980,200	55,261,400	48,678,500
<b>Federal Fund</b>					
Balance Forward	6,592,798	14,899,219	12,652,500	180,100	
Current Receipts	145,978,098	150,146,025	153,408,000	282,669,300	281,933,500
<b>Total Federal Fund</b>	152,570,896	165,045,244	166,060,500	282,849,400	281,933,500
<b>TOTAL SOURCE OF FUNDS</b>	230,154,954	238,536,439	238,360,000	403,616,200	396,809,300
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	157,173,532	179,575,109	193,460,000	359,178,100	352,371,200
Operating Expenses	7,790,967	6,847,377	7,282,800	7,388,100	7,388,100
Grants Loans Benefits	35,671,985	35,918,767	37,050,000	37,050,000	37,050,000
<b>TOTAL EXPENDITURES</b>	200,636,484	222,341,253	237,792,800	403,616,200	396,809,300
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	58,701,818	59,304,800	59,319,300	65,505,400	66,197,300
Restricted Funds	4,262,989	10,643,664	12,593,100	55,261,400	48,678,500
Federal Fund	137,671,677	152,392,789	165,880,400	282,849,400	281,933,500
<b>TOTAL EXPENDITURES</b>	200,636,484	222,341,253	237,792,800	403,616,200	396,809,300
<b>EXPENDITURES BY UNIT</b>					
Medical Assistance Administration	198,794,536	217,361,108	230,091,300	395,907,800	389,104,800
KCHIP Administration	1,841,948	4,980,145	7,701,500	7,708,400	7,704,500
<b>TOTAL EXPENDITURES</b>	200,636,484	222,341,253	237,792,800	403,616,200	396,809,300

Administrative functions of the Medicaid program and the Kentucky Children’s Health Insurance program (KCHIP) include determining applicant eligibility, formulating policy, processing claims, assuring appropriate utilization of medical services, and managed care oversight. For the fee for service elements of the program, claims are paid through contracts with a fiscal agent and a pharmacy benefits administrator. For the managed care elements of the program, a monthly capitation fee for each member is paid. The Medicaid program contracts for medical review of acute care admissions, level of care determinations for long-term care patients, and care reviews for recipients in mental hospitals and psychiatric facilities.

The Department for Community Based Services performs the eligibility determination function on behalf of the Department for Medicaid Services through a contractual arrangement. The Department for Medicaid Services also administers KCHIP, a program to provide health care services for uninsured children with family incomes below 200 percent of the federal poverty level but above the federal income level for the Medicaid Program.

**Policy**

The Governor’s budget includes \$9 million over the biennium for information technology upgrades related to the Basic Health Plan: \$7 million in fiscal year 2023 and the \$2 million in fiscal year 2024 which are evenly divided between General and Federal Fund.

The budget includes additional funding of \$90,313,300, \$37,810,800 from Restricted Funds and \$52,502,500 from Federal Funds for fiscal year 2023 and \$72,286,800, \$32,264,200 from Restricted Funds and \$40,022,600 from Federal Funds for fiscal year 2024 to reinvest Federal Medical Assistance Percentages (FMAP) savings from Home and Community Based Services (HCBS) expenditures. The reinvestment of FMAP will improve ease of access, increase crisis services, study waiver structure and improve monitoring and reporting.

The recommended budget includes \$152.6 million over the biennium to upgrade/replace the Medicaid Claims Administration and Financial Solutions system, Electronic Visit Verification system, Utilization Management System and Medicaid Data Analytics Platform, through software-as-a-service acquisition. In fiscal year 2023, it includes the following fund sources: \$2,660,100 General Fund, \$4,713,200 Restricted Funds and \$60,856,200 Federal Fund. In fiscal year 2024: \$5,837,300 General Fund, \$3,635,800 Restricted Funds and \$74,898,200 Federal Fund.



**Health and Family Services**

**Medicaid Benefits**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,983,649,500	2,002,581,200	1,934,395,200	1,979,330,200	2,420,964,600
Current Year Appropriation		16,312,500			
<b>Total General Fund</b>	<b>1,983,649,500</b>	<b>2,018,893,700</b>	<b>1,934,395,200</b>	<b>1,979,330,200</b>	<b>2,420,964,600</b>
<b>Restricted Funds</b>					
Balance Forward	27,175,096	92,608,211	44,001,600	516,510,400	63,916,200
Current Receipts	282,091,777	457,593,004	593,651,600	704,176,200	707,218,200
Non-Revenue Receipts	261,453,641	156,642,281	778,702,700	414,641,900	597,346,500
<b>Total Restricted Funds</b>	<b>570,720,513</b>	<b>706,843,496</b>	<b>1,416,355,900</b>	<b>1,635,328,500</b>	<b>1,368,480,900</b>
<b>Federal Fund</b>					
Balance Forward	-29,056,362	-11,039,122	-9,520,000		
Current Receipts	9,399,034,567	11,704,749,435	12,214,576,000	11,680,185,100	11,999,338,100
<b>Total Federal Fund</b>	<b>9,369,978,205</b>	<b>11,693,710,313</b>	<b>12,205,056,000</b>	<b>11,680,185,100</b>	<b>11,999,338,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>11,924,348,218</b>	<b>14,419,447,509</b>	<b>15,555,807,100</b>	<b>15,294,843,800</b>	<b>15,788,783,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	299,534				
Grants Loans Benefits	11,842,479,596	14,384,965,927	15,039,296,700	15,230,927,600	15,788,783,600
<b>TOTAL EXPENDITURES</b>	<b>11,842,779,130</b>	<b>14,384,965,927</b>	<b>15,039,296,700</b>	<b>15,230,927,600</b>	<b>15,788,783,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,983,649,500	2,018,893,700	1,934,395,200	1,979,330,200	2,420,964,600
Restricted Funds	478,112,303	662,841,886	899,845,500	1,571,412,300	1,368,480,900
Federal Fund	9,381,017,327	11,703,230,341	12,205,056,000	11,680,185,100	11,999,338,100
<b>TOTAL EXPENDITURES</b>	<b>11,842,779,130</b>	<b>14,384,965,927</b>	<b>15,039,296,700</b>	<b>15,230,927,600</b>	<b>15,788,783,600</b>
<b>EXPENDITURES BY UNIT</b>					
Medicaid Benefits	11,601,227,564	14,094,108,338	14,611,675,800	14,781,666,900	15,317,018,300
KCHIP Benefits	241,551,566	290,857,589	427,620,900	449,260,700	471,765,300
<b>TOTAL EXPENDITURES</b>	<b>11,842,779,130</b>	<b>14,384,965,927</b>	<b>15,039,296,700</b>	<b>15,230,927,600</b>	<b>15,788,783,600</b>

The Kentucky Medicaid program, under Title XIX of the Social Security Act and KRS 205.520, provides for preventive and remedial medical care for financially and medically indigent citizens in Kentucky who meet the income and resource criteria for Medicaid eligibility. The following services are currently provided by Kentucky's Medicaid program: Inpatient Hospital; Mental Hospital (for individuals under age 21 and age 65 and over); Renal Dialysis; Model Waiver II (home based services for individuals who are ventilator dependent); Psychiatric Residential Treatment Facilities (8-9 bed group homes for adolescents needing psychiatric residential services); Outpatient Hospital (including Emergency Room); Ambulatory Surgical Centers; HANDS (home visiting services for new and expectant parents); Specialized Children's Services Clinics (sexual abuse examinations); School-Based Services (Medicaid coverage for health services provided by schools to children with disabilities); Commission for Children with Special Health Care Needs; Intermediate Care Facility Services for Individuals with Intellectual Disabilities-ICFIID (residential habilitation for Medicaid recipients with intellectual disabilities); Nursing Facility Services (residential placement for the elderly and/or disabled); Preventative Services (health care) through the Local Health Departments; Early Intervention Services for Infants through age 2 with developmental problems; Early and Periodic Screening, Diagnosis and Treatment Services (EPSDT) which is preventive health care for children under 21 and coverage of any Federally-allowable, medically necessary Medicaid service for children, even if the service is not covered by the state's Medicaid plan; Chiropractic; X-ray and Laboratory Services; Physical, Occupational and Speech Therapy; Durable Medical Equipment (DME); Federally Qualified Health Centers (FQHC); Primary Care Centers (PCC); Community Mental Health Centers (CMHC); Rural Health Centers; Family Planning; Home Health services; Supports for Community Living (SCL) Waiver Services (long term community services and supports for individuals with intellectual disabilities); Home and Community Based (HCBS) Waiver Services (long term community services and supports for individuals who meet nursing facility level of care); Adult Day Health Care; Brain Injury Waiver Services (long term community services and supports for individuals with acquired brain injuries); Michelle P. Waiver

services (long term community services and supports for individuals with intellectual or developmental disabilities); Nurse Anesthetist; Hospice; Transportation (Non-Emergency and Emergency/Ambulance); Pharmacy; Vision Care; Dental; Physician Services; Nurse Practitioner/Midwife; Audiology Services; Podiatry; Comprehensive Outpatient Rehabilitative Facilities (CORF); Distinct Psychiatric Units in hospitals; Distinct Rehabilitative Units in hospitals; Physicians Assistants; Private Duty Nursing Services; Behavioral health (mental health or substance use disorder services) provided by licensed practitioners, practitioner groups and licensed organizations; Targeted Case Management for individuals with serious mental health or substance abuse disorders; Medicare Premiums (Medicare beneficiaries with incomes below the federal poverty level receive Medicaid assistance for payment of Medicare premiums, deductibles and cost sharing). These individuals are Qualified Medicare Beneficiaries (QMBs). Individuals at the lowest income levels are entitled to full Medicaid benefits. Medicare beneficiaries with income levels slightly higher than poverty receive Medicaid assistance for payment of Medicare premiums. These individuals are Specified Low-Income Medicare Beneficiaries (SLMBs).

Effective January 1, 2014, the federal Patient Protection and Affordable Care Act (ACA) changed the basis for Medicaid eligibility from eligibility categories tied to deprivation to income-based eligibility, with household income for most beneficiaries determined by the Modified Adjusted Gross Income (MAGI) reported on income tax returns. ACA also simplified and streamlined eligibility processes for most beneficiaries. ACA required states with Medicaid benchmark benefit packages, including Kentucky, to align their Medicaid benefits with ten essential health benefits defined by the benchmark plan adopted for the state's health benefit exchange (the 2012 Anthem PPO plan for Kentucky). This required Kentucky to add substance use treatment services and private duty nursing to its benefit package for all Medicaid beneficiaries. Prior to ACA, Kentucky Medicaid only covered substance use treatment for children and pregnant women. Kentucky adopted the adult Medicaid eligibility expansion which extends Medicaid eligibility to individuals in households with income at or below 138% of the federal poverty level (FPL).

### **Kentucky Medical Assistance Program (KMAP) Recipient Groups**

Based on the eligibility changes in ACA, individuals who are eligible for KMAP benefits are classified into two groups: the Modified Adjusted Gross Income (MAGI) eligibility group and the non-MAGI eligibility group.

The **MAGI eligibility group** includes children and non-disabled adults under age 65. Specifically, this group includes children, pregnant women, caretaker relatives of children eligible for Medicaid, the adult Medicaid expansion eligibility group and former foster care children who are eligible for Medicaid up to age 26. Eligibility for each of these groups is based on the following income levels: pregnant women and infants under one year of age – 200% of the Federal Poverty Level (FPL); children from one to eighteen years of age: 147% FPL; and the adult Medicaid expansion eligibility group: 138% FPL. Former foster care children are eligible for Medicaid up to age 26 regardless of their income.

The **non-MAGI eligibility group includes** aged, blind and disabled individuals whose eligibility is associated with their health status and who are subject to resource requirements as well as income limits in establishing Medicaid eligibility.

### **Projecting Benefits Cost**

Forecasting models were combined in the preparation of the Medicaid Benefits projections. Both the Office of State Budget Director (OSBD) and the Department for Medicaid Services (DMS) prepared cash forecasts to arrive at a consensus forecast. These forecasts examine past trends in categorical spending to generate projections for future cash expenditures, adjusting for policy changes. It should be noted that fewer members and services remain under fee-for-service due to the expansion of managed care which was implemented November 1, 2011. Using member eligibility information, historical monthly cash fee-for-service data was classified as either fee-for-service or managed care. Managed care costs were calculated based on the monthly member forecast and the negotiated rates with the contracted managed care organizations. The managed care portion of the budget does not include individual categories of service; therefore, total projected costs for individual services cannot be determined.

## **Provider Taxes**

Dedicated provider assessments are levied on hospitals, home health agencies, Intermediate Care Facilities for Persons with Intellectual Disabilities, providers of alternative community services and long-term care facilities. The recommended budget assumes continuation of the current level of provider tax collections to maintain existing reimbursement levels for hospitals established in state fiscal year 2006.

## **Disproportionate Share Hospital (DSH) Payments**

The budget includes funding for Disproportionate Share Hospital (DSH) payments equal to the maximum amount established by federal law. Disproportionate Share Hospital payments to state mental hospitals are budgeted in each year of the biennium. This budget includes funds transferred from the university teaching hospitals to be used as state matching funds for the portion of DSH funds received by those facilities.

## **Managed Care**

The budget request assumes that Medicaid services are provided statewide by six (6) contracted Managed Care Organizations (MCOs). Recipients in long term care facilities and waiver programs are excluded from managed care enrollment.

## **Benefit Match Rate**

The budget request assumes a federal medical assistance percentage (FMAP) of 72.32 percent for state fiscal year 2023 and 72.17 percent for fiscal year 2024 for eligibility groups other than the ACA Medicaid expansion group. The FMAP for the Medicaid expansion eligibility group authorized by the Affordable Care Act (ACA) is 90 percent for the biennium. The federal Medicaid match rate for KCHIP is estimated at 80.62 percent for fiscal year 2023 and 80.52 for fiscal year 2024.

## **Kentucky Children's Health Insurance Program (KCHIP)**

The Kentucky Children's Health Insurance program was initiated under Title XXI of the Social Security Act and currently serves eligible children up to 213 percent of the federal poverty level.

Through the American Rescue Act of 2021 (ARPA), Kentucky received 4.34 percent enhanced FMAP for KCHIP expenses which is projected to sunset during fiscal year 2022.

## **Policy**

The Office of State Budget Director and the Department for Medicaid Services work together to arrive at a consensus forecast. These forecasts examine past trends in categorical spending to generate projections for future cash expenditures, adjusting for policy changes. Using member eligibility information, historical monthly cash fee-for-service data was classified as either fee-for-service or managed care. Managed care costs were calculated based on the monthly member forecast and the negotiated rates with the contracted managed care organizations. During the COVID-19 pandemic, states had to maintain enrollment as a maintenance of effort requirement due to receiving a larger federal share for Medicaid costs. With the oncoming expiration of the federal public health emergency, one unique element of the Medicaid forecast was the estimation of the change in enrollment during the 2022-2024 biennium in addition to the forecast of all other elements. The managed care portion of the budget does not include individual categories of service; therefore, total projected costs for individual services cannot be determined.

The budget accommodates the following estimated average monthly enrollment for fiscal year 2023 and fiscal year 2024.

## Medicaid Enrollment

### Projections FY 2022 - FY 2024

	MCO (Traditional Medicaid)	MCO (Medicaid Expansion)	MCO (KCHIP)	Fee For Service (FFS)	Grand Total
FY 2022	779,585	543,751	107,632	138,420	1,569,389
FY 2023	768,399	493,564	110,436	139,098	1,511,498
FY 2024	774,195	489,921	113,279	141,419	1,518,815

Due to the coronavirus public health emergency, the Families First Coronavirus Response Act provides states with a 6.2 percent enhancement to the federal medical assistance percentage (FMAP) which is assumed to be effective through March 31, 2022. The budget includes a state fiscal year 2023 FMAP of 72.32 percent for Medicaid eligibility groups, 80.62 percent for the Kentucky Children’s Health Insurance Program eligibility group, and 90 percent for the Medicaid expansion eligibility group. The budget includes a state fiscal year 2024 FMAP of 72.17 percent for Medicaid eligibility groups, 80.52 percent for the Kentucky Children’s Health Insurance Program eligibility group, and 90 percent for the Medicaid expansion eligibility group.

The enhanced FMAP of 6.2 percent has allowed the state to build up Restricted Fund balances and to apply those non-recurring sources to absorb cost increases in fiscal year 2023. As those state resources are spent down, the recommended budget includes additional General Fund in the amount of \$438,009,300 in fiscal year 2024 to support the Medicaid forecast, and to place the Medicaid budget in structural balance.

The Governor’s budget adds an additional 100 slots for the Supports for Community Living (SCL) waiver program over the biennium, and an additional 500 slots for the Michelle P. waiver program. The SCL slots are \$3,946,100 in fiscal year 2023 and \$7,892,200 in fiscal year 2024 of which the General Fund accounts for \$1,098,200 in fiscal year 2023 and \$2,196,400 in fiscal year 2024. The Michelle P. slot costs are \$8,298,000 in fiscal year 2023 and \$16,596,000 in fiscal year 2024, of which the General Fund accounts for \$2,309,300 in fiscal year 2023 and \$4,618,700 in fiscal year 2024.

The Governor’s budget extends the additional \$29 per day reimbursement rate increase for Nursing Facilities that is included in the current fiscal year, but expired on December 31, 2021. The current Medicaid budget is able to accommodate the approximate \$75 million required to extend this temporary rate increase through the end of fiscal year 2022. In each fiscal year of the 2022-2024 biennium, \$150 million is provided to maintain these temporary rates through fiscal year 2024, \$41,527,500 from the General Fund and \$108,472,500 from Federal Fund in fiscal year 2023 and \$41,745,000 and \$108,255,000 from Federal Fund in General Fund in fiscal year 2024.

The American Rescue Act provides a temporary ten-percentage point increase to the federal medical assistance percentage for certain Medicaid expenditures. This savings must be reinvested to enhance, expand or strengthen the Home and Community Based Services Program. The budget includes \$16,697,200 in fiscal year 2022, \$65,745,100 in fiscal year 2023, and \$49,047,900 in fiscal year 2024 to enhance workforce development, expand technology and support crisis services.

The budget includes Restricted Funds in the amount of \$116,100,000 in fiscal year 2023 and \$232,200,000 in fiscal year 2024 to support the Basic Health Plan, which provides subsidized coverage to low income individuals that earn between 133 percent and 200 percent of the federal poverty line.

**Health and Family Services**  
**Behavioral Health, Developmental & Intellectual Disabilities**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	173,286,700	171,573,900	150,032,000	196,156,300	203,602,400
Current Year Appropriation			92,900		
Reorganization Adjustment	-151,800				
Other		-13,000,000			
<b>Total General Fund</b>	173,134,900	158,573,900	150,124,900	196,156,300	203,602,400
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	1,500,800	1,916,000	1,950,500	2,707,100	1,950,500
Current Year Appropriation			2,080,000		
Continuing Approp-Tob Settlement	734,960	1,326,642	1,149,400		
<b>Total Tobacco Fund</b>	2,235,760	3,242,642	5,179,900	2,707,100	1,950,500
<b>Restricted Funds</b>					
Balance Forward	6,767,707	8,467,548	24,298,700	14,290,400	5,604,600
Current Receipts	211,203,079	201,054,563	203,869,400	208,006,700	211,919,600
Non-Revenue Receipts	85,424	3,120,516	1,311,300	936,000	936,000
<b>Total Restricted Funds</b>	218,056,211	212,642,627	229,479,400	223,233,100	218,460,200
<b>Federal Fund</b>					
Balance Forward	-2,774,297	169,968	-3,703,800	160,900	178,800
Current Receipts	76,083,996	95,802,364	129,239,300	111,974,500	107,166,800
Non-Revenue Receipts				5,874,000	5,874,000
<b>Total Federal Fund</b>	73,309,699	95,972,332	125,535,500	118,009,400	113,219,600
<b>TOTAL SOURCE OF FUNDS</b>	466,736,570	470,431,501	510,319,700	540,105,900	537,232,700
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	96,027,270	82,969,999	96,606,800	103,576,100	104,807,700
Operating Expenses	13,252,584	13,649,206	13,778,500	14,465,400	14,475,900
Grants Loans Benefits	333,714,378	340,418,563	375,673,500	406,469,800	408,139,100
Debt Service	11,993,225	11,531,725	9,809,600	9,811,200	9,810,000
Capital Outlay	102,500	117,782			
<b>TOTAL EXPENDITURES</b>	455,089,957	448,687,275	495,868,400	534,322,500	537,232,700
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	171,452,445	158,573,900	150,124,900	196,156,300	203,602,400
Tobacco Fund	909,118	2,093,207	5,179,900	2,707,100	1,950,500
Restricted Funds	209,588,663	188,343,969	215,189,000	217,628,500	218,460,200
Federal Fund	73,139,731	99,676,200	125,374,600	117,830,600	113,219,600
<b>TOTAL EXPENDITURES</b>	455,089,957	448,687,275	495,868,400	534,322,500	537,232,700
<b>EXPENDITURES BY UNIT</b>					
Community Behavioral Health	127,266,549	136,047,911	191,617,700	179,723,000	181,278,900
Community Developmental and Intellectual Disabilities	22,932,171	22,137,587	23,629,200	23,669,900	23,686,300
General Support	26,085,033	25,122,900	7,274,600	49,407,900	49,435,200
Residential	278,806,204	265,378,877	273,346,900	281,521,700	282,832,300
<b>TOTAL EXPENDITURES</b>	455,089,957	448,687,275	495,868,400	534,322,500	537,232,700

The Department for Behavioral Health, Developmental and Intellectual Disabilities operates behavioral health, substance use disorder, developmental and intellectual disabilities programs. Services are provided in the community and in state-owned, state-operated and contracted residential facilities. Approximately 800 inpatients are cared for daily in the facilities operated or contracted by the Cabinet, and over 175,000 more are treated as outpatients in the community setting by the 14 Regional Boards for Mental Health and Intellectual Disability (Community Mental Health Centers) established by KRS 210.

**Policy**

The Governor's budget includes General Fund in the amount of \$94,900 in fiscal year 2023 and \$94,700 in fiscal year 2024 to support a ten percent pay increase for employees in the Social Service Worker classifications effective December 16, 2021.

The Governor's budget includes General Fund in the amount of \$405,800 in fiscal year 2023 and \$406,000 in fiscal year 2024 to support a ten percent pay increase for employees in the Correctional Officers classifications effective December 16, 2021.

**Health and Family Services**  
**Behavioral Health, Developmental & Intellectual Disabilities**  
**Community Behavioral Health**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	50,891,600	50,098,400	50,098,400	54,058,200	61,157,100
Current Year Appropriation			16,400		
<b>Total General Fund</b>	50,891,600	50,098,400	50,114,800	54,058,200	61,157,100
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	1,500,800	1,916,000	1,950,500	2,707,100	1,950,500
Current Year Appropriation			2,080,000		
Continuing Approp-Tob Settlement	734,960	1,326,642	1,149,400		
<b>Total Tobacco Fund</b>	2,235,760	3,242,642	5,179,900	2,707,100	1,950,500
<b>Restricted Funds</b>					
Balance Forward	5,342,954	7,712,919	9,998,600	5,995,100	2,908,100
Current Receipts	8,079,272	7,128,586	8,524,600	9,895,200	9,895,200
Non-Revenue Receipts	1,031,810	800,256	1,636,300	1,261,000	1,261,000
<b>Total Restricted Funds</b>	14,454,035	15,641,761	20,159,500	17,151,300	14,064,300
<b>Federal Fund</b>					
Balance Forward	-1,012,417	195,525	-1,921,700	112,200	156,200
Current Receipts	70,585,573	76,095,877	124,192,500	108,758,500	103,950,800
<b>Total Federal Fund</b>	69,573,155	76,291,402	122,270,800	108,870,700	104,107,000
<b>TOTAL SOURCE OF FUNDS</b>	137,154,550	145,274,204	197,725,000	182,787,300	181,278,900
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	7,126,351	7,706,245	7,951,700	8,086,900	8,158,300
Operating Expenses	400,387	310,633	335,700	335,700	335,700
Grants Loans Benefits	119,739,811	128,031,032	183,330,300	171,300,400	172,784,900
<b>TOTAL EXPENDITURES</b>	127,266,549	136,047,911	191,617,700	179,723,000	181,278,900
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	50,238,685	50,098,400	50,114,800	54,058,200	61,157,100
Tobacco Fund	909,118	2,093,207	5,179,900	2,707,100	1,950,500
Restricted Funds	6,741,116	5,643,181	14,164,400	14,243,200	14,064,300
Federal Fund	69,377,631	78,213,123	122,158,600	108,714,500	104,107,000
<b>TOTAL EXPENDITURES</b>	127,266,549	136,047,911	191,617,700	179,723,000	181,278,900

**Community Mental Health Services**

The Community Mental Health Services program provides services and support to Kentuckians with mental health conditions in an effort to improve their ability to function in the community. The Department for Behavioral Health, Developmental and Intellectual Disabilities contracts with 14 Regional Community Mental Health Centers (CMHCs) and other local entities to provide these services and supports. In addition, the Community Mental Health Services program has targeted funds to the most vulnerable citizens with behavioral health conditions. These include:

- Adults with severe mental illness (KRS 210, KRS 202A),
- Children/youth with severe emotional disabilities (KRS 200.501 to KRS 200.509), and
- Uninsured or underinsured individuals with behavioral health disorders.

In accordance with KRS 210.410, CMHCs must provide mentally ill persons and persons who abuse drugs and alcohol with specific services such as: consultation and educational services to help individuals understand their illnesses and treatment options; community support programs to assist individuals with mental health conditions in developing skills that allow them to live independently within the community; outpatient services; emergency services; and inpatient services, which are generally made available through referrals to crisis stabilization units or state or community hospitals.

State and Federal funds are used to provide psychiatric screening and assessment services, case management services, psychotropic medications, housing, and employment support services for adults with severe mental illness and children with severe emotional disabilities. Funds are also provided for unique services and supports designed to “wraparound” an adult or child who is at risk of psychiatric hospitalization.

Funding is used to support promotion of mental “wellness” and early intervention assessment and treatment services. Suicide prevention for youth, adults and older adults is an important focus of the Department as well as services to individuals, and their families, dealing with behavioral health issues related to or exasperated by military service.

Funding is used to support statewide needs assessment and planning, monitoring of services provided, training and technical assistance for providers and other community partners (child welfare, law enforcement, education), and procurement and administration of federal and other funds for the provision of effective, community-based services and supports. Integrated (physical and behavioral health) healthcare delivery is necessary for achieving optimal outcomes.

### **Community Alcohol and Drug Services**

The Community Alcohol and Drug Services Program provides quality treatment, prevention, and education services to citizens suffering from, or at-risk of, substance use disorders (tobacco, alcohol and prescription or illegal drugs). Services are provided through contracts with the CMHCs and other state, local, and private non-profit providers. Substance abuse prevention and treatment services are provided pursuant to KRS 222. The receipts from alcohol intoxication fines are received pursuant to KRS 431.100. Other statutes under which the program operates include: KRS 189A (Driving Under the Influence assessment, education, and treatment) and KRS 218A.410 (Drug Property subject to forfeiture).

Contracts with the CMHCs and their subcontractors, schools, local government agencies, and other community-based organizations provide services which include: community prevention programming (offered through 14 Regional Prevention Centers); juvenile diversion programs; DUI assessment, education, and treatment programs; consultation with businesses on the development of a drug-free work place and employee assistance programs; social setting detoxification centers, residential treatment for men, women and youth, outpatient treatment, intensive outpatient treatment, and case management services; and specialized treatment services for pregnant women, women with dependent children, adolescents, and intravenous drug users. In addition, opiate replacement therapy (medication) and corresponding counseling is available to opiate dependent persons who are at high risk for HIV/AIDS due to their intravenous drug use. Training, consultation and client evaluations are made available, within budget limitations, to criminal justice agencies and other agencies within the Cabinet for Health and Family Services for clients with substance use disorders. As the State Substance Abuse Authority and the State Opiate Replacement Authority, the Department is tasked with leading the Kentucky Opioid Response Effort (KORE) and collaborating with other departments within the Cabinet, the Office of Drug Control Policy, and other state and local agencies in the effort to eradicate addiction.

### **Policy**

The budget in each fiscal year provides Phase I Tobacco Settlement Funds in the amount of \$500,000 for the Kentucky Rural Mental Health and Suicide Prevention Program.

The base budget includes General Fund of \$900,000 in each fiscal year to support direct services to clients provided by The Healing Place.

The budget includes Phase I Tobacco Settlement Funds in the amount of \$1,450,500 in each fiscal year for substance abuse prevention and treatment for pregnant women with a history of substance abuse problems.

The recommended budget includes Phase I Tobacco Settlement Funds of \$2,080,000 in the current year and an additional \$756,600 in fiscal year 2023 for substance abuse prevention and treatment for pregnant and parenting women.

The Governor’s budget includes General Fund in the amount of \$500,000 in fiscal year 2023 and \$1,000,000 in fiscal year 2024 to expand the Tim’s Law Pilot Expansion program to Eastern State and Appalachian Regional Hospitals.

The recommended budget includes General Fund in the amount of \$3,370,700 in fiscal year 2023 and \$9,937,000 in fiscal year 2024 to fund the implementation of the 988 crisis support line. Effective July 1, 2022 the three-digit calling number of 988 will become active and replace the current 1-800-273-8255 number used for the National Suicide Prevention Lifeline. These funds will support additional staff at the Community Mental Health Centers to provide 24/7/365 crisis support.



**Health and Family Services**  
**Behavioral Health, Developmental & Intellectual Disabilities**  
**Community Developmental and Intellectual Disabilities**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	17,755,500	17,604,800	17,604,800	17,633,800	17,649,300
Current Year Appropriation			5,600		
Reorganization Adjustment	-151,800				
Other		-778,000			
<b>Total General Fund</b>	17,603,700	16,826,800	17,610,400	17,633,800	17,649,300
<b>Restricted Funds</b>					
Balance Forward	113,804	98,690	45,100	16,900	9,400
Current Receipts	7,340	33,226	99,600	111,500	114,000
Non-Revenue Receipts	2,200,000	2,200,000	2,675,000	2,675,000	2,675,000
<b>Total Restricted Funds</b>	2,321,144	2,331,916	2,819,700	2,803,400	2,798,400
<b>Federal Fund</b>					
Balance Forward	-1,761,767	-1,617,361	-1,782,000	48,700	22,600
Current Receipts	3,253,422	2,859,261	5,046,700	3,216,000	3,216,000
<b>Total Federal Fund</b>	1,491,655	1,241,900	3,264,700	3,264,700	3,238,600
<b>TOTAL SOURCE OF FUNDS</b>	21,416,499	20,400,617	23,694,800	23,701,900	23,686,300
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,083,653	2,716,790	3,755,200	3,819,200	3,862,100
Operating Expenses	376,517	224,302	485,600	485,600	485,600
Grants Loans Benefits	19,472,001	19,196,495	19,388,400	19,365,100	19,338,600
<b>TOTAL EXPENDITURES</b>	22,932,171	22,137,587	23,629,200	23,669,900	23,686,300
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	17,600,702	16,826,800	17,610,400	17,633,800	17,649,300
Restricted Funds	2,222,453	2,286,854	2,802,800	2,794,000	2,798,400
Federal Fund	3,109,015	3,023,933	3,216,000	3,242,100	3,238,600
<b>TOTAL EXPENDITURES</b>	22,932,171	22,137,587	23,629,200	23,669,900	23,686,300

Community Developmental and Intellectual Disabilities is responsible for administration of the Supports for Community Living Medicaid waiver program for individuals with intellectual and developmental disabilities and for the oversight of community providers of both waiver and state General Fund service programs.

Developmental and Intellectual Disability Services provides support and services to individuals to help them be contributing members of their community. Services are provided through contracts with the 14 Regional Community Mental Health Centers and with for-profit and non-profit agencies which provide residential, vocational, community, respite, and a variety of other services that increase independence in the community. Some of the residential services include support to individuals within their own homes, family homes, group home living placements, apartment living supervision, community staffed residences, and assistance with other living arrangements. It is the responsibility of the provider to ensure that people are safe, healthy, respected and valued; that they live in the community with effective, individualized assistance; and are contributing members of the community in which they live and work. Additionally, each of the 14 Regional Community Mental Health Centers have 24/7 crisis prevention and intervention support available to individuals, families and providers with the goal of enabling an individual to remain in his/her community and to prevent future crisis events.

**Health and Family Services**  
**Behavioral Health, Developmental & Intellectual Disabilities**  
**General Support**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	27,111,500	26,362,600	7,255,400	49,407,900	49,435,200
Current Year Appropriation			19,200		
Other		-1,239,700			
<b>Total General Fund</b>	<b>27,111,500</b>	<b>25,122,900</b>	<b>7,274,600</b>	<b>49,407,900</b>	<b>49,435,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>27,111,500</b>	<b>25,122,900</b>	<b>7,274,600</b>	<b>49,407,900</b>	<b>49,435,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	4,499,933	4,697,373	6,200,900	6,304,600	6,357,500
Operating Expenses	240,000	139,902	7,200	7,000	6,900
Grants Loans Benefits	21,345,100	20,285,625	1,066,500	43,096,300	43,070,800
<b>TOTAL EXPENDITURES</b>	<b>26,085,033</b>	<b>25,122,900</b>	<b>7,274,600</b>	<b>49,407,900</b>	<b>49,435,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	26,085,033	25,122,900	7,274,600	49,407,900	49,435,200
<b>TOTAL EXPENDITURES</b>	<b>26,085,033</b>	<b>25,122,900</b>	<b>7,274,600</b>	<b>49,407,900</b>	<b>49,435,200</b>

General Support includes the Commissioner's Office, the Division of Administration and Financial Management, the Division of Program Integrity and the Office of Autism. This unit's activities include policy and budget development, proactive program monitoring, standards development, contract development and implementation, oversight of personnel and staffing, Autism Spectrum Disorder support, legislative monitoring and management decision-making for the overall direction of the Department.

**Policy**

The budget includes a General Fund baseline subsidy in the amount of \$23,084,600 in each fiscal year to assist Community Mental Health/Mental Retardation Boards with employer contributions to the KERS non-hazardous pension plan.

The recommended budget includes \$7,587,000 to cover 100 percent of the marginal costs associated with the new fixed allocation funding policy for the non-hazardous pension plan, passed in House Bill 8, from the 2021 Regular Session, notwithstanding KRS 61.5991(6)(b). House Bill 8 from the 2021 Regular Session allowed affected agencies to appeal their assignment of liability through a one-time appeals process to the Kentucky Public Pensions Authority. Community Mental Health/Mental Retardation Boards appealed the assignment of some liability which resulted in a shift of amortized liability in the amount of \$11,392,700 from Community Mental Health/Mental Retardation Boards to the Executive Branch, which is included in this appropriation unit's General Fund.

**Health and Family Services**  
**Behavioral Health, Developmental & Intellectual Disabilities**

**Residential**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	77,528,100	77,508,100	75,073,400	75,056,400	75,360,800
Current Year Appropriation			51,700		
Other		-10,982,300			
<b>Total General Fund</b>	77,528,100	66,525,800	75,125,100	75,056,400	75,360,800
<b>Restricted Funds</b>					
Balance Forward	1,310,950	655,939	14,255,000	8,278,400	2,687,100
Current Receipts	203,116,467	193,892,751	195,245,200	198,000,000	201,910,400
Non-Revenue Receipts	-3,146,386	120,260	-3,000,000	-3,000,000	-3,000,000
<b>Total Restricted Funds</b>	201,281,032	194,668,950	206,500,200	203,278,400	201,597,500
<b>Federal Fund</b>					
Balance Forward	-113	1,591,804	-100		
Current Receipts	2,245,002	16,847,226	100		
Non-Revenue Receipts				5,874,000	5,874,000
<b>Total Federal Fund</b>	2,244,889	18,439,030		5,874,000	5,874,000
<b>TOTAL SOURCE OF FUNDS</b>	281,054,021	279,633,780	281,625,300	284,208,800	282,832,300
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	81,317,333	67,849,590	78,699,000	85,365,400	86,429,800
Operating Expenses	12,235,680	12,974,370	12,950,000	13,637,100	13,647,700
Grants Loans Benefits	173,157,466	172,905,410	171,888,300	172,708,000	172,944,800
Debt Service	11,993,225	11,531,725	9,809,600	9,811,200	9,810,000
Capital Outlay	102,500	117,782			
<b>TOTAL EXPENDITURES</b>	278,806,204	265,378,877	273,346,900	281,521,700	282,832,300
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	77,528,025	66,525,800	75,125,100	75,056,400	75,360,800
Restricted Funds	200,625,093	180,413,934	198,221,800	200,591,300	201,597,500
Federal Fund	653,085	18,439,143		5,874,000	5,874,000
<b>TOTAL EXPENDITURES</b>	278,806,204	265,378,877	273,346,900	281,521,700	282,832,300

Residential Services provides inpatient care in the areas of psychiatric hospitalization, intermediate care for persons with developmental and intellectual disabilities, nursing facility care, and forensic psychiatry for approximately 800 individuals each day.

Inpatient psychiatric services are provided for adults through four psychiatric hospitals: Eastern State Hospital in Lexington with an average daily census (ADC) of 111; Central State Hospital in Louisville with an ADC of 46; and Western State Hospital in Hopkinsville with an ADC of 112. The ARH Psychiatric Facility located in Hazard, owned and operated by Appalachian Regional Healthcare, Inc., with an ADC of 61, provides acute inpatient psychiatric services through a contract with the Department. Eastern State Hospital is operated under a management contract with the University of Kentucky.

Glasgow Nursing Facility with an ADC of 56 and Western State Nursing Facility with an ADC of 86 provide quality care to adults with severe and persistent mental illness who require a skilled nursing facility's level of care.

Ten facilities provide intermediate care for individuals with developmental and intellectual disabilities who are unable to live unassisted in their communities: the Oakwood Community Center in Somerset with an ADC of 106, Outwood in Dawson Springs with an ADC of 32, Hazelwood in Louisville with an ADC of 55, Bingham Gardens located in Louisville with an ADC of 20, Del Maria in Fern Creek with an ADC of 8, the Meadows in Mount Washington with an ADC of 8, and Windsong in Crestwood with an ADC of 8. Residents are assisted in self-care skills and community living skills and are provided specialized services to promote their personal growth.

The Department has established three specialty clinics in support of individuals with developmental and intellectual disabilities living in the community, who may have transitioned from a facility placement. Moving from a facility placement to a community placement creates a gap in services that can negatively impact clients and jeopardize a successful placement. These clinics provide a vast array of specialized services including medical, dental and therapeutic services on an outpatient basis, avoiding institutionalization. These three specialty clinics are located on the campuses of Bingham Gardens, Hazelwood Center, and Oakwood.

Forensic psychiatric and competency evaluation services are provided at the Kentucky Correctional Psychiatric Center within the Luther Lockett Correctional Complex in LaGrange with an ADC of 38. Pretrial services are provided for persons with felony charges who are referred by district and circuit courts for evaluation of competency to stand trial. The correctional component may serve some post-convicted females in need of acute inpatient psychiatric treatment who are transferred from various institutions within the Department of Corrections.

### **Policy**

The budget includes General Fund in the amount of \$9,811,200 in fiscal year 2023 and \$9,810,000 in fiscal year 2024 for lease payments for Eastern State Hospital.

The Governor's budget includes General Fund in the amount of \$495,000 each fiscal year to raise psychological evaluations payments to \$1,000 for each review.

The recommended budget authorizes Federal Fund in the amount of \$5,874,000 each year for COVID-19 testing at Behavioral Health Facilities from the State Fiscal Recovery Fund.

**Health and Family Services**

**Public Health**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	76,481,200	78,915,500	52,433,100	138,193,200	144,553,100
Current Year Appropriation	300,000		58,900		
Other		-12,245,400			
<b>Total General Fund</b>	<b>76,781,200</b>	<b>66,670,100</b>	<b>52,492,000</b>	<b>138,193,200</b>	<b>144,553,100</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	15,472,100	11,873,100	11,943,200	11,943,200	11,889,800
Continuing Approp-Tob Settlement	13,732,207	12,996,012	14,566,300		
Other	-1,841,176				
<b>Total Tobacco Fund</b>	<b>27,363,131</b>	<b>24,869,112</b>	<b>26,509,500</b>	<b>11,943,200</b>	<b>11,889,800</b>
<b>Restricted Funds</b>					
Balance Forward	20,655,533	12,262,813	17,480,000	11,861,600	6,017,900
Current Receipts	71,671,635	68,752,998	85,689,900	91,759,100	99,663,000
Non-Revenue Receipts	-1,247,348	-2,504,019	-3,795,400	-3,802,400	-3,802,400
Fund Transfers		-4,000,000			
<b>Total Restricted Funds</b>	<b>91,079,820</b>	<b>74,511,792</b>	<b>99,374,500</b>	<b>99,818,300</b>	<b>101,878,500</b>
<b>Federal Fund</b>					
Balance Forward	-926,556	-8,997,557	17,523,100	639,200	337,500
Current Receipts	189,131,947	489,870,127	585,271,700	436,255,800	303,794,200
Non-Revenue Receipts		30,557		179,855,200	
<b>Total Federal Fund</b>	<b>188,205,391</b>	<b>480,903,127</b>	<b>602,794,800</b>	<b>616,750,200</b>	<b>304,131,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>383,429,542</b>	<b>646,954,131</b>	<b>781,170,800</b>	<b>866,704,900</b>	<b>562,453,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	81,107,165	283,625,339	331,201,500	233,605,500	159,113,000
Operating Expenses	14,213,625	36,171,108	31,744,700	31,489,800	23,222,300
Grants Loans Benefits	262,225,144	277,420,894	405,723,800	590,390,700	370,240,900
Debt Service				4,863,500	9,727,000
Capital Outlay		154,996			
Construction	22,911	12,350			
<b>TOTAL EXPENDITURES</b>	<b>357,568,845</b>	<b>597,384,688</b>	<b>768,670,000</b>	<b>860,349,500</b>	<b>562,303,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	67,181,770	66,670,100	52,492,000	138,193,200	144,553,100
Tobacco Fund	14,367,119	10,302,719	26,509,500	11,943,200	11,889,800
Restricted Funds	78,817,007	57,031,838	87,512,900	93,800,400	101,728,600
Federal Fund	197,202,948	463,380,030	602,155,600	616,412,700	304,131,700
<b>TOTAL EXPENDITURES</b>	<b>357,568,845</b>	<b>597,384,688</b>	<b>768,670,000</b>	<b>860,349,500</b>	<b>562,303,200</b>
<b>EXPENDITURES BY UNIT</b>					
General Health Support	48,588,396	303,128,966	102,641,500	329,858,100	100,611,500
Women's Health	7,239,264	5,908,846	9,030,800	9,063,200	9,068,900
Prevention and Quality Improvement	23,370,332	20,475,301	32,482,800	28,019,900	27,992,400
Epidemiology and Health Planning	54,078,550	69,283,082	340,213,200	218,844,700	157,236,400
Maternal and Child Health	184,564,868	167,764,756	233,056,600	220,444,500	228,098,800
Laboratory Services	11,021,998	10,477,192	12,702,200	12,664,600	12,695,500
Public Health Protection and Safety	28,705,437	20,346,544	38,542,900	41,454,500	26,599,700
<b>TOTAL EXPENDITURES</b>	<b>357,568,845</b>	<b>597,384,688</b>	<b>768,670,000</b>	<b>860,349,500</b>	<b>562,303,200</b>

The Department for Public Health's (DPH) mission is to improve the health and safety of all people in Kentucky through Prevention, Promotion and Protection. DPH is responsible for carrying out the core public health functions of:

- Assessment of health status and programs;
- Science-based health policy development; and
- Assurance of health services, codes, and programs to meet the needs of Kentuckians.

Pursuant to KRS 211.025 and 211.180, DPH, with its seven divisions, enforces public health laws and regulations, assists local boards of health and health departments, and acts to protect and improve health. It does so by formulating, promoting, establishing, and executing policies, plans, and programs "relating to all matters of public health", partnering with 61 local health departments (LHDs) covering 120 counties as well as other local, state and federal agencies.

The department's focus is improving the health status of the population. Due in part to public health efforts, fewer Kentuckians smoke, a greater number of colon cancers are prevented, teen pregnancy rates are down, and deaths from cardiovascular disease are decreasing.

The department strives to protect and improve the health and quality of life of each of over 4.4 million Kentuckians every day by administering approximately 150 distinct programs and services, which are as varied as immunizations, newborn screening, women's cancer prevention, radon control and the regulation of tattoo parlors. A sizable part of the state's economy is regulated by the actions of the department including the operation of food retail services, food manufacturing, radiation health services, hotels and pools. In fiscal year 2021, the public health system in Kentucky provided clinical services to an average of about 375,000 unduplicated patients. Many public health services are unavailable from any other source or are unattainable from another source at low or no cost.

The department relies on LHDs to carry out many public health activities required by statute, regulation, or participation in federal grant awards. Federal monies support over half of the department's yearly budget. The majority of these awards are allocated to the community level for the performance of services. LHDs may also choose to perform enhanced services based on community health needs and for which the availability of funding allows.

The department consists of seven divisions: Administration and Financial Management to include the Commissioner's Office, Women's Health, Prevention and Quality Improvement, Epidemiology and Health Planning, Maternal and Child Health, Laboratory Services, and Public Health Protection and Safety.

A healthy population can help create a more robust workforce and contribute to driving down societal costs for healthcare. Kentucky's public health system, which touches numerous lives daily with its wide array of programs and messages, is critical to protecting and improving the state's health through its myriad programs and services many of which are performed only by public health agencies.

## **Policy**

The Governor's Budget includes General Fund of \$2,500 each fiscal year to support a 10% pay increase for employees in the social worker classifications effective December 16, 2021.

The recommended budget authorizes Federal Fund in the amount of \$179,855,200 from the State Fiscal Recovery Fund of the American Rescue Plan Act in fiscal year 2023 for mitigating the impact of COVID-19. This can include testing, contact tracing, new public communication efforts, public health surveillance, and actions to control the spread through safety measures at key settings like nursing homes, schools, congregate living settings.

**Health and Family Services  
Public Health  
General Health Support**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	33,876,500	34,641,500	8,821,300	93,030,600	99,302,800
Current Year Appropriation	300,000		15,600		
Other		-12,836,100			
<b>Total General Fund</b>	<b>34,176,500</b>	<b>21,805,400</b>	<b>8,836,900</b>	<b>93,030,600</b>	<b>99,302,800</b>
<b>Restricted Funds</b>					
Balance Forward	127,031	4,516,643	36,800	38,000	
Current Receipts	7,825,855	2,683,700	4,811,100	4,811,200	4,811,100
Non-Revenue Receipts	-840,648	-1,209,536	-3,495,400	-3,502,400	-3,502,400
<b>Total Restricted Funds</b>	<b>7,112,238</b>	<b>5,990,807</b>	<b>1,352,500</b>	<b>1,346,800</b>	<b>1,308,700</b>
<b>Federal Fund</b>					
Balance Forward	-638	-9,447,473	-1,819,100	107,200	
Current Receipts	11,062,064	282,967,424	94,416,400	55,518,300	
Non-Revenue Receipts		30,557		179,855,200	
<b>Total Federal Fund</b>	<b>11,061,426</b>	<b>273,550,508</b>	<b>92,597,300</b>	<b>235,480,700</b>	
<b>TOTAL SOURCE OF FUNDS</b>	<b>52,350,164</b>	<b>301,346,715</b>	<b>102,786,700</b>	<b>329,858,100</b>	<b>100,611,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	8,942,452	201,311,930	33,972,500	32,547,500	8,472,800
Operating Expenses	1,461,729	15,228,999	9,668,500	9,497,000	1,306,500
Grants Loans Benefits	38,184,215	86,421,775	59,000,500	282,950,100	81,105,200
Debt Service				4,863,500	9,727,000
Capital Outlay		154,996			
Construction		11,266			
<b>TOTAL EXPENDITURES</b>	<b>48,588,396</b>	<b>303,128,966</b>	<b>102,641,500</b>	<b>329,858,100</b>	<b>100,611,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	25,483,902	21,805,400	8,836,900	93,030,600	99,302,800
Restricted Funds	2,595,594	5,953,992	1,314,500	1,346,800	1,308,700
Federal Fund	20,508,899	275,369,574	92,490,100	235,480,700	
<b>TOTAL EXPENDITURES</b>	<b>48,588,396</b>	<b>303,128,966</b>	<b>102,641,500</b>	<b>329,858,100</b>	<b>100,611,500</b>

The General Health Support Program includes two organizational units: the Commissioner and Administration and Financial Management.

The Commissioner is responsible for the leadership, management, oversight, and policy direction of the Department for Public Health. The Commissioner advises the heads of major agencies in state government on policies, plans, and programs relating to matters of public health. This includes actions necessary to respond to extraordinary events in order to safeguard the health of the citizens of the Commonwealth. The Commissioner serves as the State Health Officer for the Commonwealth. The Commissioner's role includes the coordination of public health emergency response capabilities with federal and other state agencies and involvement in the statewide management of anti-terrorist (nuclear, biologic, chemical) activities. The Commissioner provides leadership in transforming the role of public health in Kentucky to new models as more uninsured citizens have opportunities for healthcare coverage under the new insurance marketplace and expanded Medicaid coverage.

The Chief Nursing Officer for Public Health, located in the Commissioner's Office, provides nurse administration consultation and technical assistance to the Commissioner, executive staff, and state and local health departments including approximately 800 nurses and APRNs who practice in local health departments across the state. This guidance includes nursing scope of practice issues, the development and implementation of clinical protocols, nursing education and clinical competencies as well as public health nursing workforce development initiatives.

The Office of Health Equity functionally operates through the Commissioner's Office. The Office is currently funded with a grant from the Centers for Disease Control and Prevention and seeks to eliminate health disparities in the state of Kentucky specifically those social, cultural, and environmental factors that contribute to adverse health outcomes. The Office serves in an advisory capacity to all divisions across the Department of Public Health, Local Health Departments, and other partners.

Quality improvement, performance management, and national accreditation efforts continue to be a focus of the department. The goal of this program is for participants to make fundamental changes in their organizations and practices so that they can improve the delivery of public health services and create a culture of continuous quality improvement. The ten (10) essential public health services and Public Health Accreditation Board (PHAB) are the driving forces to achieve minimum standards and measures for public health.

The Division of Administration and Financial Management provides all resource support to the department. This includes approximately 400+ department-level personnel and more than 2,800 Local Health Department personnel represented by the 61 Kentucky LHDs in all 120 counties. The division provides all budget and accounting support, payments, grant allocation, fee collection, procurement, and contracting support. The division plays a vital role in providing effective and efficient training that enhances workforce abilities of the department, LHDs, public health preparedness, and other public health system partners. The division develops the department's biennial budget and oversees LHDs' fiscal planning and administrative management functions. The division works in concert with the other divisions in the department to plan, program, execute, manage, and report the financial activities of the department and LHDs.

The division is also responsible for overseeing the day-to-day operations of the 61 LHDs. This responsibility includes conducting training on medical coding and billing practices, local health personnel procedures, and financial operations. Additionally, this division has the responsibilities for personnel management; medical records and forms management, reporting of clinical and community-based services, operating the online local health network that tracks more than three (3) million services to approximately 375,000 patients, policy interpretation, and the local Board of Health appointment process. The division is the primary liaison between the department and LHDs.

## **Policy**

The Governor's budget includes General Fund in the amount of \$17,688,000 in fiscal year 2023 and \$19,068,000 in fiscal year 2024 to support local health department's foundational programs defined in House Bill 129 that was passed during the 2020 Regular Session.

The budget includes a General Fund baseline subsidy in the amount of \$25,169,400 in each fiscal year to assist Local and District Health Departments with employer contributions to the KERS non-hazardous pension plan.

The recommended budget includes \$32,844,400 to cover 100 percent of the marginal costs associated with the new fixed allocation funding policy for the non-hazardous pension plan, passed in House Bill 8, from the 2021 Regular Session, notwithstanding KRS 61.5991(5)(b). House Bill 8 from the 2021 Regular Session allowed affected agencies to appeal their assignment of liability through a one-time appeals process to the Kentucky Public Pensions Authority. Local and District Health Departments appealed the assignment of some liability which resulted in a shift of amortized liability in the amount of \$908,000 from Local and District Health Departments to the Executive Branch, which is included in this appropriation unit's General Fund budget.

The budget includes General Fund in the amount of \$4,863,500 in fiscal year 2023 and \$9,727,000 in fiscal year 2024 for debt service on new bonds included in the capital budget.

The recommended budget includes \$2,500,000 in each fiscal year to support Area Health Education Centers.



**Health and Family Services  
Public Health  
Women's Health**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	313,700	363,700	323,700	332,000	333,300
Current Year Appropriation			1,000		
Other		-61,000			
<b>Total General Fund</b>	313,700	302,700	324,700	332,000	333,300
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	80,000				
Continuing Approp-Tob Settlement	243,285	211,732			
Other	-80,000				
<b>Total Tobacco Fund</b>	243,285	211,732			
<b>Restricted Funds</b>					
Balance Forward	5,808	6,180	6,200	4,200	2,300
Current Receipts	372		500	400	400
<b>Total Restricted Funds</b>	6,180	6,180	6,700	4,600	2,700
<b>Federal Fund</b>					
Balance Forward	-107,256	61,939	-59,600	42,600	21,500
Current Receipts	7,142,528	5,272,876	8,805,800	8,707,800	8,711,800
<b>Total Federal Fund</b>	7,035,272	5,334,815	8,746,200	8,750,400	8,733,300
<b>TOTAL SOURCE OF FUNDS</b>	7,598,437	5,855,427	9,077,600	9,087,000	9,069,300
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,084,368	2,523,269	3,712,100	3,749,200	3,754,900
Operating Expenses	121,157	421,376	89,800	89,800	89,800
Grants Loans Benefits	5,033,739	2,964,201	5,228,900	5,224,200	5,224,200
<b>TOTAL EXPENDITURES</b>	7,239,264	5,908,846	9,030,800	9,063,200	9,068,900
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	234,378	302,700	324,700	332,000	333,300
Tobacco Fund	31,553	211,732			
Restricted Funds			2,500	2,300	2,300
Federal Fund	6,973,333	5,394,414	8,703,600	8,728,900	8,733,300
<b>TOTAL EXPENDITURES</b>	7,239,264	5,908,846	9,030,800	9,063,200	9,068,900

The Division of Women's Health (DWH), in partnership with key stakeholders, provides leadership to improve the physical and socio-emotional health, safety, and well-being of Kentucky's women, including those with low incomes, diverse ethnic or racial backgrounds and isolated populations with limited access to care. The Division also represents Kentucky for the federal Health Resources Service Administration (HRSA) Office of Women's Health. The DWH includes the following programs:

The Kentucky Women's Cancer Screening Program (KWCSPP) provides breast and cervical cancer screenings and diagnostic case management and treatment referral services to reduce cancer morbidity and mortality among Kentucky's medically underserved, low income, and uninsured women. The Kentucky Women's Cancer Screening program is funded by a federal grant from the Centers for Disease Control and Prevention (CDC). The CDC grant requires the program to provide appropriate referrals for medical treatment; assure appropriate follow-up services and case management; develop and disseminate public information and education programs for the detection and control of breast and cervical cancers; improve the education, training, and skills of health professionals; monitor the quality of screening procedures for breast and cervical cancers; and evaluate activities through appropriate surveillance. In the past, this program has primarily been contracted to local health departments (LHDs). Through Kentucky's Public Health Transformation initiative, the LHDs will be allowed, at their discretion, to opt out of providing these services and the department will secure other partners to provide the services such as Federally Qualified Health Centers, Rural Health Clinics, and other community providers.

The Breast Cancer Research and Education Trust Fund program, is funded by revenue collected from breast cancer license plate purchases and the State Income tax form optional checkbox. Funds collected through these methods are distributed to community-based affiliates through an annual Request for Proposal process. Projects awarded support breast cancer research, education, treatment, screening, and awareness in Kentucky.

The Title X Family Planning program provides individuals with the information and means to exercise personal decisions to determine the number and spacing of their children. Title X family planning clinics play a critical role in assuring access to voluntary, confidential family planning services for low-income or uninsured families. Charges to participants are at no cost or at a reduced cost based on their household income. Family Planning services are offered in LHDs and clinics targeting special populations (e.g. males, Hispanics, and adolescents). Title X supported clinics also provide a number of preventive health services such as patient education and counseling, breast and pelvic examinations, cervical cancer screenings, sexually transmitted disease prevention, human immunodeficiency virus (HIV) screenings, preconception counseling, and pregnancy diagnosis. The Title X Family Planning program is funded through the federal Office of Population Affairs, Health and Human Services agency. Through the Public Health Transformation initiative, the department will secure non-LHD providers for these services if the LHD declines participation.

**Health and Family Services  
Public Health  
Prevention and Quality Improvement**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	10,350,200	9,950,200	9,949,200	11,245,000	11,257,300
Current Year Appropriation			7,300		
<b>Total General Fund</b>	<b>10,350,200</b>	<b>9,950,200</b>	<b>9,956,500</b>	<b>11,245,000</b>	<b>11,257,300</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	4,392,100	2,989,100	3,013,200	3,013,200	2,959,800
Continuing Approp-Tob Settlement	5,688,512	5,315,289	5,874,000		
Other	-209,091				
<b>Total Tobacco Fund</b>	<b>9,871,521</b>	<b>8,304,389</b>	<b>8,887,200</b>	<b>3,013,200</b>	<b>2,959,800</b>
<b>Restricted Funds</b>					
Balance Forward	730,196	1,077,169	1,238,100	825,600	413,000
Current Receipts	243,861	159,610	158,500	158,400	158,400
Non-Revenue Receipts	500,000	400,000	500,000	500,000	500,000
<b>Total Restricted Funds</b>	<b>1,474,057</b>	<b>1,636,779</b>	<b>1,896,600</b>	<b>1,484,000</b>	<b>1,071,400</b>
<b>Federal Fund</b>					
Balance Forward	-138,789	95,359	-118,600	85,100	54,100
Current Receipts	8,714,983	7,482,122	12,771,800	12,659,700	12,650,200
<b>Total Federal Fund</b>	<b>8,576,194</b>	<b>7,577,481</b>	<b>12,653,200</b>	<b>12,744,800</b>	<b>12,704,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>30,271,972</b>	<b>27,468,848</b>	<b>33,393,500</b>	<b>28,487,000</b>	<b>27,992,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	5,735,282	4,879,384	6,225,100	5,963,000	5,994,000
Operating Expenses	806,532	875,327	721,300	721,300	721,300
Grants Loans Benefits	16,810,162	14,720,486	25,536,400	21,335,600	21,277,100
Construction	18,356	104			
<b>TOTAL EXPENDITURES</b>	<b>23,370,332</b>	<b>20,475,301</b>	<b>32,482,800</b>	<b>28,019,900</b>	<b>27,992,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	9,936,377	9,950,200	9,956,500	11,245,000	11,257,300
Tobacco Fund	4,556,232	2,430,308	8,887,200	3,013,200	2,959,800
Restricted Funds	396,888	398,703	1,071,000	1,071,000	1,071,000
Federal Fund	8,480,835	7,696,091	12,568,100	12,690,700	12,704,300
<b>TOTAL EXPENDITURES</b>	<b>23,370,332</b>	<b>20,475,301</b>	<b>32,482,800</b>	<b>28,019,900</b>	<b>27,992,400</b>

The mission of the Prevention and Quality Improvement (PQI) program is to deliver programs and services which can be implemented at the local level including chronic disease management, clinical and community education/promotion, self-management education, quality improvement, health care access for low income Kentuckians, and health risk behavior data analysis through the Kentucky Behavioral Risk Factor Surveillance System in order to effectively prioritize health issues and implement appropriate evidence-based interventions. The program's activities cover the spectrum of population-based and personal preventive health services, delivered through a wide range of health partners and health care organizations.

The PQI division provides leadership and facilitates partnerships with key stakeholders in order to improve care and services with a special focus on populations with low incomes, diverse ethnicity and racial backgrounds, and underserved populations with limited access to care. Division staff support partners who provide clinical and community based services and provide technical assistance in infrastructure building through policy development and implementation, providing data and surveillance activities, and developing appropriate disease management strategies.

The PQI division is also involved in the departmental preparations to apply for national accreditation by the Public Health Accreditation Board (PHAB). Key division staff are working on domain teams for public health accreditation activities. Division staff also serve on the department accreditation readiness team, strategic plan committee, State Health Improvement Plan committee, and State Health Assessment committee, and provide data through the Behavioral Risk Factor Surveillance System (BRFSS) to all local health departments in Kentucky for their own accreditation efforts.

The Chronic Disease Prevention Branch utilizes evidence-based programming and interventions to reduce morbidity and mortality from chronic diseases. Programs include asthma, community health action teams, community health worker, comprehensive cancer, pediatric cancer, colon cancer, chronic obstructive pulmonary disease, diabetes, heart disease and stroke, obesity prevention, and tobacco prevention. The Branch provides partial funding to local health departments for capacity building, which will lead to sustainable interventions in order to improve health status at the community level through local coalitions, health systems improvement strategies, and by increasing community-clinical linkages for access to screening and disease self-management.

The Health Care Access Branch provides a departmental focus on primary care and administers federal grants and programs relative to primary care. Through these programs, approximately 120 additional physicians are serving Kentucky's medically underserved population. The Branch is responsible for determining areas of Kentucky that meet the criteria for Health Professional Shortage Area and Medically Underserved Area. The Branch is also responsible for the Charitable Health Program, National Health Service Corps Program, Kentucky Physician Care Program, J-1 VISA Program, Kentucky Prescription Assistance Program (KPAP) and Kentucky Spinal Cord and Head Injury Research Board.

The Prevention and Quality Improvement Division, including both branches, is working toward alignment with Kentucky's public health transformation principles. In order to ensure continuity of services for Kentuckians, in those geographic areas in which these programs are not identified as local community priorities and will no longer be provided by the LHD, the division is seeking non-traditional partners. Many programs have been in alignment with transformation principles for years and are serving as guidance for others.

## **Policy**

The base budget in each fiscal year includes General Fund resources in the amount of \$2,500,000 for the Kentucky Pediatric Cancer Research Trust Fund. The Governor's Budget includes an additional \$1,250,000 General Fund each fiscal year for the Kentucky Pediatric Cancer Trust Fund for a total of \$3,750,000 each fiscal year.

The base budget in each fiscal year includes General Fund resources in the amount of \$500,000 for the Kentucky Colon Cancer Screening Program.

The budget includes Phase I Tobacco Settlement Funds in the amount of \$2,000,000 in fiscal year 2023 and \$1,946,600 in fiscal year 2024 for Smoking Cessation.

The recommended budget includes Phase I Tobacco Settlement Funds in the amount of \$1,013,200 in each fiscal year for Early Childhood Oral Health.

**Health and Family Services  
Public Health  
Epidemiology and Health Planning**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	3,307,200	3,257,200	3,212,100	3,232,500	3,252,200
Current Year Appropriation			3,800		
Other		271,500			
<b>Total General Fund</b>	<b>3,307,200</b>	<b>3,528,700</b>	<b>3,215,900</b>	<b>3,232,500</b>	<b>3,252,200</b>
<b>Tobacco Fund</b>					
Continuing Approp-Tob Settlement	26	26			
<b>Total Tobacco Fund</b>	<b>26</b>	<b>26</b>			
<b>Restricted Funds</b>					
Balance Forward	17,259,336	756,940	8,340,800	5,639,100	2,801,000
Current Receipts	8,962,142	19,266,942	22,439,400	22,439,300	22,439,300
Non-Revenue Receipts	-325,000	141,200	850,000	850,000	850,000
<b>Total Restricted Funds</b>	<b>25,896,479</b>	<b>20,165,082</b>	<b>31,630,200</b>	<b>28,928,400</b>	<b>26,090,300</b>
<b>Federal Fund</b>					
Balance Forward	-1,162,048	-1,356,491	19,466,300	179,100	188,000
Current Receipts	25,576,620	74,752,879	291,719,000	189,493,700	127,705,900
<b>Total Federal Fund</b>	<b>24,414,573</b>	<b>73,396,387</b>	<b>311,185,300</b>	<b>189,672,800</b>	<b>127,893,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>53,618,277</b>	<b>97,090,195</b>	<b>346,031,400</b>	<b>221,833,700</b>	<b>157,236,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	34,747,308	48,019,427	256,380,100	159,758,300	109,017,900
Operating Expenses	3,823,079	11,161,889	12,168,100	12,168,100	12,168,100
Grants Loans Benefits	15,507,709	10,101,525	71,665,000	46,918,300	36,050,400
Construction	455	240			
<b>TOTAL EXPENDITURES</b>	<b>54,078,550</b>	<b>69,283,082</b>	<b>340,213,200</b>	<b>218,844,700</b>	<b>157,236,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	3,167,948	3,528,700	3,215,900	3,232,500	3,252,200
Restricted Funds	25,139,538	11,824,318	25,991,100	26,127,400	26,090,300
Federal Fund	25,771,064	53,930,064	311,006,200	189,484,800	127,893,900
<b>TOTAL EXPENDITURES</b>	<b>54,078,550</b>	<b>69,283,082</b>	<b>340,213,200</b>	<b>218,844,700</b>	<b>157,236,400</b>

The mission of the Division of Epidemiology and Health Planning is to provide quality epidemiological and vital records services, public health planning, and reportable disease prevention and control services in order to promote, protect, and plan for the health and safety of Kentuckians.

To accomplish these responsibilities, the Division conducts activities in three areas:

- The Infectious Disease Branch, which includes disease surveillance, prevention, and control activities related to vaccine-preventable diseases, sexually transmitted diseases, tuberculosis, adult viral hepatitis, HIV/AIDS, healthcare associated infections, and other reportable diseases,
- The Immunization Branch, which includes providing vaccines for children-enrolled health care providers at no cost, enforcing school and child care immunization regulations, providing immunization education and training for health care providers and the general public, coordinating surveillance and control efforts for vaccine-preventable diseases, and promoting vaccine safety, and
- The Office of Vital Statistics, which collects and preserves mandatory records of vital events including births, deaths, marriages, and divorces.

The Sexually Transmitted Disease (STD) Section is designed to reduce the occurrence and prevent the transmission and debilitating complications of sexually transmitted diseases. The STD Section provides educational materials, staff training, program planning and evaluation services, technical consultation, and selected antibiotics to all local health departments (LHDs) and other selected health care providers.

The Tuberculosis (TB) Control Section aims to reduce the number of cases and deaths due to TB by preventing non-infected individuals from becoming infected, keeping those infected without disease from progressing to disease, and by attempting to maintain infected individuals with disease as non-infectious.

The Reportable Disease Program is responsible for case confirmation, oversight of disease investigations, and surveillance for reportable diseases such as meningitis, hepatitis, diarrheal diseases, foodborne illnesses, and vector-borne diseases.

The HIV/AIDS Branch seeks to identify and track cases of HIV and AIDS, prevent the disease by raising awareness and promoting risk reduction behaviors, and connect HIV-positive clients to care. The HIV Prevention Program focuses on testing, awareness of one's status, and strategic intervention activities to reduce HIV transmission for at-risk populations. The HIV/AIDS Services program assists HIV-positive clients with case management, in addition to providing life-saving medications and insurance continuation for qualified clients, as a payor of last resort.

The Adult Viral Hepatitis Prevention Program is a federally funded program that focuses on the prevention of viral hepatitis in adults caused by hepatitis A, hepatitis B, and hepatitis C viruses.

The Healthcare Associated Infection (HAI) Program establishes an infrastructure within the Kentucky Department for Public Health to develop statewide activities focused on the prevention of HAIs within healthcare facilities.

The Immunization Branch provides financial support and vaccines to LHDs and other providers for the provision of over one million immunizations each year to about 600,000 persons, primarily ages 0-18 years. Immunization rates are tracked in schools, day care facilities, LHD clinics, and the general child population. This branch also operates the Kentucky Immunization Registry.

The Office of Vital Statistics is responsible for the registration, certification, and issuance of vital records (birth, death, marriage, and divorce certificates) in Kentucky. The program's primary responsibility is the maintenance and security of these vital records as well as responding to specific requests for vital statistics data.

**Health and Family Services  
Public Health  
Maternal and Child Health**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	19,474,400	20,511,400	19,746,400	19,782,000	19,793,900
Current Year Appropriation			5,600		
Other		-322,800			
<b>Total General Fund</b>	<b>19,474,400</b>	<b>20,188,600</b>	<b>19,752,000</b>	<b>19,782,000</b>	<b>19,793,900</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	11,000,000	8,884,000	8,930,000	8,930,000	8,930,000
Continuing Approp-Tob Settlement	7,800,384	7,468,965	8,692,300		
Other	-1,552,084				
<b>Total Tobacco Fund</b>	<b>17,248,300</b>	<b>16,352,965</b>	<b>17,622,300</b>	<b>8,930,000</b>	<b>8,930,000</b>
<b>Restricted Funds</b>					
Balance Forward	1,611,321	4,703,298	6,325,500	4,245,300	2,142,100
Current Receipts	39,546,101	36,148,795	46,431,800	52,500,900	60,404,900
Non-Revenue Receipts	-782,000	326,315	-325,000	-325,000	-325,000
Fund Transfers		-4,000,000			
<b>Total Restricted Funds</b>	<b>40,375,422</b>	<b>37,178,409</b>	<b>52,432,300</b>	<b>56,421,200</b>	<b>62,222,000</b>
<b>Federal Fund</b>					
Balance Forward	300,503	1,315,999	155,100	106,800	72,600
Current Receipts	120,686,845	107,901,621	147,447,000	137,419,200	137,111,500
<b>Total Federal Fund</b>	<b>120,987,349</b>	<b>109,217,620</b>	<b>147,602,100</b>	<b>137,526,000</b>	<b>137,184,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>198,085,470</b>	<b>182,937,594</b>	<b>237,408,700</b>	<b>222,659,200</b>	<b>228,130,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	11,164,052	10,593,041	10,861,700	10,990,600	11,044,100
Operating Expenses	919,080	984,216	1,015,900	1,015,900	1,015,900
Grants Loans Benefits	172,481,736	156,186,759	221,179,000	208,438,000	216,038,800
Construction		740			
<b>TOTAL EXPENDITURES</b>	<b>184,564,868</b>	<b>167,764,756</b>	<b>233,056,600</b>	<b>220,444,500</b>	<b>228,098,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	19,442,060	20,188,600	19,752,000	19,782,000	19,793,900
Tobacco Fund	9,779,334	7,660,680	17,622,300	8,930,000	8,930,000
Restricted Funds	35,672,124	30,852,908	48,187,000	54,279,100	62,190,800
Federal Fund	119,671,349	109,062,569	147,495,300	137,453,400	137,184,100
<b>TOTAL EXPENDITURES</b>	<b>184,564,868</b>	<b>167,764,756</b>	<b>233,056,600</b>	<b>220,444,500</b>	<b>228,098,800</b>

The Maternal and Child Health (MCH) division promotes and safeguards the health of all Kentuckians, with an emphasis on at-risk mothers, infants, children, and adolescents. The division's goal is to help those at risk of adverse health effects achieve the highest level of health and wellness possible through public health surveillance, education, nutrition, perinatal care, early childhood promotion and intervention, well-child care, injury prevention, coordinated school health, and selected primary and preventive care activities.

The Program Support Branch is responsible for public health surveillance systems including the Neonatal Abstinence Reporting, Pregnancy Risk Assessment Monitoring System, and the Sudden Unexpected Infant Death Registry. The Kentucky Birth Surveillance Registry, which is required by KRS 211.651-.670, identifies children in Kentucky who are at risk for serious medical conditions and developmental delays, and works closely with the Newborn Screening and Case Management program to ensure infants get appropriate and timely follow-up to mitigate adverse outcomes, and in some cases, prevent early death.

The Early Childhood Development Branch is required, by KRS 211.689-.690, to provide early childhood initiatives such as home visitation (Health Access Nurturing Development Services [HANDS]), childcare health consultation, early childhood mental health services for children, Kentucky Strengthening Families, and Help Me Grow. HANDS is a voluntary

statewide home visitation program designed to assist overburdened parents during the prenatal period until the child's third birthday. Home visitation services include education and information on prenatal and postnatal health, early brain development, family self-sufficiency, home safety, and parent-child interactive curriculum activities.

Kentucky Early Intervention System (KEIS), within the Early Childhood Development Branch, referred to as First Steps, provides case management and coordination of services for infants and toddlers between birth and three years of age with developmental disabilities or developmental delays. These early intervention services include services such as physical therapy, occupational therapy, speech therapy, hearing and vision services, and other services as needed to meet the child's developmental needs. First Steps services are provided in the home or other community settings, unless it is not feasible to do so, and are subject to a sliding fee scale unless the family has documented an inability to pay. Families and other interested parties access the First Steps program locally through 15 points of entry covering the state. Children served by First Steps transition at age three to the local education agency or other community supports.

The Child and Family Health Improvement Branch provides oversight to services and activities including prenatal care, child and adolescent preventive health, childhood lead poisoning prevention, child fatality review and injury prevention, maternal mortality review, and coordinated school health. This branch also houses the division's infant mortality efforts, including the safe sleep campaign. The Newborn Metabolic Screening and Case Management program identifies children in Kentucky who are at risk for serious medical conditions and developmental delays, and works closely with the Birth Surveillance Registry.

The Nutrition Services Branch administers the Special Supplemental Nutrition Program for Women, Infants and Children (WIC); Clinical Nutrition Services, Breastfeeding Peer Counselor Program; and the WIC Farmer's Market Nutrition Program. The Women, Infants and Children program is funded wholly by the US Department of Agriculture and provides food packages and nutrition education to low-income pregnant and postpartum women, infants, and children at nutritional risk, and sets standards for nutrition services. Nutritionists in local health departments provide medical nutrition therapy and follow-up nutrition care for mothers and children with special nutrition needs.

## **Policy**

The Health Access Nurturing Development Services Program budget, with services delivered by local health departments, is \$44,362,000 in fiscal year 2023 and \$52,266,000 in fiscal year 2024. The base budget in each fiscal year includes \$7,000,000 in Tobacco Settlement Funds and \$31,293,100 from Restricted Funds. The recommended budget includes additional Restricted Funds of \$6,068,900 in fiscal year 2023 and \$13,972,900 in fiscal year 2024.

The budget includes Phase I Tobacco Settlement Funds in the amount of \$965,000 in each fiscal year for the Healthy Start initiatives.

The Governor's budget includes Phase I Tobacco Settlement Funds in the amount of \$965,000 in each fiscal year for Early Childhood Mental Health.



**Health and Family Services**

**Public Health**

**Laboratory Services**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	4,743,900	5,351,200	5,459,600	5,558,100	5,575,700
Current Year Appropriation			10,800		
<b>Total General Fund</b>	4,743,900	5,351,200	5,470,400	5,558,100	5,575,700
<b>Restricted Funds</b>					
Balance Forward	144,667	518,954	657,800	481,000	250,300
Current Receipts	6,163,612	6,283,004	7,774,000	7,774,200	7,774,200
Non-Revenue Receipts	500,000	-1,161,999	-1,000,000	-1,000,000	-1,000,000
<b>Total Restricted Funds</b>	6,808,279	5,639,959	7,431,800	7,255,200	7,024,500
<b>Federal Fund</b>					
Balance Forward	-102	-1,821			100
Current Receipts	220,602	145,615	281,000	101,700	101,500
<b>Total Federal Fund</b>	220,500	143,794	281,000	101,700	101,600
<b>TOTAL SOURCE OF FUNDS</b>	11,772,679	11,134,953	13,183,200	12,915,000	12,701,800
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	5,752,715	4,858,493	6,704,300	6,830,000	6,860,900
Operating Expenses	5,264,283	5,613,171	5,990,400	5,827,100	5,827,100
Grants Loans Benefits	5,000	5,529	7,500	7,500	7,500
<b>TOTAL EXPENDITURES</b>	11,021,998	10,477,192	12,702,200	12,664,600	12,695,500
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	4,510,352	5,351,200	5,470,400	5,558,100	5,575,700
Restricted Funds	6,289,325	4,982,199	6,950,800	7,004,900	7,018,200
Federal Fund	222,321	143,794	281,000	101,600	101,600
<b>TOTAL EXPENDITURES</b>	11,021,998	10,477,192	12,702,200	12,664,600	12,695,500

The Division of Laboratory Services (DLS) performs sophisticated state of the art chemical, biological, and molecular laboratory testing. In partnership with federal, state, and local entities, testing performed at the state public health laboratory supports critical activities like disease investigation, control, prevention and surveillance; food safety; and environmental health and protection. Leveraging expertise and resources, DLS serves as a reference center for hospitals and local health departments across the Commonwealth.

DLS detects and identifies a wide variety of microorganisms (bacterial and viral) and toxic chemical substances that pose a threat to public health. These include infectious agents related to food-borne disease outbreaks, seasonal influenza, and high-risk and high mortality diseases like antibiotic resistant tuberculosis, hospital-associated pneumonia, and sepsis. This requires the use of technology such as Next-Generation Sequencing (NGS) to look for relatedness between organisms that are identified from human or food sources. DLS also tests for environmental contaminants like pesticides in fruits or vegetables sold at farmers markets and bacterial contamination in commercial dairy products. When DLS identifies hospital-associated infections or dangerous, emerging infectious pathogens such as the Zika or Ebola virus, methods for their detection are rapidly deployed. Timely and precise detection of these biological agents is essential for effectively limiting spread and harm to the public.

DLS tests packages and/or substances with possible links to chemical or biological terrorism in a highly secured biosafety level 3 laboratory with specialized protocols developed and distributed by the Centers for Disease Control and Prevention (CDC) as a part of the Laboratory Response Network (LRN). These facilities and protocols are not available to other laboratories in the state making DLS a reference laboratory for Kentucky. DLS' specially trained and skilled scientists develop and maintain capacity for testing for low incidence or high risk diseases (e.g. botulism, rabies, etc.) which may be unavailable in the private sector.

DLS performs testing for heritable conditions in newborns that may be undetectable by physical examination or by other clinical signs or symptoms. DLS performs initial laboratory screening for the identification of metabolic, endocrine, hemoglobin, and other disorders. In July 2018, DLS added X-linked Adrenoleukodystrophy to its screening panel through a collaboration with Mayo Clinic Laboratories. Additionally, in August 2019 screening for Spinal Muscular Atrophy was

implemented bringing the total number of disorders on the panel to 55. DLS also began providing paid courier service to birthing hospitals in 2017 in order to meet national timeliness requirements for newborn screening. To meet the timeliness requirements, DLS instituted a six-day workweek. Timeliness is critical for newborn screening as there are treatments or preventive measures that work only if initiated early after birth. DLS is regulated by CLIA (Clinical Laboratory Improvement Amendments) and is accredited by the College of American Pathologists. In January 2017, the laboratory received accreditation as a food-testing laboratory. Other agencies that routinely inspect and/or certify DLS include the CDC, U.S. Department of Homeland Security, U.S. Department of Transportation, Environmental Protection Agency, and American Industrial Hygiene Association.

DLS performs testing for the Department for Public Health (DPH) and Occupational Safety and Health Administration (OSHA), often requiring very specific laboratory support. Workload is largely driven by state program needs in compliance with applicable state statutes and/or regulations.

### **Policy**

Included in Part II of the budget is \$135 million in General Fund bonds to modernize and expand the state laboratory. This expansion will allow for future growth and adequate response to public health crisis and emergencies.

**Health and Family Services  
Public Health  
Public Health Protection and Safety**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	4,415,300	4,840,300	4,920,800	5,013,000	5,037,900
Current Year Appropriation			14,800		
Other		703,000			
<b>Total General Fund</b>	<b>4,415,300</b>	<b>5,543,300</b>	<b>4,935,600</b>	<b>5,013,000</b>	<b>5,037,900</b>
<b>Restricted Funds</b>					
Balance Forward	777,174	683,628	874,800	628,400	409,200
Current Receipts	8,929,692	4,210,947	4,074,600	4,074,700	4,074,700
Non-Revenue Receipts	-299,700	-1,000,000	-325,000	-325,000	-325,000
<b>Total Restricted Funds</b>	<b>9,407,166</b>	<b>3,894,575</b>	<b>4,624,400</b>	<b>4,378,100</b>	<b>4,158,900</b>
<b>Federal Fund</b>					
Balance Forward	181,773	334,932	-101,000	118,400	1,200
Current Receipts	15,728,304	11,347,590	29,830,700	32,355,400	17,513,300
<b>Total Federal Fund</b>	<b>15,910,077</b>	<b>11,682,522</b>	<b>29,729,700</b>	<b>32,473,800</b>	<b>17,514,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>29,732,543</b>	<b>21,120,398</b>	<b>39,289,700</b>	<b>41,864,900</b>	<b>26,711,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	12,680,988	11,439,796	13,345,700	13,766,900	13,968,400
Operating Expenses	1,817,765	1,886,130	2,090,700	2,170,600	2,093,600
Grants Loans Benefits	14,202,584	7,020,618	23,106,500	25,517,000	10,537,700
Construction	4,100				
<b>TOTAL EXPENDITURES</b>	<b>28,705,437</b>	<b>20,346,544</b>	<b>38,542,900</b>	<b>41,454,500</b>	<b>26,599,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	4,406,754	5,543,300	4,935,600	5,013,000	5,037,900
Restricted Funds	8,723,538	3,019,718	3,996,000	3,968,900	4,047,300
Federal Fund	15,575,145	11,783,526	29,611,300	32,472,600	17,514,500
<b>TOTAL EXPENDITURES</b>	<b>28,705,437</b>	<b>20,346,544</b>	<b>38,542,900</b>	<b>41,454,500</b>	<b>26,599,700</b>

The Division of Public Health Protection and Safety provides a variety of environmental health services to the general public and other local and state agency partners. These services range from monitoring exposure to radiation to ensuring sanitation of food, milk, and various public facilities including hotels, swimming pools, tattoo studios and others. These programs provide technical consultation, guidance and training to the sixty-one (61) local health departments (LHDs) and approximately 740 LHD environmental registered sanitarians, and regulatory oversight to thousands of Kentucky's regulated businesses. The Program's mission is to promote a healthier, safer public through prevention, education, communication, and regulation.

The Radiation Health Branch inspects and issues over 720 licenses to users of radioactive materials. The branch monitors the transportation of radioactive waste throughout the Commonwealth, and is mandated and equipped to respond to radiological emergencies 24 hours a day. The branch registers and inspects more than 4,000 facilities with 10,715 X-Ray tubes, conducts reviews and inspections of approximately 164 mammography facilities, and approves approximately 65 shielding plans for facilities. The branch also operates a radiation health laboratory which collects and analyzes approximately 5,000 environmental samples for radiologic contamination annually and conducts over 6,000 analyses on the samples. This branch provides monitoring for radiologic sites such as the Maxey Flats Disposal Site and the Paducah Gaseous Diffusion Plant. Approximately 17,700 quality control analyses are conducted annually.

The Milk Safety Branch operates under Kentucky Revised Statutes Chapter 217C, to prevent adulteration, misbranding, and false advertising of milk and milk products and protects the public from disease transmission through milk products. This mandate is achieved through inspections of dairy farms, dairy plants, micro-processors, distributors, milk haulers, and other entities improving the quality of milk that is produced and sold to the public. This branch also monitors the development of product standards of identity and legal labeling for all dairy products as mandated by the U.S. Food and Drug Administration (FDA) and the U.S. Department of Agriculture. Kentucky adopted the 2017 edition of the Pasteurized Milk Ordinance, a federally mandated ordinance which ensures certain quality standards and which allows milk produced and processed in Kentucky to be produced, processed, transported and sold to all other forty-nine states.

The Food Safety Branch provides regulatory oversight to Kentucky's multi-billion dollar food industry. The branch provides training and technical consultation to local health department (LHD) employees who inspect food service establishments, retail food stores, vending machine companies, tattoo studios, body piercing facilities, boarding homes, tanning facilities, and bed and breakfast establishments in order to prevent the spread of communicable diseases and injuries. The branch also directly regulates food manufacturing and storage programs and the farmer's market for program compliance with state regulations. The branch responds to and investigates food recalls and works closely with the federal FDA on outbreak investigation involving regulated foods. The Food Safety Branch is also actively involved during natural and man-made disasters to protect the food supply.

The Environmental Management Branch is responsible for the oversight and regulatory requirements involving public facilities, including hotels/motels, public restrooms, schools, state confinement facilities, public swimming and bathing facilities, mobile home/recreational vehicle parks/communities, and youth camps through annual operating permits and routine inspections as required by law. The branch provides technical assistance and training to the sixty-one (61) LHDs which provide direct inspection of the regulated entities. The branch is also responsible for conducting initial certification and ongoing specialized trainings to LHD environmental staff, providing continuing education for septic system installers, approving septic system components and experimental designs, providing consumer education on such issues as mold and bedbugs, operating a radon education program, and providing support for both the rabies control program and issues regarding private water sources. The branch additionally is responsible for maintaining certifications and tracking continuing education for certified radon professionals.

This branch ensures that public health nuisances (illegal garbage dumps, accumulation of trash and garbage, rodent infestations, mosquito infestations, and untreated sewage) are investigated and abated by LHD inspectors. Through its education, investigation, permitting, and inspection activities, the Environmental Management Branch has a direct effect on protecting the lives of the public as well as, the operation of most private business entities.

The Public Safety Branch is responsible for the regulation and certification of lead abatement professionals and clearance testing of mitigated properties. This branch also oversees the public swimming pool construction program and the methamphetamine contaminated properties program. Public Safety provides epidemiological support for disease cluster investigations and supports statistical and standardized reporting of environmental data. This branch houses the CDC funded program that provides data to the Environmental Public Health Tracking Network to establish links between the environment and health outcomes.

The Public Health Emergency Preparedness Branch is responsible for enhancing the capacity of the Department for Public Health (DPH), local public health departments, and the health care system to prevent, prepare for, respond to, and recover from the adverse health effects of public health emergencies. DPH is the lead agency for the Federal Emergency Management Agency (FEMA) Emergency Support Function #8 (ESF-8) for coordination of public health and medical-related preparedness, and this branch works with 38 external ESF-8 partners to conduct response and recovery activities for emergencies, exercises, and planned events. The state ESF-8 Plan builds capacity for:

- Community/Healthcare Preparedness and Recovery,
- Community/Healthcare System Recovery,
- Emergency Operations Coordination,
- Emergency Public Information and Warning,
- Fatality Management,
- Information Sharing,
- Mass Care,
- Medical Countermeasure Dispensing,
- Medical Material Management and Distribution,
- Medical Surge,
- Non-Pharmaceutical Interventions,
- Public Health Laboratory Testing,
- Public Health Surveillance and Epidemiological Investigation,
- Responder Safety and Health, and
- Volunteer Management.

**Health and Family Services**  
**Family Resource Centers and Volunteer Services**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	11,336,400	11,348,900	12,451,200	18,560,900	18,567,100
Current Year Appropriation			4,100		
<b>Total General Fund</b>	<b>11,336,400</b>	<b>11,348,900</b>	<b>12,455,300</b>	<b>18,560,900</b>	<b>18,567,100</b>
<b>Federal Fund</b>					
Balance Forward	252,990	156,172	156,800		
Current Receipts	6,552,916	7,307,034	24,198,600	9,089,800	9,092,900
<b>Total Federal Fund</b>	<b>6,805,906</b>	<b>7,463,206</b>	<b>24,355,400</b>	<b>9,089,800</b>	<b>9,092,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>18,142,306</b>	<b>18,812,106</b>	<b>36,810,700</b>	<b>27,650,700</b>	<b>27,660,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,187,186	2,161,637	2,863,400	2,919,800	2,936,200
Operating Expenses	222,389	193,507	234,900	362,000	361,300
Grants Loans Benefits	15,572,315	16,300,151	33,712,400	24,368,900	24,362,500
<b>TOTAL EXPENDITURES</b>	<b>17,981,890</b>	<b>18,655,295</b>	<b>36,810,700</b>	<b>27,650,700</b>	<b>27,660,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	11,332,156	11,348,900	12,455,300	18,560,900	18,567,100
Federal Fund	6,649,734	7,306,395	24,355,400	9,089,800	9,092,900
<b>TOTAL EXPENDITURES</b>	<b>17,981,890</b>	<b>18,655,295</b>	<b>36,810,700</b>	<b>27,650,700</b>	<b>27,660,000</b>
<b>EXPENDITURES BY UNIT</b>					
Family Resource and Youth Services Center	11,259,702	11,258,536	27,764,900	18,548,400	18,552,500
Serve Kentucky	6,722,188	7,396,760	9,045,800	9,102,300	9,107,500
<b>TOTAL EXPENDITURES</b>	<b>17,981,890</b>	<b>18,655,295</b>	<b>36,810,700</b>	<b>27,650,700</b>	<b>27,660,000</b>

The Department for Family Resource Centers and Volunteer Services is comprised of two separate programs: Family Resource and Youth Service Centers and Serve Kentucky.

**Health and Family Services**  
**Family Resource Centers and Volunteer Services**  
**Family Resource and Youth Services Center**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	11,046,200	11,021,800	12,124,100	18,210,700	18,214,800
Current Year Appropriation			3,100		
Other	-6,000				
<b>Total General Fund</b>	<b>11,040,200</b>	<b>11,021,800</b>	<b>12,127,200</b>	<b>18,210,700</b>	<b>18,214,800</b>
<b>Federal Fund</b>					
Balance Forward	65,699	65,700	58,100		
Current Receipts	221,455	229,116	15,579,600	337,700	337,700
<b>Total Federal Fund</b>	<b>287,155</b>	<b>294,816</b>	<b>15,637,700</b>	<b>337,700</b>	<b>337,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>11,327,355</b>	<b>11,316,616</b>	<b>27,764,900</b>	<b>18,548,400</b>	<b>18,552,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,229,564	1,204,700	1,932,600	1,964,400	1,973,600
Operating Expenses	78,518	118,700	123,400	215,200	215,200
Grants Loans Benefits	9,951,620	9,935,136	25,708,900	16,368,800	16,363,700
<b>TOTAL EXPENDITURES</b>	<b>11,259,702</b>	<b>11,258,536</b>	<b>27,764,900</b>	<b>18,548,400</b>	<b>18,552,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	11,038,248	11,021,800	12,127,200	18,210,700	18,214,800
Federal Fund	221,455	236,736	15,637,700	337,700	337,700
<b>TOTAL EXPENDITURES</b>	<b>11,259,702</b>	<b>11,258,536</b>	<b>27,764,900</b>	<b>18,548,400</b>	<b>18,552,500</b>

The Kentucky Education Reform Act (KERA) of 1990, KRS 156.496 and KRS 156.4977 as amended, created the Family Resource and Youth Services Centers (FRYSC). FRYSC provides technical assistance, as well as administrative and training support to the local school-based FRYSC. The primary goal of these centers is to enhance student ability to succeed in school by developing and sustaining partnerships that promote early learning and successful transition into school, academic achievement and well-being, graduation, and transition into adult life.

Each center has a unique blend of program components depending on location, available services, local need, and community input designed to promote the flow of resources and support to families in ways that strengthen their functioning and further the growth and development of each member. Services may include after-school child care, literacy programs, home visits to new/expectant parents, referrals to social services, employment counseling, summer and part-time job development, drug/alcohol counseling, and family crisis and mental health counseling. Centers also offer programs such as peer mediation, conflict resolution, pregnancy prevention and job shadowing.

In fiscal years 2022-2024, the Division of FRYSC will complete initial training for all FRYSC coordinators in order to implement the Standards of Quality for Family Strengthening and Support. Adoption of these standards will benefit children and families by enhancing the quality of the support provided by FRYSC as they respond to students' Adverse Childhood Experiences. Adopted by the National Family Support Network, the standards are the first to integrate operationalize the Principles of Family Support Practice and the Strengthening Families Approach with its research-based and evidence-informed protective factors. DFRYSC will continue ongoing training for new coordinators and full integration of the standards into FRYSC practice as part of the overall plan for data driven decision-making and evaluation.

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.

**Policy**

The Governor's budget in each fiscal year includes General Fund in the amount of \$48,889,000 to be transferred from Kentucky Department for Education to support Family Resource and Youth Services Centers.

The Governor's budget includes additional General Fund of \$5,975,000 in each fiscal year to increase the rate from \$183.86 to \$200 per student and to support the expansion of Family Resources and Youth Services Centers.

**Health and Family Services**  
**Family Resource Centers and Volunteer Services**  
**Serve Kentucky**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	290,200	327,100	327,100	350,200	352,300
Current Year Appropriation			1,000		
Other	6,000				
<b>Total General Fund</b>	<b>296,200</b>	<b>327,100</b>	<b>328,100</b>	<b>350,200</b>	<b>352,300</b>
<b>Federal Fund</b>					
Balance Forward	187,291	90,472	98,700		
Current Receipts	6,331,461	7,077,918	8,619,000	8,752,100	8,755,200
<b>Total Federal Fund</b>	<b>6,518,751</b>	<b>7,168,390</b>	<b>8,717,700</b>	<b>8,752,100</b>	<b>8,755,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>6,814,951</b>	<b>7,495,490</b>	<b>9,045,800</b>	<b>9,102,300</b>	<b>9,107,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	957,622	956,937	930,800	955,400	962,600
Operating Expenses	143,871	74,807	111,500	146,800	146,100
Grants Loans Benefits	5,620,695	6,365,016	8,003,500	8,000,100	7,998,800
<b>TOTAL EXPENDITURES</b>	<b>6,722,188</b>	<b>7,396,760</b>	<b>9,045,800</b>	<b>9,102,300</b>	<b>9,107,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	293,908	327,100	328,100	350,200	352,300
Federal Fund	6,428,280	7,069,660	8,717,700	8,752,100	8,755,200
<b>TOTAL EXPENDITURES</b>	<b>6,722,188</b>	<b>7,396,760</b>	<b>9,045,800</b>	<b>9,102,300</b>	<b>9,107,500</b>

Serve Kentucky (formerly the Kentucky Commission on Community Volunteerism and Services or KCCVS) was created in 1994 to serve as a conduit for federal funds that support AmeriCorps programs in the Commonwealth and to assume responsibility for the statewide coordination of volunteer activities related to AmeriCorps programs.

The majority of federal funds received by Serve Kentucky are contracted to community organizations that, in turn, receive local matching funds, which include cash and in-kind services. AmeriCorps members provide: household budget training; home renovation assistance; life skills training; and services to help senior citizens live independently. They train volunteers, serve the homeless, mentor at-risk youth, and offer assistance to victims of natural disasters. In addition, participants tutor children in math and reading and provide drug abuse prevention education in elementary and secondary schools. Children tutored by AmeriCorps members tend to advance a minimum of two reading levels during the school year. Since AmeriCorps began in 1994, more than 14,000 Kentuckians have served more than 22 million hours and have qualified for Segal AmeriCorps Educations Awards totaling more than \$53.9 million.

**Health and Family Services**

**Income Support**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	7,116,600	13,616,600	13,616,600	13,616,600	13,616,600
<b>Total General Fund</b>	<b>7,116,600</b>	<b>13,616,600</b>	<b>13,616,600</b>	<b>13,616,600</b>	<b>13,616,600</b>
<b>Restricted Funds</b>					
Balance Forward	6,353,546	5,443,774	10,249,600	6,845,500	3,371,200
Current Receipts	17,198,763	14,413,169	9,394,100	10,367,600	10,375,900
Non-Revenue Receipts	138,334	150,190	146,000	144,000	144,500
<b>Total Restricted Funds</b>	<b>23,690,643</b>	<b>20,007,134</b>	<b>19,789,700</b>	<b>17,357,100</b>	<b>13,891,600</b>
<b>Federal Fund</b>					
Balance Forward	2,761,841	17,163,087	10,819,100	236,400	
Current Receipts	94,494,067	73,939,817	80,544,900	93,759,800	93,999,300
<b>Total Federal Fund</b>	<b>97,255,907</b>	<b>91,102,904</b>	<b>91,364,000</b>	<b>93,996,200</b>	<b>93,999,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>128,063,151</b>	<b>124,726,637</b>	<b>124,770,300</b>	<b>124,969,900</b>	<b>121,507,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	49,001,631	49,203,498	56,160,900	59,172,800	59,586,100
Operating Expenses	7,018,665	6,948,288	7,864,100	8,369,200	8,258,000
Grants Loans Benefits	49,190,906	47,469,274	53,625,800	54,019,100	53,625,800
Capital Outlay	32,164	29,912	37,600	37,600	37,600
Construction	8,833	6,975			
<b>TOTAL EXPENDITURES</b>	<b>105,252,200</b>	<b>103,657,947</b>	<b>117,688,400</b>	<b>121,598,700</b>	<b>121,507,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	6,912,510	13,616,600	13,616,600	13,616,600	13,616,600
Restricted Funds	18,246,869	9,757,559	12,944,200	13,985,900	13,891,600
Federal Fund	80,092,820	80,283,788	91,127,600	93,996,200	93,999,300
<b>TOTAL EXPENDITURES</b>	<b>105,252,200</b>	<b>103,657,947</b>	<b>117,688,400</b>	<b>121,598,700</b>	<b>121,507,500</b>
<b>EXPENDITURES BY UNIT</b>					
Disability Determinations	45,509,537	45,323,184	53,458,200	54,298,400	54,417,400
Child Support	59,742,663	58,334,764	64,230,200	67,300,300	67,090,100
<b>TOTAL EXPENDITURES</b>	<b>105,252,200</b>	<b>103,657,947</b>	<b>117,688,400</b>	<b>121,598,700</b>	<b>121,507,500</b>

The Department for Income Support (DIS) is responsible for administering the Child Support Enforcement and Disability Determination Services. DIS's mission is to facilitate vital income supports for Kentucky's families.

DIS provides services to citizens in all counties of the Commonwealth. DIS's Child Support Enforcement program ensures that children are financially supported by parents who are legally obligated to pay child support. Services are provided in each county through contracts established with local county attorneys. DIS's Disability Determination Services determines medical eligibility for residents of the Commonwealth who apply for Social Security and Supplemental Security Income disability benefits from the federal government.



**Health and Family Services  
Income Support  
Disability Determinations**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Current Receipts			400	5,000	5,000
Non-Revenue Receipts	138,334	150,190	146,000	144,000	144,500
<b>Total Restricted Funds</b>	138,334	150,190	146,400	149,000	149,500
<b>Federal Fund</b>					
Balance Forward	-1,199,393	-1,057,693	-903,000		
Current Receipts	45,512,902	45,327,695	54,214,800	54,149,400	54,267,900
<b>Total Federal Fund</b>	44,313,509	44,270,002	53,311,800	54,149,400	54,267,900
<b>TOTAL SOURCE OF FUNDS</b>	44,451,844	44,420,193	53,458,200	54,298,400	54,417,400
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	35,185,136	34,947,074	39,692,800	40,639,700	40,855,900
Operating Expenses	3,409,954	3,034,843	3,622,300	3,515,600	3,418,400
Grants Loans Benefits	6,884,206	7,317,713	10,118,100	10,118,100	10,118,100
Capital Outlay	30,241	22,219	25,000	25,000	25,000
Construction		1,334			
<b>TOTAL EXPENDITURES</b>	45,509,537	45,323,184	53,458,200	54,298,400	54,417,400
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	138,334	150,190	146,400	149,000	149,500
Federal Fund	45,371,202	45,172,993	53,311,800	54,149,400	54,267,900
<b>TOTAL EXPENDITURES</b>	45,509,537	45,323,184	53,458,200	54,298,400	54,417,400

Disability Determination Services (DDS) makes disability determinations on behalf of the Commissioner of the U.S. Social Security Administration (SSA) for residents of Kentucky. Applicant eligibility for Supplemental Security Income and Social Security Disability Income is based on federal guidelines and regulations. DDS also reevaluates the claims of disability recipients who have been selected by the SSA for a periodic review of their medical condition. Face-to-face evidentiary hearings are conducted for those individuals who appeal an unfavorable review of their continuing eligibility.

The Disability Determination Services workload depends upon a number of factors including: Congressional mandates; legal actions, or other initiatives; the number of individuals who apply for disability benefits through the Social Security Administration (SSA); and the number of claims that SSA selects for continuing review.

**Policy**

The Governor's budget includes funding of \$298,800 from Federal Funds in each fiscal year to increase staffing of two positions to provide additional dedicated fiscal oversight for Disability Determination Services.

**Health and Family Services  
Income Support  
Child Support**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	7,116,600	13,616,600	13,616,600	13,616,600	13,616,600
<b>Total General Fund</b>	<b>7,116,600</b>	<b>13,616,600</b>	<b>13,616,600</b>	<b>13,616,600</b>	<b>13,616,600</b>
<b>Restricted Funds</b>					
Balance Forward	6,353,546	5,443,774	10,249,600	6,845,500	3,371,200
Current Receipts	17,198,763	14,413,169	9,393,700	10,362,600	10,370,900
<b>Total Restricted Funds</b>	<b>23,552,309</b>	<b>19,856,943</b>	<b>19,643,300</b>	<b>17,208,100</b>	<b>13,742,100</b>
<b>Federal Fund</b>					
Balance Forward	3,961,233	18,220,780	11,722,100	236,400	
Current Receipts	48,981,165	28,612,121	26,330,100	39,610,400	39,731,400
<b>Total Federal Fund</b>	<b>52,942,398</b>	<b>46,832,901</b>	<b>38,052,200</b>	<b>39,846,800</b>	<b>39,731,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>83,611,307</b>	<b>80,306,445</b>	<b>71,312,100</b>	<b>70,671,500</b>	<b>67,090,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	13,816,495	14,256,424	16,468,100	18,533,100	18,730,200
Operating Expenses	3,608,711	3,913,445	4,241,800	4,853,600	4,839,600
Grants Loans Benefits	42,306,700	40,151,561	43,507,700	43,901,000	43,507,700
Capital Outlay	1,923	7,693	12,600	12,600	12,600
Construction	8,833	5,641			
<b>TOTAL EXPENDITURES</b>	<b>59,742,663</b>	<b>58,334,764</b>	<b>64,230,200</b>	<b>67,300,300</b>	<b>67,090,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	6,912,510	13,616,600	13,616,600	13,616,600	13,616,600
Restricted Funds	18,108,535	9,607,369	12,797,800	13,836,900	13,742,100
Federal Fund	34,721,618	35,110,795	37,815,800	39,846,800	39,731,400
<b>TOTAL EXPENDITURES</b>	<b>59,742,663</b>	<b>58,334,764</b>	<b>64,230,200</b>	<b>67,300,300</b>	<b>67,090,100</b>

The Child Support Enforcement (CSE) program under Title IV-D of the Social Security Act (PL 93-647) is designed to ensure that children are financially supported by parents who are legally obligated to pay child support. Both the state and federal governments share costs to conduct this program. States that receive federal funds for a Temporary Assistance for Needy Families (TANF) program are required to operate a child support enforcement program. State statutes governing the operation of this program were enacted under the Kentucky Child Support Recovery Act and are contained in KRS 205.710 - KRS 205.802 and KRS 403.405-407.

Nearly 300,000 of Kentucky's families rely on the CSE program for assistance. The services provided by the program promote family self-sufficiency by securing income critical to maintaining financial stability.

The core functions of the program includes: locating parents; establishing paternity; establishing, enforcing, and modifying child support and/or medical support orders; and collecting and disbursing child support payments. In addition to traditional judicial processes, state and federal laws allow the Child Support Program to accomplish its' mission through administrative processes such as in-hospital paternity establishment, wage assignments, liens and levies on personal property and assets, and offsetting tax refunds and unemployment benefits. The Child Support Program maintains program administration contracts with 117 county officials to provide child support collection locally in all 120 counties.

One hundred twelve (112) County Attorneys are contracted by the CSE to provide services locally in all 120 counties. The program also contracts with private vendors to obtain new hire information from employers, obtain asset information from financial institutions and/or insurance companies, conduct DNA testing and analysis to establish paternity, and to process child support payments. These functions cannot be performed by agency staff due to their specialized or technical nature.

Child support services are automatically provided to families receiving assistance under the Kentucky Transitional Assistance Program (K-TAP) and to children placed in the care of the Cabinet for Health and Family Services (CHFS). Child support collected for families receiving K-TAP or for children in the care of CHFS is used to reimburse the state and federal governments for benefits expended on behalf of those families and children. Families that do not participate in the cash assistance programs may also apply for child support services.

The CSE program receives incentive payments from the federal government based on program performance in five program areas as established by the Personal Responsibility Work and Opportunity Reconciliation Act (PRWORA) of 1996 (PL 104-193): Paternity Establish Performance for Title IV-D and Statewide; Support Order Performance; Current Payment Performance; Arrearage Payment Performance; and Cost-Effectiveness Performance. To be eligible for incentive awards, states must meet performance criteria in each of the five program areas with a degree of data reliability at a confidence level of 95%, as measured by an annual federal data reliability audit. Performance incentive funds are restricted to program use per 45 CFR 305.35(a).

PRWORA requires that each state expend a base amount of state funds per federal fiscal year from other revenue sources on Title IV-D activities prior to utilizing federal performance incentives. For Kentucky, the annual expenditure requirement is \$9,373,007. The Deficit Reduction Act of 2005 disallowed use of federal performance incentives as state matching funds for Federal Financial Participation. After excluding the amounts earned as performance incentives and amounts collected as fees from program expenditures, the Federal Financial Percentage for the remaining expenditures is 66%. Kentucky must provide the remaining 34% in state matching funds of at least \$9,373,007.

## **Policy**

The Governor's budget includes funding of \$581,700 from Restricted Funds and \$1,128,800 from Federal Funds in each fiscal year to increase staffing of seven positions within the Child Support Enforcement operations and seven positions to provide additional dedicated fiscal oversight for Child Support.

**Health and Family Services  
Community Based Services**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	473,960,500	505,418,400	504,340,900	562,970,200	581,759,200
Special Appropriation			32,000,000		
Current Year Appropriation			127,600		
<b>Total General Fund</b>	<b>473,960,500</b>	<b>505,418,400</b>	<b>536,468,500</b>	<b>562,970,200</b>	<b>581,759,200</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	12,250,000	12,250,000	12,311,000	12,311,000	12,311,000
Continuing Approp-Tob Settlement		325,000	1,593,200		
<b>Total Tobacco Fund</b>	<b>12,250,000</b>	<b>12,575,000</b>	<b>13,904,200</b>	<b>12,311,000</b>	<b>12,311,000</b>
<b>Restricted Funds</b>					
Balance Forward	1,771,180	26,728,700	37,228,700	706,600	
Current Receipts	233,580,689	148,482,193	170,524,700	209,614,100	210,483,600
Non-Revenue Receipts	-54,766,549	-16,276,786	-4,800,400	-2,851,800	-2,851,800
<b>Total Restricted Funds</b>	<b>180,585,320</b>	<b>158,934,108</b>	<b>202,953,000</b>	<b>207,468,900</b>	<b>207,631,800</b>
<b>Federal Fund</b>					
Balance Forward	-906,916	3,452,760	-26,287,500		
Current Receipts	671,383,019	764,110,618	1,180,903,800	1,012,984,200	762,260,400
Non-Revenue Receipts	-659	78			
<b>Total Federal Fund</b>	<b>670,475,445</b>	<b>767,563,456</b>	<b>1,154,616,300</b>	<b>1,012,984,200</b>	<b>762,260,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,337,271,265</b>	<b>1,444,490,963</b>	<b>1,907,942,000</b>	<b>1,795,734,300</b>	<b>1,563,962,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	433,898,494	467,614,043	471,898,400	506,434,400	527,464,100
Operating Expenses	49,565,169	52,139,950	63,291,500	66,009,200	66,009,400
Grants Loans Benefits	814,509,887	912,019,708	1,372,045,500	1,223,290,700	970,488,900
Capital Outlay	51,570	176,230			
Construction	20,169	6,636			
<b>TOTAL EXPENDITURES</b>	<b>1,298,045,289</b>	<b>1,431,956,567</b>	<b>1,907,235,400</b>	<b>1,795,734,300</b>	<b>1,563,962,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	465,240,984	505,418,400	536,468,500	562,970,200	581,759,200
Tobacco Fund	11,925,000	10,981,751	13,904,200	12,311,000	12,311,000
Restricted Funds	153,856,620	121,705,377	202,246,400	207,468,900	207,631,800
Federal Fund	667,022,684	793,851,039	1,154,616,300	1,012,984,200	762,260,400
<b>TOTAL EXPENDITURES</b>	<b>1,298,045,289</b>	<b>1,431,956,567</b>	<b>1,907,235,400</b>	<b>1,795,734,300</b>	<b>1,563,962,400</b>
<b>EXPENDITURES BY UNIT</b>					
Family Support	369,659,922	351,994,817	424,713,700	414,853,400	415,919,800
Energy	51,337,975	98,474,696	122,286,500	47,288,300	47,288,500
Child Care	185,178,943	266,380,357	552,202,100	506,666,700	253,931,400
Family and Community Services	691,868,449	715,106,697	808,033,100	826,925,900	846,822,700
<b>TOTAL EXPENDITURES</b>	<b>1,298,045,289</b>	<b>1,431,956,567</b>	<b>1,907,235,400</b>	<b>1,795,734,300</b>	<b>1,563,962,400</b>

The Department for Community Based Services (DCBS) is responsible for administering the following programs: Family Support (including Temporary Assistance to Needy Families; Supplementation Nutrition Assistance Program; Medicaid and health insurance affordability program eligibility; and State Supplementation for aged, blind or disabled individuals); Energy Assistance; Child Care; and Family and Community Based Services (including Family Based Services, Adult Services and Alternatives for Children).

These programs benefit Kentuckians who are without sufficient resources to meet their basic needs. DCBS's mission is to preserve the family as a unit when possible and protect individuals from abuse, neglect, and/or exploitation with safety and permanency as the paramount goals.

### **Policy**

The Governor's budget includes General Fund of \$23,089,300 in fiscal year 2023 and \$23,028,900 in fiscal year 2024 to support a ten percent pay increase for employees in the Social service worker classifications effective December 16, 2021. This compensation change is critical as one step in recruitment and retention of these critical positions. The Department is experiencing an unprecedented shortage in social service workers and an immediate increase in pay will assist that effort.

**Health and Family Services  
Community Based Services  
Family Support**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	140,635,500	151,225,500	154,148,000	167,092,000	168,339,200
Current Year Appropriation			67,600		
Other	5,000,000	7,814,200			
<b>Total General Fund</b>	<b>145,635,500</b>	<b>159,039,700</b>	<b>154,215,600</b>	<b>167,092,000</b>	<b>168,339,200</b>
<b>Restricted Funds</b>					
Balance Forward	466,703	98,280	2,684,300	460,800	
Current Receipts	1,698,012	2,070,200	1,415,900	2,255,000	2,323,800
Non-Revenue Receipts	15,501,019	12,456,874	26,199,600	28,148,200	28,148,200
<b>Total Restricted Funds</b>	<b>17,665,734</b>	<b>14,625,355</b>	<b>30,299,800</b>	<b>30,864,000</b>	<b>30,472,000</b>
<b>Federal Fund</b>					
Balance Forward	62,182,949	66,611,191	72,397,800		
Current Receipts	210,889,143	186,800,654	168,261,300	216,897,400	217,108,600
<b>Total Federal Fund</b>	<b>273,072,091</b>	<b>253,411,845</b>	<b>240,659,100</b>	<b>216,897,400</b>	<b>217,108,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>436,373,325</b>	<b>427,076,900</b>	<b>425,174,500</b>	<b>414,853,400</b>	<b>415,919,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	215,071,532	211,820,692	216,980,100	229,980,000	231,046,200
Operating Expenses	19,738,824	25,279,864	30,023,000	32,729,800	32,730,000
Grants Loans Benefits	134,784,168	114,711,395	177,710,600	152,143,600	152,143,600
Capital Outlay	51,570	176,230			
Construction	13,828	6,636			
<b>TOTAL EXPENDITURES</b>	<b>369,659,922</b>	<b>351,994,817</b>	<b>424,713,700</b>	<b>414,853,400</b>	<b>415,919,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	145,631,568	159,039,700	154,215,600	167,092,000	168,339,200
Restricted Funds	17,567,454	11,941,033	29,839,000	30,864,000	30,472,000
Federal Fund	206,460,900	181,014,084	240,659,100	216,897,400	217,108,600
<b>TOTAL EXPENDITURES</b>	<b>369,659,922</b>	<b>351,994,817</b>	<b>424,713,700</b>	<b>414,853,400</b>	<b>415,919,800</b>

The Division of Family Support (DFS) consists of the following programs: Temporary Assistance to Needy Families (TANF); Supplemental Nutrition Assistance Program (SNAP), formerly known as Food Stamps; eligibility determination for Medicaid and for health insurance premium assistance; and State Supplementation Program for persons who are aged, blind, or have a disability. The Division also provides direct eligibility services for the Simplified Assistance for the Elderly, the Kentucky Children's Health Insurance Program (K-CHIP) and medical assistance for guardianship cases. The programs administered by the DFS are designed to promote self-sufficiency, job training assessment, and the delivery of basic essential services for families and children who need assistance. Programs are accessible to all residents of Kentucky counties. Each local office has the responsibility to determine eligibility, provide facts and information of available benefits, as well as the regulatory limitations of available benefits, and maintain case record information. Application can be made by the individual, their parent, statutory benefit payee, committee, guardian, power of attorney or authorized representative, as applicable.

With the implementation of the new eligibility system in December 2015, the DFS is establishing a new program integrity section. The staff within this section will be responsible for resolving computer matches with federal and state interfaces and researching national databases related to unreported income, prior fraud disqualifications and conducting case reviews. The purpose of this section is to enhance efforts in detecting fraud and increasing program accuracy rates. The National Voter Registration Act of 1993, also known as the Motor-Voter Act, requires agencies that deliver services to persons with disabilities or provide benefits under the Temporary Assistance for Needy Families/Kentucky Transitional Assistance Program, Special Supplemental Nutrition Programs for Women, Infants and Children (WIC), Medicaid, or SNAP, as well as Armed Forces Recruiting Stations and driver licensing stations to make available voter registration applications to their clients. Since DFS administers two of these programs, it distributes voter registration forms, provides assistance in completing these forms, and ensures completed forms reach the proper state election office for processing in order to comply with this mandate.

## **Temporary Assistance for Needy Families (TANF)**

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) amended and combined Title IV-A Aid for Families with Dependent Children (AFDC) and Title IV-F Job Opportunities and Basic Skills Training Program (JOBS) of the Social Security Act to provide block grants to states for TANF. These federal funds support the program's administrative and benefit expenditures that include personnel, operating, and indirect costs; contracts with partnering agencies; cash assistance subsidies; supportive services; child care; and transportation. A Maintenance of Effort (MOE) requirement mandates that states spend at least 80 percent of fiscal year 1994 expenditures on the program each year. For Kentucky, this amount is \$71,913,000 per year.

The Kentucky Transitional Assistance Program (K-TAP) is the Commonwealth's cash assistance program for families with a dependent child who is deprived of parental support due to the continued absence, unemployment, incapacity, or death of one or both parents. Monthly payments are designed to help adults find a job or obtain training that leads to employment. Gross income must fall below a level appropriate for the family's size, and total family resources cannot exceed agency limits.

The Kentucky Works Program (KWP) assists recipients with their transition into the workforce and attainment of self-sufficiency. Adults receiving K-TAP benefits must participate in this program unless determined exempt and, with the assistance of a case manager, develop a Transitional Assistance Agreement (TAA) with the goal of moving off assistance and gaining self-sufficiency. KWP activities include employment, on-the-job training, work experience training programs, a job search/job readiness component, vocational training or other educational services, community service, high school completion for teen parents, and other activities necessary to prepare for employment. Referrals to providers of child care, and supportive services such as car repairs, transportation assistance, and supplies ensure that individuals are able to take part in this program.

Safety Net Services are available to former K-TAP families who lose cash assistance as a result of time limits of 60 months in a lifetime or failure to comply with requirements of the KWP. Families with an income at or below 200 percent of the federal poverty level can access temporary benefits to meet basic needs such as shelter, food, clothing, or utilities. Following a qualifying event, a total of \$635 may be authorized for four months during a 12-month period.

The Family Alternatives Diversion Program (FAD) provides an alternative for families, who, while otherwise eligible, choose not to receive K-TAP cash assistance. A maximum of \$1,300 is available to assist the family with immediate needs such as food, shelter, transportation, etc. These benefits may be authorized for a three-month period. FAD may be approved once during a 24-month period and no more than twice in a lifetime.

The Kinship Care Program provides financial assistance and support services to non-parental blood or marital relatives caring for children who cannot remain in the home of their parents due to abuse, neglect, or the death of both parents. Effective April 1, 2013, the Department for Community Based Services (DCBS) issued a moratorium impacting a child's initial eligibility for the Kinship Care Program; however, the moratorium did not apply to previously existing beneficiaries. A one-time relative placement support benefit and K-TAP are available to address a child's immediate and ongoing needs, respectively, upon placement by the DCBS with a qualified relative caregiver as an alternative to foster care.

Efforts to partner with local communities to achieve the goals of self-sufficiency, protection, and permanency for Kentucky's families continue. The flexibility of the TANF block grant has allowed the DCBS to pursue initiatives such as change management and organizational restructuring and, as a result, better address the needs of those striving to escape a life of dependency.

## **Medicaid Eligibility and Health Insurance Affordability**

DCBS determines eligibility for the Medicaid program under a contract with the Department for Medicaid Services. The Medicaid program is authorized under Title XIX of the U.S. Social Security Act and KRS 205.520. Subsequent amendments to this act required federal/state funding to address medical care for persons receiving benefits for subsistence needs, those designated as categorically needy, and the medically indigent only. Currently, the categorically needy designation includes individuals who receive Supplemental Security Income (SSI) administered by the Social Security Administration; participants in the State Supplementation program for aged, blind, and disabled recipients; and low-income families meeting requirements for Modified Adjusted Gross Income Medicaid Aid to Families with Dependent Children (AFDC) State Plan in effect as of July 16, 1996.

The Department provides eligibility determination services for health insurance premium assistance program via the state-based American Health Benefit Exchange (Kentucky Health Benefit Exchange) established in accordance with P.L. 111-148, as amended, and 42 U.S.C. 18031.

### **State Supplementation**

The State Supplementation Program, authorized by KRS 205.245 and 921 KAR 2:015, provides financial support to aged, blind, or disabled individuals who have insufficient income to meet their needs in a licensed personal care home or family care home; purchase caretaker services designed to prevent institutionalization, or reside in a community-integrated private residence as an individual with serious mental illness. To be eligible, persons must meet the criteria of the Social Security Income program related to age, blindness or disability as well as additional requirements associated with citizenship, Kentucky residency, enumeration, and special needs. There is also a \$2,000 per individual (\$3,000 per couple) limit on resources. State supplementation payment amounts are determined by subcontracting countable income from the standard of need living arrangement costs.

### **Supplemental Nutrition Assistance Program (SNAP)**

The Supplemental Nutrition Assistance Program (SNAP), formerly known as Food Stamps, helps low-income persons purchase food for a nutritional diet. SNAP, authorized by the Food and Nutrition Act 2008 (PL 110-246) and KRS 194A.050, is designed to promote the general welfare and safeguard the health and well-being of the nation's population by raising nutritional levels among low-income households. SNAP benefits are a work support and serve as a stimulant to the economy. A household is defined as any individual, family, or group of people living with each other who buy and prepare food together. To qualify, each household must meet eligibility standards.

The SNAP Employment and Training Program (E&T) is designed to assist SNAP recipients obtaining employment that leads to self-sufficiency. Able Bodied Adult Without Dependents (ABAWDs) must participate and comply with work requirements in order to maintain their SNAP eligibility. Participants needing assistance to comply can volunteer to be placed in an E&T component. Only ABAWDs residing in areas of the state that are waived from work requirements due to high unemployment rates can continue receiving SNAP benefits without meeting the work requirements. These designated areas are adjusted every year. ABAWDs living in counties not exempt will be required to meet work requirements and can choose to participate in the SNAP E&T program to meet the requirements. Additionally, other SNAP recipients can choose to participate in SNAP E&T in counties where services are available.

### **Policy**

The base budget includes General Fund of \$1,000,000 in each fiscal year to support the operations of the Family Scholar House.



**Health and Family Services  
Community Based Services  
Energy**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>Federal Fund</b>					
Balance Forward	-114,579	690,013	520,400		
Current Receipts	52,142,567	98,305,054	121,766,100	47,288,300	47,288,500
<b>Total Federal Fund</b>	52,027,988	98,995,067	122,286,500	47,288,300	47,288,500
<b>TOTAL SOURCE OF FUNDS</b>	52,027,988	98,995,067	122,286,500	47,288,300	47,288,500
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	30,205	64,080	80,300	82,100	82,300
Operating Expenses	5,714	8,885	13,600	13,600	13,600
Grants Loans Benefits	51,295,716	98,401,730	122,192,600	47,192,600	47,192,600
Construction	6,341				
<b>TOTAL EXPENDITURES</b>	51,337,975	98,474,696	122,286,500	47,288,300	47,288,500
<b>EXPENDITURES BY FUND SOURCE</b>					
Federal Fund	51,337,975	98,474,696	122,286,500	47,288,300	47,288,500
<b>TOTAL EXPENDITURES</b>	51,337,975	98,474,696	122,286,500	47,288,300	47,288,500

The Low Income Home Energy Assistance Program (LIHEAP), authorized by PL 94-385 and 921 KAR 4:116, is a federally subsidized program that assists low-income households to meet the cost of energy expenses. Eligibility criteria include income that does not exceed 130 percent of the Federal Poverty Level (FPL), resources which total less than \$2,000 (\$3,000 if at least one person in the household is either age 60 year or older or disabled, or \$4,000 for a household member with a catastrophic illness which requires liquid resources to be readily accessed on a regular basis for living and medical expenses) and the responsibility for home heating expenses. This program is divided into two components. The subsidy component assists recipients with home heating costs for which they are responsible either by direct payment or as an undesignated portion of their rent. The crisis component assists eligible households experiencing a home energy emergency involving imminent loss of heating energy. Services include accepting applications, determining eligibility, implementing outreach components, and coordinating this program with other energy assistance initiatives. Extrapolations from the most recent census data report that over 537,000 Kentucky households are eligible for assistance based on income levels that do not exceed 130% FPL.

Federal program rules also allow the use of a portion of the state's LIHEAP grant for the weatherization assistance program; a federally funded program to help low-income households meet the cost of energy expenses through energy conservation repairs to their homes. It is designed to reduce energy consumption, lower heating bills, and ensure the health and safety of those whose annual income is at or below 200 percent of FPL. Funds are provided to conduct energy audits, heat system safety tests and repairs, reduce air infiltration, install insulation, and perform other energy-related conservation measures. While a house is allowed to receive this assistance only one time, a dwelling may be re-weatherized if this service was provided prior to October 1, 1993.

The weatherization assistance program was co-housed with LIHEAP in the DCBS energy budget until April 2009, when it was reorganized to the Finance and Administration Cabinet (FAC), where the Kentucky Housing Corporation (KHC) is designated to administer the program. During the 2022-2024 biennium, DCBS anticipates transfer of 15% of the state LIHEAP allocation to KHC for weatherization activities performed in accordance with a combination of LIHEAP and Department of Energy rules.

**Health and Family Services  
Community Based Services  
Child Care**

<b>SOURCE OF FUNDS</b>	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>General Fund</b>					
Regular Appropriation	26,390,000	26,509,900	25,509,900	25,509,900	25,509,900
Special Appropriation			12,000,000		
Other	-4,000,000	-7,264,200			
<b>Total General Fund</b>	<b>22,390,000</b>	<b>19,245,700</b>	<b>37,509,900</b>	<b>25,509,900</b>	<b>25,509,900</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	9,750,000	9,750,000	9,750,000	9,750,000	9,750,000
Continuing Approp-Tob Settlement			959,100		
<b>Total Tobacco Fund</b>	<b>9,750,000</b>	<b>9,750,000</b>	<b>10,709,100</b>	<b>9,750,000</b>	<b>9,750,000</b>
<b>Restricted Funds</b>					
Balance Forward	385,916	408,584	474,300		
Current Receipts	110,355	140,728	-341,200	133,100	133,100
<b>Total Restricted Funds</b>	<b>496,271</b>	<b>549,312</b>	<b>133,100</b>	<b>133,100</b>	<b>133,100</b>
<b>Federal Fund</b>					
Balance Forward	-99,615	-348,892	-38,096,300		
Current Receipts	155,960,730	200,521,311	541,946,300	471,273,700	218,538,400
Non-Revenue Receipts	-315				
<b>Total Federal Fund</b>	<b>155,860,800</b>	<b>200,172,419</b>	<b>503,850,000</b>	<b>471,273,700</b>	<b>218,538,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>188,497,071</b>	<b>229,717,431</b>	<b>552,202,100</b>	<b>506,666,700</b>	<b>253,931,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	9,053,592	10,025,182	10,107,100	10,650,900	10,717,400
Operating Expenses	1,042,807	1,106,272	1,139,200	1,150,100	1,150,100
Grants Loans Benefits	175,082,544	255,248,903	540,955,800	494,865,700	242,063,900
<b>TOTAL EXPENDITURES</b>	<b>185,178,943</b>	<b>266,380,357</b>	<b>552,202,100</b>	<b>506,666,700</b>	<b>253,931,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	19,131,564	19,245,700	37,509,900	25,509,900	25,509,900
Tobacco Fund	9,750,000	8,790,855	10,709,100	9,750,000	9,750,000
Restricted Funds	87,687	75,044	133,100	133,100	133,100
Federal Fund	156,209,692	238,268,758	503,850,000	471,273,700	218,538,400
<b>TOTAL EXPENDITURES</b>	<b>185,178,943</b>	<b>266,380,357</b>	<b>552,202,100</b>	<b>506,666,700</b>	<b>253,931,400</b>

The Child Care Program administers the child care assistance subsidy program, the ALL STARS quality rating system, as well as a professional development framework for child care providers. The primary funding services for the program include the federal Child Care Development Fund, state General Fund and Tobacco Settlement-Phase I funds.

The Child Care Development Fund (CCDF) was created by Congress in August 1996 as part of the federal welfare reform legislation. Child care services delivered through CCDF are designed to promote, expand, and improve the quality of care for children in Kentucky and ensure that families most in need are aware of and have access to available, quality child care which is developmentally appropriate, affordable, and safe. The Cabinet for Health and Family Services' approach to service delivery combines the efforts of Cabinet staff and other service providers to address a family's needs in a comprehensive fashion thereby maximizing the likelihood that a family will achieve positive outcomes. The Division of Child Care (DCC) serves Kentucky's most vulnerable children prioritizing children receiving child protective or preventive services, Temporary Assistance for Needy Families (TANF) recipients and persons transitioning off TANF, children with special needs, families experiencing homelessness, and teen parents. Children of low income working families are also eligible for child care assistance.

On November 19, 2014, the Child Care and Development Block Grant (CCDBG) Act of 2014 was signed into law at the federal level. This reauthorizes the child care program for the first time since 1996 and represents an historic re-envisioning of the CCDF program. The new law makes significant advancements by defining health and safety requirements for child care providers, outlining family-friendly eligibility policies, and ensuring parents and the general

public have transparent information about the child care choices available to them. The sweeping changes of the Child Care and Development Block Grant and Kentucky's participation in the federally funded Preschool Development Grant provide Kentucky's Division of Child Care with the unique opportunity to realign the current system and advance quality child care in the state to meet the complex needs of Kentucky's poorest families.

The originally unfunded mandated changes of the CCDBG Act of 2014 required additional funding in order to come into compliance with federal law. While some changes were straightforward to implement, others have been more complex, requiring additional time for planning and implementation. The Division of Child Care has successfully implemented the required changes, including the new background check requirements for childcare staff. Additional federal funding awarded to Kentucky in 2018 allowed for increases to the child care subsidy program and increased financial assistance with the federal background check program.

CCDF reauthorization increased the minimum quality set-aside from 4% to 9% over a phase-in period of 5-years. Beginning FFY 2018, the quality set-aside increases to 8% of the aggregate funds expended by the Lead Agency for quality activities. These activities include childcare health and safety requirements, the tiered quality rating and improvement system, and early care and education professional development. The infant & toddler set-aside remains at least 3% of CCDF and must be spent on activities to improve the quality of care for infants and children. The 3% infant and toddler set-aside began in FFY 2018 and is in addition to the 8% quality set-aside.

**The Child Care Assistance Program** is one of the support services directed at: (1) eliminating barriers to work and education for parents; (2) strengthening and maintaining client families; (3) providing early educational opportunities for at-risk children; (4) preventing or remedying abuse, neglect or exploitation of children; (5) preventing family dissolution; and (6) preventing out of home placements; These services are provided by subsidized child care through the CCDF for full and part-day care by licensed providers, certified family child care homes and registered providers. Childcare services are intended to supplement, but not supplant, the parents' responsibility for the child's protection, development, and supervision. Children with special needs and child protective services cases are the top priority for the DCC. In addition, childcare is also used to support low-income working parents and TANF client's efforts to find and keep jobs and transition off public assistance. Licensed centers and homes, certified family childcare homes, and registered providers that meet enrollment requirements and health and safety guidelines are reimbursed for services at approved rates for eligible, enrolled families.

**Regulation and Monitoring of Child Care Providers:** The Office of Inspector General (OIG), Division of Regulated Child Care ensures that licensed and certified childcare providers meet minimum health, safety, and quality standards. DCBS contracts with OIG to conduct on-site inspections, monitor, license center-based providers, and certify family childcare home providers. OIG is also contracted to investigate complaints against licensed and certified providers, as well as to conduct fraud investigations. State statute stipulates that an individual caseload of 1:50 be maintained for continuation of quality services; however, the current average individual caseload is 1:74.

**Tiered Quality Rating and Improvement System:** The Kentucky ALL STARS Program is part of Kentucky's Early Childhood Initiative and is a quality rating system that places major emphasis on raising the quality level of early care and education in childcare settings. This program is mandatory for child care centers and in-home programs that wish to receive child care subsidy funds. Kentucky ALL STARS monetary incentives and rewards are granted to childcare providers based on environmental scoring using identified characteristics associated with positive outcomes for children and families. These scores are also combined with a list of program standards in order to achieve a STAR rating of 1 to 5. Through the provision of technical assistance, providers work to achieve quality indicators in their Environmental Rating Scale. STARS Levels 2 through 5 surpasses the minimum licensing or certification requirements that all programs must meet per regulations. STARS Levels 3 through 5 are considered high-quality programs and can receive higher levels of reimbursement. Programs are assessed in the following areas: staff/child ratios, group size, curriculum, family involvement, training and education of staff, regulatory compliance, and personnel practices. As of June 30, 2021, there were 18,941 children receiving subsidized child care with 18,941 enrolled in a STARS Rated facilities. As of June 30, 2021, there were 1,881 ALL STARS rated providers with 44% of these centers at the high-quality rating of level 3-5. These numbers are lower than previously reported due to the impact of COVID-19 which forced many centers to close.

Initiatives to promote the Kentucky ALL STARS program are contracted with the University of Kentucky Human Development Institute. The University of Kentucky coordinates the Quality Enhancement Program with twenty-eight (28) Quality Coaches and five (5) Technical Assistance Quality Consultants, to recruit, train, and provide technical assistance to providers when preparing to enter the program and throughout provider participation in the program. STARS Raters conduct environment assessments on all participating programs.

**The Professional Development System** is also part of Kentucky's Early Childhood Initiative. The Division has put in place the "Kentucky Childhood Professional Development Framework" which addresses the needs for education, training and

credentialing of early care professionals in Kentucky and represents a culmination of months of planning and input from multiple stakeholders across the state. The Framework identifies individual core competencies, credentials, scholarships, grants, awards and training criteria to early care and education professionals. Additionally, targeted quality set-asides under CCDF are being utilized to promote and improve the quality of infant/toddler training opportunities, enhance professional development activities, improve education in child care programs, improve staff and child interactions, increase parental involvement, and facilitate regulatory compliance to all child care programs. As of June 30, 2021, there were 2,429 active Director's Credentials, 791 Trainer's Credentials, and 376 active Commonwealth Child Care Credentials. In addition, during SFY 2021, 24,465 childcare provider/staff received early care and education training for a total of 77,738 sessions totaling 382,424 credit hours of training for all participants in attendance.

Collaborative Efforts continue between the Division of Child Care and key stakeholders in order to ensure that outcomes will focus on continuing quality improvements in early learning environments. These efforts include partnerships with Head Start, the Department of Education, the Department for Public Health Division of Maternal and Child Health, Kentucky Out-of-School Alliance, Governor's Office of Early Childhood, and other government and quasi-government agencies that share the common goal of increasing professionalism in Early Care and Education, promoting quality care, and supporting early learning guidelines.

**Annual Training Requirements:** Licensed Child Care Type I and II directors and staff are required to complete nine hours of cabinet-approved early care and education training within the first year of employment (after completing a six-hour state-mandates orientation to the childcare profession), including one and one-half (1 1/2) hours of pediatric abusive head trauma training. And 15 hours of cabinet-approved early care and education training annually, including one and one half (1 1/2) hours of pediatric head trauma training completed once every five years.

Certified Family Child Care Home providers are required to complete nine hours of cabinet-approved early care and education training annually, including one and one-half (1 1/2) hours of pediatric abusive head trauma training completed once every five years.

## **Policy**

The Governor's budget includes additional federal funding of \$4,800,000 in fiscal year 2022 and \$9,600,000 in fiscal years 2023 and 2024 from the American Rescue Plan Act's State Fiscal Recovery Fund to continue the \$2 per child increase in the Child Care Assistance Program provider reimbursement rate which was instituted in the current fiscal year but the funding expires December 31, 2021. These funds are critical to assisting child care providers to stay in business during the pandemic disruptions.

The budget in each fiscal year includes Phase I Tobacco Settlement Funds in the amount of \$9,750,000 for the Child Care program for the Kentucky ALL STARS program quality rating system which is a federal requirement – is fully funded by these funds which provide monetary incentives and rewards to childcare providers and are used as match for the federal funds received from the Child Care Development Grant.

**Health and Family Services  
Community Based Services  
Family and Community Services**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	306,935,000	327,683,000	324,683,000	370,368,300	387,910,100
Special Appropriation			20,000,000		
Current Year Appropriation			60,000		
Other	-1,000,000	-550,000			
<b>Total General Fund</b>	<b>305,935,000</b>	<b>327,133,000</b>	<b>344,743,000</b>	<b>370,368,300</b>	<b>387,910,100</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	2,500,000	2,500,000	2,561,000	2,561,000	2,561,000
Continuing Approp-Tob Settlement		325,000	634,100		
<b>Total Tobacco Fund</b>	<b>2,500,000</b>	<b>2,825,000</b>	<b>3,195,100</b>	<b>2,561,000</b>	<b>2,561,000</b>
<b>Restricted Funds</b>					
Balance Forward	918,562	26,221,836	34,070,100	245,800	
Current Receipts	231,772,322	146,271,265	169,450,000	207,226,000	208,026,700
Non-Revenue Receipts	-70,267,568	-28,733,660	-31,000,000	-31,000,000	-31,000,000
<b>Total Restricted Funds</b>	<b>162,423,316</b>	<b>143,759,441</b>	<b>172,520,100</b>	<b>176,471,800</b>	<b>177,026,700</b>
<b>Federal Fund</b>					
Balance Forward	-62,875,671	-63,499,552	-61,109,400		
Current Receipts	252,390,580	278,483,599	348,930,100	277,524,800	279,324,900
Non-Revenue Receipts	-344	78			
<b>Total Federal Fund</b>	<b>189,514,565</b>	<b>214,984,124</b>	<b>287,820,700</b>	<b>277,524,800</b>	<b>279,324,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>660,372,880</b>	<b>688,701,565</b>	<b>808,278,900</b>	<b>826,925,900</b>	<b>846,822,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	209,743,165	245,704,089	244,730,900	265,721,400	285,618,200
Operating Expenses	28,777,824	25,744,929	32,115,700	32,115,700	32,115,700
Grants Loans Benefits	453,347,459	443,657,679	531,186,500	529,088,800	529,088,800
<b>TOTAL EXPENDITURES</b>	<b>691,868,449</b>	<b>715,106,697</b>	<b>808,033,100</b>	<b>826,925,900</b>	<b>846,822,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	300,477,853	327,133,000	344,743,000	370,368,300	387,910,100
Tobacco Fund	2,175,000	2,190,896	3,195,100	2,561,000	2,561,000
Restricted Funds	136,201,479	109,689,300	172,274,300	176,471,800	177,026,700
Federal Fund	253,014,117	276,093,501	287,820,700	277,524,800	279,324,900
<b>TOTAL EXPENDITURES</b>	<b>691,868,449</b>	<b>715,106,697</b>	<b>808,033,100</b>	<b>826,925,900</b>	<b>846,822,700</b>

Family and Community Services are designed to provide maximum support to a family at the time of crisis to prevent the disruption of the family unit and to protect individuals from abuse, neglect, and exploitation with safety and permanency as the paramount goals.

The subprograms contained in Family and Community Services are Family Based Services, Adult Services, and Alternatives for Children. The legal authority for the program is in KRS Chapters 199, 200, 209 (Adult Protection), and 600-645, and in Titles IV, XIX and XX of the Social Security Act.

**Family Based Services** provided by Department for Community Based Services (DCBS) staff are designed to offer maximum in-home services in order to preserve the family unit while keeping safety of all family members as the primary goal. This approach to the delivery of community-based services focuses on individuals in the context of the family. Services in this context are intended to strengthen and maintain families and prevent family dissolution and out-of-home placement. The Family Based Services approach emphasizes the role of the community/partners in protecting children and serving families.

Child Protective Services are specialized services aimed at safeguarding the rights and welfare of abused, neglected or dependent children; aiding parents or other responsible for the care, custody or supervision of children in recognizing and remedying conditions detrimental to the welfare of their children; and identifying conditions that contribute to the neglect, abuse, or dependency of children. Child Protective Services are both preventive and corrective in nature. This includes intake/investigation of reports of neglect, abuse, or dependency and the provision of treatment to those families in need. DCBS staff provides direct in-home services as well as serving in a case manager role and networking community resources. DCBS is mandated to receive and investigate reports of the abuse or neglect of children.

Family Preservation programs (FPP) are services providing short-term crisis intervention and intensive in-home services to families who have a child or children at imminent risk of removal from their home in accordance with KRS 200.575 – 200.605 and Title IV-B, subpart 2 of the Family Preservation and Support Act and the Adoption and Safe Families Act (ASFA). FPP services are delivered through contracts with nonprofit agencies and are available for families in all of Kentucky's 120 counties. DCBS child protective services are the primary source of referrals for FPP. All eligible referrals are screened and approved through a regional DCBS staff person. Family Reunification Services follow the same basic service model with less intensive in-home services over longer duration to facilitate the successful return of children from out of home care to their home and decrease the likelihood of repeated placements. Preservation and reunification services, Families and Children Together Safely use the same basic model to serve children at significant risk of removal. Family Preservation and Reunification services provide services responsive to the family's needs, which includes 24 hour availability and flexible or client assistance funds for families needing assistance to meet financial as well as concrete needs that would otherwise add to the risk of out of home placement of the children. These family preservation and reunification programs furnish comprehensive services designed to enable families to solve their own problems by learning new skills, accessing other community resources, and developing a greater support network.

Through implementation of The Family First Prevention Services Act (FFPSA) of 2018, Kentucky is in the process of expanding its Sobriety Treatment and Recovery Teams (START) and Kentucky Strengthening and Empowering Parents (KSTEP) programs. Along with FPP, these programs work with families to mitigate issues when a child is at imminent risk for removal. The advent of FFPSA adds prevention services to Title IV-E of the Social Security Act, which was previously exclusive to adoption and foster care.

Self-Help Groups provide support and education for parents in crisis or at risk of further abuse or neglect of children.

Juvenile Services in the community provide an array of preventive and treatment services for children adjudicated as status offenders under KRS 630. Because status offender behaviors such as running away from home, being beyond parental control and truancy are most often indicative of prior abuse or neglect of the child, services are targeted at prevention of further abuse or neglect and interventions to curb the child's negative behaviors. Community based treatment is most effective with status offenders and may include, but not limited to, family and individual counseling, family preservation, substance abuse prevention, school services, and community mental health services. Out-of-home care and residential treatment services may also be used, but only in cases where community resources have been exhausted or the child is at high risk. Appropriate services may be provided directly by DCBS or arranged through local mental health centers, Family Resource Youth Service Centers, community partnerships, private child care agencies, and/or other private providers in the community. Children's advocacy centers provide services to victims of child sexual abuse and their non-offending caregivers.

**Adult Services** includes protection and self-support. Adult services are directed toward preserving the vulnerable individual's independence to the maximum degree possible and protecting him/her from abuse, neglect or exploitation pursuant to KRS Chapters 209. The elements of adult services are: Adult protection; Interdisciplinary evaluations to determine an adult's degree of disability and need for guardianship; Services provided by spouse abuse centers and crisis centers; Alternate care (also called placement and movement) which involves assisting individuals with a protective need with appropriate community and institutional placements; Preventive services for adults which entails assessment, planning, and guidance to individuals referred by courts, the Cabinet's Ombudsman, neighbors, state and federal legislators or through a self-referral. The latter often involves securing food, shelter, clothing, and medical treatment; Services provided by rape crisis centers; Certification for batterer intervention program providers; and General Adult Services.

Pursuant to KRS 209.030(2), any person, including but not limited to a physician, law enforcement officer, nurse, social worker, Cabinet personnel, coroner medical examiner, alternate care facility employee, or caretaker, having reasonable cause to suspect that an adult as defined in KRS 209.020 has suffered abuse, neglect or exploitation, shall report or cause reports to be made to the CHFS. Death of the adult does not relieve an individual of the

responsibility for reporting the circumstances surrounding the death. DCBS is required to investigate the reports that meet definitions of adult abuse, neglect, or exploitation in KRS 209, notify local law enforcement officials and other authorized agencies as defined in KRS 209.020(17), offer appropriate protection and support services, and maintain case records.

Alternate Care services, also referred to as Placement and Movement, are essential in providing preventive and protective services. For individuals no longer able to care for themselves or be cared for at home, long-term care facility placement is often the best alternative or only solution. When a protective need has been identified, DCBS is involved in placement and movement of individuals into, between, and out of facilities. Placement and Movement denotes assistance provided to Medicaid eligible individuals. Alternate Care denotes assistance to non-Medicaid eligible individuals.

There are a number of Kentuckians needing alternate care/placement and movement services each year. However, the majority of these individuals have family or friends who are able to assist them in finding appropriate alternate care living arrangements. The DCBS assists those individuals/families who are not able to locate appropriate placements. Alternate Care Services help ensure that persons are not inappropriately placed in a level of care exceeding their need and, thus, promote cost effectiveness. These services also help ensure that persons assisted receive the care they require.

Spouse abuse shelter services are available in each of the 15 Area Development Districts and are provided under a contract between DCBS and the Kentucky Coalition Against Domestic Violence. A portion of the marriage license fee as authorized by KRS 209A.045 provides part of the funding for this element.

Rape crisis centers services are available throughout the state and are provided under a contract with the Kentucky Association of Sexual Assault Programs (KASAP), which is the statewide coalition of Rape Crisis Centers.

Batterer intervention program (BIP) provider's certification is administered by DCBS. This responsibility includes recruiting and training providers, monitoring and oversight, and maintaining a provider list for the Administrative Office of the Courts. The legal basis is KRS 403.7505 and 922 KAR 5:020. Currently there are 123 certified BIP providers working in 33 counties. Each certified provider strives to enhance and promote the safety of victims and their children by offering the following services in response to domestic violence: Court-ordered batterer intervention for offenders; Assessment of offenders for mental health issues, substance abuse problems, and referral to appropriate resources; Service coordination between the criminal justice system, DCBS, and/or victim advocacy groups; and, Collection and submission of data about the offender population.

**Alternatives for Children** supports the Family Based Services subprogram by providing an essential child welfare service - placement resources for children who must live apart from their family due to the tragedy of physical abuse, sexual abuse, neglect, maltreatment, or special medical circumstances. These services occur through the following elements: family foster care, private childcare, adoption, Intensive Family Based Support Services, and clinical services. The legal authority for Alternatives for Children includes KRS Chapters 199; 600; and 620; Titles IV-B and IV-E of the Social Security Act; and the Social Services Block Grant.

The trauma of childhood abuse or neglect often leads to emotional and behavioral problems that are difficult to manage. In recent years an increasing proportion of children have had more severe problems which require more specialized treatment services (such as mental health, intellectual and/or developmental disabilities, or sexual abuse) and medical care that, in turn, has added to the cost of care. Adoption provides permanent families for children who cannot return home.

Family Foster Care provides a planned, goal-directed service in which the care of children and youth takes place in the home of an agency-approved family. Its' value is the ability to respond to the unique, individual needs of infants, children, youth, and their families through the strength of family living, as well as family and community supports. The goal of family foster care is to provide opportunities for healing, growth, and development leading to healthier children and families with safe and nurturing relationships intended to be permanent. Effective June 27, 2019, DCBS implemented KRS 620.142 to assist relatives and fictive kin caregivers of abused, neglected, or dependent children to reduce barriers to approval and allow for financial assistance to these caregivers. Foster Parent Training, provided by DCBS staff and contractors, is required of all foster parents. Foster parents must complete 15 hours of curricula in addition to web-based training requirements prior to approval and are required to attend annual in-service training. Parents serving Care Plus or medically complex homes are required to complete additional training prior to approval and on an annual basis.

Relative or Fictive Kin Placement is used as an alternative to foster care via a prevention plan or through temporary or permanent custody, given by the court to the relative or CHFS. This placement requires criminal background checks on all adult household members; home evaluations; 1.5 hours training regarding pediatric abusive head trauma (if child is five years of age or younger); monthly home visits to caregiver's home; and guardian ad litem services. At this time, all placements which qualify and meet DCBS guidelines are eligible for monthly stipends paid with general fund. These caregivers may also qualify for those services received by foster parents. The department provides case management activities that seek to utilize a least restrictive placement, assist parent/caretakers in reunifying with their child(ren), providing supportive services to the relative and achieving alternative permanency for the child if reunification is not possible. If CHFS is granted custody of the child, all applicable out of home care standard of practices (SOPs) are utilized. If the child is placed on a prevention plan with a relative or in the custody of the relative, in home SOPs are applicable. Fictive kin are individuals who are not related to a child by birth, marriage, or adoption and may be utilized when a child is removed from their home of origin and when no family members or relatives are identified as an appropriate placement option for a child.

Independent Living services are specialized services designed to enhance the self-sufficiency skills of older children currently or formerly in foster care, private child care, and other state funded living arrangements. Services are provided both directly by staff and by contract agencies. Services include formal classroom and experiential life skills trainings; room and board assistance for aged-out youth 18-21 years of age; educational assistance for post-secondary education; the opportunity to both mentor and be mentored on post-secondary campuses and in the community; transitional planning; and provision of youth conferences. The loss of the Independent Living services would result in children leaving the foster care system unprepared to enter the world as productive, tax-paying adults. Rather is the likelihood they would enter the criminal, homeless, or adult services population increasing the poverty in Kentucky.

Private Child Caring/Child Placing services and emergency shelter services are essential components of a protective service program that provides temporary placement services for children who are unable to remain in their own homes because of severe abuse, neglect, exploitation, abandonment, or because they have specialized treatment needs.

Adoption is the legal process by which a child becomes a child of a person or persons other than his/her biological parents. It is a complex social and emotional experience that ensures permanency and well-being for children. DCBS provides services prior to adoption in order to bring children and families together and services after adoption to provide support to the family structure.

Intensive Family Based Services (IFBSS) are cost-effective, home-based alternatives to institutionalization for children who are dually diagnosed. Services are provided through contracts with local comprehensive care centers or other appropriate contractors including private childcare programs. These services are designed to meet the needs of individual children and his/her families and may include, but are not limited to, in-home services, family therapy, respite care, behavior management and consultation, and individual counseling. DCBS retains case responsibility for clients receiving these services.

Psychiatric services provide 24-hour care to DCBS committed children and youth with behavioral health or mental health issues. Services are provided by various psychiatric hospitals and psychiatric residential treatment facilities throughout Kentucky.

## **Policy**

The Governor's budget includes additional funding to add 350 social workers over the biennium to address high caseloads in Child Protective Services. Funding is provided to hire 100 social workers in fiscal year 2023, and 250 more in fiscal year 2024. The total funding is \$8,489,300 in fiscal year 2023 and \$27,212,500 in fiscal year 2024, \$7,450,200 and \$23,881,700 respectively from the General Fund. Adding 350 more staff will bring the average caseload from 21 to 17 and the average caseload with past due cases from 28 to 22.

The Governor's budget includes additional General Fund of \$2,550,200 for Domestic Violence Shelters, \$1,788,200 for Rape Crisis Centers, and \$1,349,600 for Child Advocacy Centers in each fiscal year.

The Governor's budget in each fiscal year includes additional funding in the amount of \$16,698,500; \$12,500,000 from the General Fund, \$3,087,800 from Restricted Funds, and \$1,110,700 from Federal Funds for a 17 percent



rate increase for residential/congregate care providers that serve children which require the highest quality of care and cannot be placed in a family based setting.

The Governor's budget in each fiscal year includes additional funding of \$10,000,000 from the General Fund and \$9,600,000 from Federal Funds to sustain and expand prevention services that includes Sobriety Treatment and Recovery Teams, Kentucky Strengthening and Empowering Parents programs, and Family Preservation to work with families to mitigate issues when a child is at imminent risk for removal.

The Governor's budget in each fiscal year includes General Fund in the base budget for the following programs:

- \$1,000,000 for Relative Placement Support Benefit
- \$550,000 for dually licensed pediatric facilities
- \$50,000 for family counseling and trauma remediation in Jefferson County and surrounding Kentucky counties
- \$500,000 for the Fostering Success Program

The budget includes a General Fund baseline subsidy in the amount of \$332,100 for several quasi-governmental entities to assist these entities with employer contributions to the KERS non-hazardous pension plan, and \$68,500 to cover the marginal cost associated with the new fixed allocation funding policy for the non-hazardous pension plan, passed in House Bill 8, from the 2021 Regular Session, notwithstanding KRS 61.5991(6)(b).

The Governor's budget includes Phase I Tobacco Settlement Funds in the amount of \$2,561,000 in each fiscal year for the Early Childhood Adoption and Foster Care Supports Program.

**Health and Family Services  
Aging and Independent Living**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	43,937,800	45,269,700	45,293,900	50,088,200	50,247,900
Current Year Appropriation			25,100		
<b>Total General Fund</b>	43,937,800	45,269,700	45,319,000	50,088,200	50,247,900
<b>Restricted Funds</b>					
Balance Forward	1,205,283	592,193	2,376,900	1,846,900	1,025,200
Current Receipts	2,363,825	2,006,765	2,257,700	1,998,500	1,777,600
Non-Revenue Receipts	313,721	239,212			
<b>Total Restricted Funds</b>	3,882,829	2,838,170	4,634,600	3,845,400	2,802,800
<b>Federal Fund</b>					
Balance Forward	-22,128	-865,146	-63,900	34,500	
Current Receipts	23,933,111	42,193,483	60,468,800	67,666,200	67,673,600
<b>Total Federal Fund</b>	23,910,983	41,328,337	60,404,900	67,700,700	67,673,600
<b>TOTAL SOURCE OF FUNDS</b>	71,731,613	89,436,208	110,358,500	121,634,300	120,724,300
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	16,423,108	16,759,923	22,848,900	24,620,400	24,854,400
Operating Expenses	1,424,744	1,451,599	3,900,300	3,907,800	3,833,900
Grants Loans Benefits	53,610,450	68,911,613	81,727,900	92,080,900	92,036,000
<b>TOTAL EXPENDITURES</b>	71,458,303	87,123,134	108,477,100	120,609,100	120,724,300
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	43,391,537	45,269,700	45,319,000	50,088,200	50,247,900
Restricted Funds	3,290,636	461,197	2,787,700	2,820,200	2,802,800
Federal Fund	24,776,129	41,392,237	60,370,400	67,700,700	67,673,600
<b>TOTAL EXPENDITURES</b>	71,458,303	87,123,134	108,477,100	120,609,100	120,724,300
<b>EXPENDITURES BY UNIT</b>					
Aging and Independent Living	58,546,217	73,804,571	92,322,100	103,716,300	103,739,700
Guardianship	12,912,085	13,318,563	16,155,000	16,892,800	16,984,600
<b>TOTAL EXPENDITURES</b>	71,458,303	87,123,134	108,477,100	120,609,100	120,724,300

The Department for Aging and Independent Living (DAIL) sets policies and oversees programs and services on behalf of Kentucky's elders and individuals with disabilities. There are two program budget units within DAİL: Aging and Independent Living Services and Guardianship Services. The programs benefit Kentuckians by contributing to building self-sustaining families and improving the quality of life through an array of community-based services designed to help older persons, individuals with disabilities, and individuals under guardianship of the state to be as independent as possible in the least restrictive environment. DAİL programs also provide counseling and support services to family caregivers to enable them to provide quality care to older persons while fulfilling other family and employment responsibilities. In carrying out its programs, DAİL emphasizes successful aging; independent living; planning for an aging society; and continued involvement of older persons, adult individuals under guardianship of the state, and disabled individuals in every aspect of the community.

**Policy**

The Governor's budget includes General Fund of \$981,700 in fiscal year 2023 and \$979,100 in fiscal year 2024 to support ten percent pay increase for employees in the Social service worker classifications effective December 16, 2021.

**Health and Family Services  
Aging and Independent Living  
Aging and Independent Living**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	32,705,800	32,740,900	36,763,800	40,862,700	40,929,500
Current Year Appropriation			21,600		
Other		5,445,000			
<b>Total General Fund</b>	32,705,800	38,185,900	36,785,400	40,862,700	40,929,500
<b>Restricted Funds</b>					
Balance Forward	1,061,991	131,735	663,700	456,400	221,200
Current Receipts	742,274	722,788	1,259,200	1,251,900	1,251,900
Non-Revenue Receipts	27,121	-10,264			
<b>Total Restricted Funds</b>	1,831,386	844,259	1,922,900	1,708,300	1,473,100
<b>Federal Fund</b>					
Balance Forward	-33,196	-877,065	-75,400	32,600	
Current Receipts	23,824,506	36,239,771	54,178,200	61,333,900	61,337,100
<b>Total Federal Fund</b>	23,791,310	35,362,706	54,102,800	61,366,500	61,337,100
<b>TOTAL SOURCE OF FUNDS</b>	58,328,496	74,392,865	92,811,100	103,937,500	103,739,700
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	4,601,860	4,376,383	9,976,200	10,911,800	10,980,100
Operating Expenses	347,532	260,043	718,000	823,600	823,600
Grants Loans Benefits	53,596,826	69,168,145	81,627,900	91,980,900	91,936,000
<b>TOTAL EXPENDITURES</b>	58,546,217	73,804,571	92,322,100	103,716,300	103,739,700
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	32,178,192	38,185,900	36,785,400	40,862,700	40,929,500
Restricted Funds	1,699,651	180,532	1,466,500	1,487,100	1,473,100
Federal Fund	24,668,374	35,438,139	54,070,200	61,366,500	61,337,100
<b>TOTAL EXPENDITURES</b>	58,546,217	73,804,571	92,322,100	103,716,300	103,739,700

The Department for Aging and Independent Living is designated as the State Unit on Aging by the Federal Administration on Aging. In accordance with the Older Americans Act Amendments of 1965 as amended through December 2006 and 45 CFR 1321. The Aging and Independent Living program is responsible for aging issues on behalf of all older persons in Kentucky. It is required to carry out a wide range of functions related to service delivery, advocacy, planning, coordination, interagency linkages, information-sharing, community preparedness, brokering, and evaluation. These functions are intended to focus on the development or enhancement of comprehensive and coordinated community-based service systems designed to help elderly and physically disabled adult Kentuckians maintain independence and dignity in their own homes and communities. This focus on community-based alternatives is consistent with Kentucky's plan developed in response to the Supreme Court's Olmstead decision and the State Plan on Aging.

The Aging and Independent Living program administers statewide services; develops the State Plan on Aging; allocates funds to the 15 Area Agencies on Aging and Independent Living (AAA) as well as 14 Community Mental Health Centers (CMHCs) for the Hart Supported Living Program; and approves AAA program plans, amendments, budgets, and contracts for local provision of aging and physical disabilities services. It provides education, training, benefits counseling, information and assistance to respond to the needs of senior citizens and those with physical disabilities.

The services administered to achieve these goals include:

- Title III Older Americans Act Nutritional Services provided through agreements with the AAA's include the Nutritional Services Incentive Program: For persons age 60 years and older, provides congregate meals at senior centers and home-delivered meals to the homebound elderly in each Kentucky county
- Senior Community Service Employment Program (Older Americans Act Title V): Employs persons age 55 years and older who have incomes at or below 125% of the poverty level in part-time non-profit community work, such as senior citizens centers, with the goal of skill development and eventual placement in unsubsidized employment.

- State Health Insurance Assistance Program (SHIP): (Section 4360 OBRA 1990, PL 101-508) provides benefits counseling and application assistance to Medicare eligible persons and those likely to be eligible for the Low-Income subsidy program, Medicare savings program, and Medicare Part D prescription drug program.
- Long-Term Care Ombudsman Program (Older Americans Act Title IIC, 910 KAR 1:210): receives and investigates all complaints from residents of nursing homes and personal care homes in Kentucky. Collects and analyzes data related to complaints and conditions in long-term care facilities to identify and resolve problems, and submits information to appropriate licensing agencies to ensure compliance with regulations.
- Aging and Disability Resource Center (ADRC): (Sec 1110 SS Act and 42 USC 3031-30378) provides a single point of entry to all long term services and supports with the goal to empower individuals to make informed choices and streamline access to services.
- Older Americans Act In-Home Services and Homecare Program (KRS 205.460, 910 KAR 1:170 - 180): Provides in-home services to persons 60 years and older who have functional or physical limitations and are at risk of institutionalization. Services include personal care, home health aide, home-repairs, and respite.
- Homecare Program: This program is offered statewide through the AAA and provides supports and services for daily needs as well as coordination among caregivers and provider agencies to help adults at risk of institutional care remain in their own homes.
- Hart Supported Living (KRS 210.770-795): This program provides grants for a broad category of flexible, individualized services that, when combined with natural unpaid or other eligible paid supports, provide the necessary assistance to: enable a disabled person to live in a home of the person's choice, typical of those living arrangements for persons without disabilities; encourages integrated participation in the community; promotes rights and autonomy; enhances the skills and competencies in living in the community; and enables the acceptance in the community by promoting home ownership or leasing arrangements.
- Personnel Care Attendant Program (PCAP) (KRS 205.900): A state funded program that provides personal care assistant services to adults with severe physical disabilities, who have functional loss of two or more limbs and need services to prevent institutionalization or to leave an institutional setting.
- Adult Day and Alzheimer's Respite (KRS 209): Provides programs for day-long care and supervision for persons 60 years and older who, because of physical, mental, and/or psychological limitations, cannot remain in their own homes alone during the day.
- Kentucky Family Caregiver Program (910 KAR 1:260): Supports grandparents, of any age, who are primary full-time caregivers for a grandchild no older than 18 years of age. Services include information and assistance, counseling, support groups, and training. Provides financial assistance in the form of a voucher to be utilized for the child's safety, stability, and welfare. To the extent funds are available, the maximum total assistance shall be up to \$500 per grandchild in any one fiscal year.
- Family Caregiver Support Program: A federally funded program serving family and informal caregivers who provide care to people 60 years and older or an individual of any age with Alzheimer's or a related diagnosis, as well as grandparents and other relatives 55 years and older who provide care to children up to age 19. Services include information and assistance, counseling, support groups, training, respite, and limited financial assistance.
- Traumatic Brain Injury (TBI) Trust Fund Program (KRS 211.476, KRS 42.320): A state program that provides services to assist children and adults with brain injuries to maintain living in the community. The TBI Trust Fund Program is a funding source of last resort for Kentucky residents. The TBI Trust Fund draws funds primarily from court fees, traffic school fees, and DUI service fees. The fund can also accept contributions and grants. The program is overseen by a board of directors to ensure that individuals with a brain injury and their families are provided services and supports to promote independence and personal productivity.
- Traumatic Brain Injury Behavioral Program (KRS 189A.050 and KRS 42.320): This program is funded through DUI fees and serves individuals who are in need of intense neurobehavioral services that are not available in Kentucky and are placed out-of-state.
- Adult Day Certification (KRS 205.950): The Department for Aging and Independent Living certifies Adult Day Social Model programs to assure quality standards are met for the client.
- Assisted Living Certification (KRS 194A.707): The Department of Aging and Independent Living certifies Social Model Assisted Living Communities to assure compliance with state statutes and regulations. The cost of administering the program is partially covered through fees charged to social assisted living communities.
- Alzheimer's disease and Related Advisory Council (KRS 194.600-609): This governor-appointed council oversees information and resources related to policy and services affecting the sixty thousand (60,000) residents of Kentucky with dementia, and the caregivers and families of the residents.
- Health Promotion/Disease Preventive: Provides disease prevention, education and assistance in training and care of elderly Kentuckians on health related issues.
- Supportive Services: For persons aged 60 years and older, that includes: assessment/case management; transportation; escort to medical facilities, stores and other service delivery points; information assistance and referral; homecare and other in-home services; health promotion; visiting and telephone reassurance; legal assistance; counseling; education; advocacy; respite; preventive health services; elder abuse prevention programs; supportive services for families of elderly victims of Alzheimer's and related disorders.

- Participant Directed Services (PDS): Allows people eligible for services through Medicaid waiver services to choose his/her own providers for nonmedical waiver services. Provider choice gives members greater flexibility in the delivery of services received. Kentucky Medicaid members may participate if he/she currently receive or are eligible for services through the: Home and Community Based Waiver; Supports for Community Living Waiver; Acquired Brain Injury Acute Waiver; Long-Term Care Brain Injury Waiver; or the Michelle P Waiver.

## **Policy**

The Governor's budget includes additional funding of \$7,240,000 in fiscal year 2022 and \$14,480,000 in fiscal years 2023 and 2024 from Federal Funds of the American Rescue Plan Act's State Fiscal Recovery Fund to continue providing nutritional meals for senior citizens in the community without having a waitlist.

The Governor's budget includes additional funding of \$482,500 from the General Fund in both fiscal years for staffing the Office of Dementia Services established in SB 74 of the 2021 Regular Session of the General Assembly.

The Governor's budget includes additional funding of \$1,000,000 from the General Fund in each fiscal year to expand the Kentucky Family Caregiver Program.

The Governor's budget includes additional funding of \$2,000,000 from the General Fund in each fiscal year to expand the Hart-Supported Living program.

The Governor's budget includes additional funding of \$168,000 from the General Fund in both fiscal years for the National Core Indicators experience survey.

**Health and Family Services  
Aging and Independent Living  
Guardianship**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	11,232,000	12,528,800	8,530,100	9,225,500	9,318,400
Current Year Appropriation			3,500		
Other		-5,445,000			
<b>Total General Fund</b>	11,232,000	7,083,800	8,533,600	9,225,500	9,318,400
<b>Restricted Funds</b>					
Balance Forward	143,292	460,458	1,713,200	1,390,500	804,000
Current Receipts	1,621,551	1,283,978	998,500	746,600	525,700
Non-Revenue Receipts	286,600	249,476			
<b>Total Restricted Funds</b>	2,051,444	1,993,912	2,711,700	2,137,100	1,329,700
<b>Federal Fund</b>					
Balance Forward	11,068	11,919	11,500	1,900	
Current Receipts	108,605	5,953,713	6,290,600	6,332,300	6,336,500
<b>Total Federal Fund</b>	119,674	5,965,631	6,302,100	6,334,200	6,336,500
<b>TOTAL SOURCE OF FUNDS</b>	13,403,117	15,043,343	17,547,400	17,696,800	16,984,600
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	11,821,248	12,383,540	12,872,700	13,708,600	13,874,300
Operating Expenses	1,077,212	1,191,556	3,182,300	3,084,200	3,010,300
Grants Loans Benefits	13,625	-256,533	100,000	100,000	100,000
<b>TOTAL EXPENDITURES</b>	12,912,085	13,318,563	16,155,000	16,892,800	16,984,600
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	11,213,345	7,083,800	8,533,600	9,225,500	9,318,400
Restricted Funds	1,590,986	280,665	1,321,200	1,333,100	1,329,700
Federal Fund	107,755	5,954,098	6,300,200	6,334,200	6,336,500
<b>TOTAL EXPENDITURES</b>	12,912,085	13,318,563	16,155,000	16,892,800	16,984,600

Kentucky's Adult Guardianship Program is administered as authorized in KRS 210.290 and 387.500-387.910. The Department for Aging and Independent Living (DAIL) operates state guardianship from a central office for fiduciary and benefits, as well as direct service staff in nine regions across the state. Guardianship serves individuals in every county. This program provides a legal relationship between a court-appointed adult who assumes the responsibility of being the guardian for an individual under guardianship. An individual under guardianship is a person who has been declared "legally disabled" by the court and is no longer able to care for his/her personal and/or financial needs.

Appointed guardians may be a friend or family member who is willing to care for the disabled individual. If there is no one willing to assume guardianship for the disabled person, the court will appoint the Cabinet for Health and Family Services as the state guardian. The duties of the state guardian include:

- Full Guardianship/Full Conservator – In this category the Cabinet is responsible for both the personal and financial needs of the individual under guardianship. A court has found the individual under guardianship fully disabled and all personal and financial rights are removed except the right to vote. The judge decides whether or not an individual under guardianship retains the right to vote.
- Personal Guardian – A court finds the individual under guardianship fully disabled in his/her personal affairs and appoints a personal guardian who is responsible for only personal affairs of the individual under guardianship.
- Conservator – A court finds the individual under guardianship fully disabled in managing his/her financial affairs and appoints a conservator who is responsible for financial or fiduciary affairs of the individual under guardianship.
- Limited Guardian – A limited guardian may be appointed if the disabled person is declared partially disabled and can manage some personal needs but may need assistance with others. In this case, the court will also decide which civil rights the person can retain and which are given to the guardian. These may include the right to vote, the right to drive a car, the right to make medical decisions and the right to determine where to live.

- Limited Conservator – A limited conservator may be appointed if the disabled person only needs help with managing some financial or fiduciary affairs. In this case, the court will also decide which civil rights the person can retain and which are given to the conservator. They may include the right to sell property and the right to sign legal documents such as checks, marriage licenses, or wills.

**Health and Family Services  
Office of Health Data and Analytics**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	476,900	481,400	482,000	485,900	486,700
Current Year Appropriation			700		
<b>Total General Fund</b>	476,900	481,400	482,700	485,900	486,700
<b>Tobacco Fund</b>					
Other		3,696,458			
<b>Total Tobacco Fund</b>		3,696,458			
<b>Restricted Funds</b>					
Balance Forward	379,175	262,969	826,200	131,400	580,300
Current Receipts	1,326,780	368,736	6,955,000	6,925,000	6,925,000
Non-Revenue Receipts	6,962,754	13,289,102	15,659,800	19,450,200	19,550,300
<b>Total Restricted Funds</b>	8,668,709	13,920,807	23,441,000	26,506,600	27,055,600
<b>Federal Fund</b>					
Balance Forward	-1,909,677	77,176	1,341,800	6,500	
Current Receipts	16,898,576	18,301,335	16,727,300	18,062,500	18,073,400
<b>Total Federal Fund</b>	14,988,899	18,378,511	18,069,100	18,069,000	18,073,400
<b>TOTAL SOURCE OF FUNDS</b>	24,134,508	36,477,175	41,992,800	45,061,500	45,615,700
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	22,251,719	33,301,803	39,682,700	42,276,900	42,294,500
Operating Expenses	1,462,096	968,845	1,863,700	1,895,800	1,895,800
Grants Loans Benefits	74,392	38,546	308,500	308,500	308,500
<b>TOTAL EXPENDITURES</b>	23,788,208	34,309,193	41,854,900	44,481,200	44,498,800
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	470,745	481,400	482,700	485,900	486,700
Tobacco Fund		3,696,458			
Restricted Funds	8,405,740	13,094,643	23,309,600	25,926,300	25,938,700
Federal Fund	14,911,723	17,036,693	18,062,600	18,069,000	18,073,400
<b>TOTAL EXPENDITURES</b>	23,788,208	34,309,193	41,854,900	44,481,200	44,498,800
<b>EXPENDITURES BY UNIT</b>					
Division of Health Benefit Exchange	3,789,381	8,675,846	7,595,900	10,202,800	10,215,000
Division of Health Information	19,077,201	24,737,326	33,109,400	33,118,100	33,122,200
Division of Analytics	921,625	896,022	1,149,600	1,160,300	1,161,600
<b>TOTAL EXPENDITURES</b>	23,788,208	34,309,193	41,854,900	44,481,200	44,498,800

The Office of Health Data and Analytics was created by Executive Order 2018-325 on May 16, 2018 and codified by 2019 Kentucky Acts Chapter 90. The Office is comprised of three divisions: the Division of Health Benefit Exchange administers qualified health plans on the state based market using the federal platform; the Division of Health Information oversees the Kentucky Health Information Exchange (KHIE), which is the electronic transmission of clinical records and public health registries among medical providers and health information organizations to improve the cost, safety, timeliness, and effectiveness of health care; the Division of Data Analytics provides enterprise analytic services to inform effective program implementation and provide strategic information to the policy-making process.



**Health and Family Services  
Office of Health Data and Analytics  
Division of Health Benefit Exchange**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>Tobacco Fund</b>					
Other		3,696,458			
<b>Total Tobacco Fund</b>		3,696,458			
<b>Restricted Funds</b>					
Balance Forward	106,605	87,559	124,600	46,700	37,800
Non-Revenue Receipts	3,324,835	4,986,862	7,092,000	9,767,900	9,791,700
<b>Total Restricted Funds</b>	3,431,440	5,074,420	7,216,600	9,814,600	9,829,500
<b>Federal Fund</b>					
Current Receipts	445,500	29,581	426,000	426,000	426,000
<b>Total Federal Fund</b>	445,500	29,581	426,000	426,000	426,000
<b>TOTAL SOURCE OF FUNDS</b>	3,876,940	8,800,459	7,642,600	10,240,600	10,255,500
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,982,838	7,934,212	6,596,700	9,171,500	9,183,700
Operating Expenses	806,543	741,634	999,200	1,031,300	1,031,300
<b>TOTAL EXPENDITURES</b>	3,789,381	8,675,846	7,595,900	10,202,800	10,215,000
<b>EXPENDITURES BY FUND SOURCE</b>					
Tobacco Fund		3,696,458			
Restricted Funds	3,343,881	4,949,807	7,169,900	9,776,800	9,789,000
Federal Fund	445,500	29,581	426,000	426,000	426,000
<b>TOTAL EXPENDITURES</b>	3,789,381	8,675,846	7,595,900	10,202,800	10,215,000

The Division of Health Benefit Exchange serves as a marketplace to facilitate the purchase and sale of qualified health plans (QHPs) in the individual market. It assists qualified small employers to enroll their employees in qualified health plans offered in the small group market, enables eligible individuals to receive premium tax credits and cost sharing reductions, and enables eligible small businesses to receive tax credits. Health Benefit Exchange is responsible for the certification of qualified health plans and stand-alone dental plans; the processing of consumer appeals and complaints; consumer assistance efforts including outreach, education and training; and oversight of the navigator, in-person assister, and certified application counselor program. Additionally, KHBE is responsible for purchases, budgets, contracts, financial reporting/audits, any questions regarding the Small Business Health Options Program (SHOP) enrollment and invoicing activities, and the close out operations of the Kentucky Access Program (state high risk pool).

**Policy**

The Governor's recommended budget includes Restricted Fund in the amount of \$2,563,600 in fiscal year 2023 and \$2,570,800 in fiscal year 2024 for additional staff and enhancements to the State Based Marketplace.

**Health and Family Services  
Office of Health Data and Analytics  
Division of Health Information**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	202,171	169,766	462,900	21,500	19,400
Current Receipts	1,280,400	89,736	6,880,000	6,850,000	6,850,000
Non-Revenue Receipts	3,613,578	8,202,240	8,617,800	9,092,100	9,102,300
<b>Total Restricted Funds</b>	<b>5,096,149</b>	<b>8,461,742</b>	<b>15,960,700</b>	<b>15,963,600</b>	<b>15,971,700</b>
<b>Federal Fund</b>					
Balance Forward	-1,909,540	68,805	1,332,700		
Current Receipts	16,129,164	18,002,329	15,837,500	17,173,900	17,177,800
<b>Total Federal Fund</b>	<b>14,219,623</b>	<b>18,071,134</b>	<b>17,170,200</b>	<b>17,173,900</b>	<b>17,177,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>19,315,772</b>	<b>26,532,876</b>	<b>33,130,900</b>	<b>33,137,500</b>	<b>33,149,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	18,499,926	24,505,335	32,000,500	32,009,200	32,013,300
Operating Expenses	577,175	193,445	800,400	800,400	800,400
Grants Loans Benefits	100	38,546	308,500	308,500	308,500
<b>TOTAL EXPENDITURES</b>	<b>19,077,201</b>	<b>24,737,326</b>	<b>33,109,400</b>	<b>33,118,100</b>	<b>33,122,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	4,926,382	7,998,892	15,939,200	15,944,200	15,944,400
Federal Fund	14,150,818	16,738,434	17,170,200	17,173,900	17,177,800
<b>TOTAL EXPENDITURES</b>	<b>19,077,201</b>	<b>24,737,326</b>	<b>33,109,400</b>	<b>33,118,100</b>	<b>33,122,200</b>

The Division of Health Information oversees the Kentucky Health Information Exchange (KHIE), which is a statewide exchange that includes a master patient index, record locator service, security, provider/user authentication, logging, and audits. The system includes patient demographics, lab results, immunizations, radiology and other transcribed reports, historical patient diagnoses, encounters, and procedures. KHIE acts as a data intermediary for public health reporting to the state immunization and cancer registries, reporting of syndromic surveillance data, and reportable labs/diseases. KHIE also provides Direct Secure Messaging, a simple, secure, scalable, standards-based way for KHIE participants to send authenticated, encrypted health information directly to known, trusted recipients using an Internet based Healthcare Information Service Provider (HISP).

**Health and Family Services  
Office of Health Data and Analytics  
Division of Analytics**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	476,900	481,400	482,000	485,900	486,700
Current Year Appropriation			700		
<b>Total General Fund</b>	476,900	481,400	482,700	485,900	486,700
<b>Restricted Funds</b>					
Balance Forward	70,398	5,644	238,700	63,200	523,100
Current Receipts	46,380	279,000	75,000	75,000	75,000
Non-Revenue Receipts	24,342	100,000	-50,000	590,200	656,300
<b>Total Restricted Funds</b>	141,120	384,644	263,700	728,400	1,254,400
<b>Federal Fund</b>					
Balance Forward	-137	8,371	9,100	6,500	
Current Receipts	323,912	269,425	463,800	462,600	469,600
<b>Total Federal Fund</b>	323,775	277,796	472,900	469,100	469,600
<b>TOTAL SOURCE OF FUNDS</b>	941,795	1,143,840	1,219,300	1,683,400	2,210,700
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	768,954	862,256	1,085,500	1,096,200	1,097,500
Operating Expenses	78,379	33,766	64,100	64,100	64,100
Grants Loans Benefits	74,292				
<b>TOTAL EXPENDITURES</b>	921,625	896,022	1,149,600	1,160,300	1,161,600
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	470,745	481,400	482,700	485,900	486,700
Restricted Funds	135,476	145,944	200,500	205,300	205,300
Federal Fund	315,404	268,678	466,400	469,100	469,600
<b>TOTAL EXPENDITURES</b>	921,625	896,022	1,149,600	1,160,300	1,161,600

The Division of Analytics is responsible for oversight, strategic direction, and coordination of data analysis initiatives for all departments that regulate health care and social services to ensure the consistency, quality, and validity of the analyses prior to its use in operational and policy decisions. Furthermore, KRS 194A.101 provides the authority to review all data requests received by the Cabinet from the public, review the requests for content to determine the Cabinet's response and approve the release of the requested information. Finally, the division facilitates the process of data integration for analysis through inter-agency and cross-cabinet data sharing agreements to improve collaboration and identify best practices.

# Justice and Public Safety

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**Justice and Public Safety**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	922,728,700	953,585,700	980,513,700	1,122,088,900	1,146,558,300
Special Appropriation			35,060,700		
Current Year Appropriation	17,216,900	50,000	6,341,100		
Continuing Approp-General Fund	2,789	153	146,300		
Other		-145,016,900			
<b>Total General Fund</b>	<b>939,948,389</b>	<b>808,618,953</b>	<b>1,022,061,800</b>	<b>1,122,088,900</b>	<b>1,146,558,300</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	7,362,800	3,516,600	3,593,800	3,593,800	3,593,800
Continuing Approp-Tob Settlement	4,616,891	5,727,555	5,168,400		
Other	-460,638				
<b>Total Tobacco Fund</b>	<b>11,519,053</b>	<b>9,244,155</b>	<b>8,762,200</b>	<b>3,593,800</b>	<b>3,593,800</b>
<b>Restricted Funds</b>					
Balance Forward	42,808,789	54,737,326	87,989,500	80,986,900	42,968,200
Current Receipts	48,484,983	43,600,399	50,916,300	51,709,500	52,048,700
Non-Revenue Receipts	122,140,831	116,689,880	118,598,500	124,041,300	126,962,000
Fund Transfers			-2,452,100		
<b>Total Restricted Funds</b>	<b>213,434,603</b>	<b>215,027,605</b>	<b>255,052,200</b>	<b>256,737,700</b>	<b>221,978,900</b>
<b>Federal Fund</b>					
Balance Forward	-5,218,494	-9,216,444	-11,597,100	-823,400	-343,500
Current Receipts	95,830,541	196,681,031	128,443,800	73,340,700	73,400,100
Non-Revenue Receipts		531,131			
<b>Total Federal Fund</b>	<b>90,612,047</b>	<b>187,995,718</b>	<b>116,846,700</b>	<b>72,517,300</b>	<b>73,056,600</b>
<b>Road Fund</b>					
Regular Appropriation	106,762,100	108,100,200	56,980,300	56,980,300	56,980,300
Other		-30,000,000			
<b>Total Road Fund</b>	<b>106,762,100</b>	<b>78,100,200</b>	<b>56,980,300</b>	<b>56,980,300</b>	<b>56,980,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,362,276,191</b>	<b>1,298,986,631</b>	<b>1,459,703,200</b>	<b>1,511,918,000</b>	<b>1,502,167,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	693,675,679	690,586,383	771,950,200	822,598,400	836,983,600
Operating Expenses	153,673,844	159,866,691	180,932,900	166,765,400	166,907,600
Grants Loans Benefits	387,254,327	337,670,795	408,462,800	411,287,900	415,143,900
Debt Service	3,628,460	1,219,169	463,800	13,374,800	26,285,800
Capital Outlay	18,593,801	12,864,578	17,730,000	55,266,800	19,419,900
Construction	55,880	12,635			
<b>TOTAL EXPENDITURES</b>	<b>1,256,881,990</b>	<b>1,202,220,252</b>	<b>1,379,539,700</b>	<b>1,469,293,300</b>	<b>1,464,740,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	909,106,810	794,076,761	1,022,061,800	1,122,088,900	1,146,558,300
Tobacco Fund	5,791,497	4,075,746	8,762,200	3,593,800	3,593,800
Restricted Funds	158,697,277	126,374,786	174,065,300	213,769,500	184,590,200
Federal Fund	99,828,490	199,592,759	117,670,100	72,860,800	73,018,200
Road Fund	83,457,915	78,100,200	56,980,300	56,980,300	56,980,300
<b>TOTAL EXPENDITURES</b>	<b>1,256,881,990</b>	<b>1,202,220,252</b>	<b>1,379,539,700</b>	<b>1,469,293,300</b>	<b>1,464,740,800</b>

**EXPENDITURES BY UNIT**

Justice Administration	81,878,943	86,932,087	97,595,200	92,292,500	93,300,300
Criminal Justice Training	85,866,057	77,228,581	81,713,800	125,568,600	97,103,800
Juvenile Justice	112,481,135	103,219,390	123,486,900	128,740,000	129,712,200
State Police	270,076,388	272,494,905	302,549,600	350,317,200	353,077,900
Corrections	634,624,875	588,333,972	698,762,900	696,516,100	715,350,500
Public Advocacy	71,954,592	74,011,317	75,431,300	75,858,900	76,196,100
<b>TOTAL EXPENDITURES</b>	<b>1,256,881,990</b>	<b>1,202,220,252</b>	<b>1,379,539,700</b>	<b>1,469,293,300</b>	<b>1,464,740,800</b>

The Kentucky Justice Cabinet was established in 1974 and was renamed the Justice and Public Safety Cabinet in 2007. The Cabinet is responsible for criminal justice services throughout the Commonwealth of Kentucky, including law enforcement, law enforcement training, adult and juvenile incarceration, and public advocacy. The Cabinet provides overall leadership, policy direction and training for six departments and multiple public agencies and boards, with a focus on prevention, treatment, law enforcement and preparing offenders for reentry into society with acquired skills to facilitate non-criminal behavior.

- The Cabinet is comprised of six departments:
- Department of Justice Administration
- Department for Public Advocacy
- Department of Kentucky State Police
- Department of Juvenile Justice
- Department of Criminal Justice Training
- Department of Corrections

The mission of the Justice and Public Safety Cabinet is to ensure the safety and security of Kentucky communities through a fair and impartial administration of taxpayer resources. The approach centers on protecting citizens, restoring victims and reforming wrongdoers, all in a focused environment where everything is measured for accountability and performance. The Cabinet seeks the best possible return from our public safety investment, using evidence-based programs, fiscal discipline, and data-driven strategies. Likewise, the Cabinet is committed to holding offenders to the highest standards of personal accountability and responsibility.

The vision of the Justice and Public Safety Cabinet is to remain a national leader in criminal justice while focusing our resources on the most effective strategies to reduce crime and protect public safety. This involves a comprehensive effort to right-size corrections, enhance re-entry programs, and reinvest any savings into law enforcement, community supervision, and better drug interventions. The Cabinet will empower and support victims, and demand that offenders learn productive skills to support themselves after release.

**Justice and Public Safety**

**Justice Administration**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	31,244,000	31,925,600	35,817,200	38,309,100	38,985,000
Special Appropriation			3,306,300		
Current Year Appropriation		50,000	56,100		
Reorganization Adjustment	2,873,600	2,961,600			
<b>Total General Fund</b>	<b>34,117,600</b>	<b>34,937,200</b>	<b>39,179,600</b>	<b>38,309,100</b>	<b>38,985,000</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	7,362,800	3,516,600	3,593,800	3,593,800	3,593,800
Continuing Approp-Tob Settlement	4,616,891	5,727,555	5,168,400		
Other	-460,638				
<b>Total Tobacco Fund</b>	<b>11,519,053</b>	<b>9,244,155</b>	<b>8,762,200</b>	<b>3,593,800</b>	<b>3,593,800</b>
<b>Restricted Funds</b>					
Balance Forward	1,280,765	1,492,060	2,668,400	2,485,200	1,663,500
Current Receipts	5,169,069	5,238,261	1,793,100	1,793,100	1,793,100
Non-Revenue Receipts	1,290,505	2,363,167	2,547,300	2,622,500	2,666,700
<b>Total Restricted Funds</b>	<b>7,740,339</b>	<b>9,093,488</b>	<b>7,008,800</b>	<b>6,900,800</b>	<b>6,123,300</b>
<b>Federal Fund</b>					
Balance Forward	554,791	-4,667,840	-5,435,600		
Current Receipts	30,845,060	40,726,431	50,565,400	45,152,300	45,156,700
<b>Total Federal Fund</b>	<b>31,399,851</b>	<b>36,058,591</b>	<b>45,129,800</b>	<b>45,152,300</b>	<b>45,156,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>84,776,842</b>	<b>89,333,435</b>	<b>100,080,400</b>	<b>93,956,000</b>	<b>93,858,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	17,439,947	21,064,509	22,340,800	23,289,900	24,007,200
Operating Expenses	2,190,676	1,855,693	2,346,600	2,329,600	2,349,600
Grants Loans Benefits	62,238,419	63,987,675	71,107,800	66,673,000	66,943,500
Capital Outlay	9,900	24,210	1,800,000		
<b>TOTAL EXPENDITURES</b>	<b>81,878,943</b>	<b>86,932,087</b>	<b>97,595,200</b>	<b>92,292,500</b>	<b>93,300,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	33,771,476	34,937,114	39,179,600	38,309,100	38,985,000
Tobacco Fund	5,791,497	4,075,746	8,762,200	3,593,800	3,593,800
Restricted Funds	6,248,278	6,425,077	4,523,600	5,237,300	5,564,800
Federal Fund	36,067,691	41,494,150	45,129,800	45,152,300	45,156,700
<b>TOTAL EXPENDITURES</b>	<b>81,878,943</b>	<b>86,932,087</b>	<b>97,595,200</b>	<b>92,292,500</b>	<b>93,300,300</b>
<b>EXPENDITURES BY UNIT</b>					
Secretary	9,300,465	10,967,443	12,695,700	13,423,500	14,120,500
Office of Drug Control Policy	11,615,014	9,694,343	10,762,600	5,596,600	5,596,300
Medical Examiner Program	5,401,709	5,231,962	9,480,500	7,765,700	7,799,200
Parole Board	1,248,850	1,255,200	1,249,600	1,274,700	1,275,300
Grants	37,684,303	42,951,339	46,573,500	47,392,000	47,669,900
Access to Justice	639,800	500,000	500,000	500,000	500,000
Substance Abuse Initiatives	15,988,803	16,331,800	16,333,300	16,340,000	16,339,100
<b>TOTAL EXPENDITURES</b>	<b>81,878,943</b>	<b>86,932,087</b>	<b>97,595,200</b>	<b>92,292,500</b>	<b>93,300,300</b>

Under the authority of KRS 15A, the Department of Justice Administration (DJA), within the Justice and Public Safety Cabinet (JPSC) provides leadership, strategic planning and administrative support for all agencies within the Justice Cabinet. Per KRS 15A.020, the Office of the Secretary provides a variety of administrative, financial, investigative and legal functions that perform key oversight activities for the Department and the Cabinet. The associated offices and branches are outlined below:

Office of the Secretary, which is headed the Deputy Secretary, appointed pursuant to KRS 12.050, and is responsible for the direct administrative support for the Secretary.

The Office of Financial Management Services (OFMS) is responsible for all matters relating to budgeting, fiscal function, administrative services and procurement oversight for the Justice and Public Safety Cabinet.

The Office of Legal Services is dedicated to providing quality legal services for the Justice and Public Safety Cabinet. As one of the largest Cabinets in state government and responsibility for the Commonwealth's criminal justice services, the Justice and Public Safety Cabinet and its employees face a wide range of legal issues every day. Attorneys in the office provide legal assistance to the Cabinet's officers, employees, and departments on a myriad of issues, such as employment and administrative law matters, regulatory and statutory interpretation, legislative initiatives, and a wide range of civil legal questions. They also provide representation before administrative bodies and in state and federal court in any matters that involve the Cabinet.

The mission of the Internal Investigations Division is to serve the citizens of the Commonwealth of Kentucky by receiving and investigating certain limited allegations involving abuse of juveniles committed to, or in the custody of, the Department of Juvenile Justice and investigating administrative violations within the Justice and Public Safety Cabinet as determined by the Cabinet Secretary. Allegations that meet certain criteria are assigned for investigation. Investigations are conducted for administrative purposes and if criminal violations are discovered, the allegation is referred to law enforcement. The duties of the office have expanded to include investigating allegations within the Justice and Public Safety Cabinet with the exception of the Kentucky State Police and with certain restrictions in the Department of Public Advocacy.

The Office of Legislative and Intergovernmental Services is responsible for all matters relating to the provision of support to the Criminal Justice Council, legislative liaison services, and functions and duties vested in the Criminal Justice Council as described in KRS 15A.030.

The Child Fatality and Near Fatality External Review Panel was created and established by Kentucky Revised Statutes 620.055 for the purpose of conducting comprehensive reviews of child fatalities and near fatalities suspected to be the result of abuse or neglect. The Panel is a twenty-member multidisciplinary team of professionals including representatives from the medical, social services, mental health, legal, and law enforcement communities, as well as others who work with and on behalf of Kentucky's children. The Panel reviews official records and other relevant information received from a variety of sources: The Cabinet for Health and Family Services, the Department for Juvenile Justice, medical records including autopsy reports, law enforcement records and records held by a Family, Circuit or District Court. The purpose of these reviews is to become aware of systemic deficits and to make recommendations for improvements to help prevent child fatalities and near fatalities due to abuse or neglect.

The Office of Human Resource Management (OHRM) provides functional oversight and supervision of all human resources activities within the Justice and Public Safety Cabinet.

The Office of Communications is established within the Office of the Secretary and responsible for delivering transparent communications regarding matters pertaining to justice and public safety. The communications office explores innovative strategies and opportunities to build proactive communications through electronic and print media outlets, social media and public outreach. The director collaborates with the Justice and Public Safety Cabinet's departments and agencies to ensure timely notification to the public as programs and services are implemented that have a direct impact on public safety while ensuring proper protocols are followed and direct oversight is given with all essential communication needs.

Pursuant to KRS 15A.020, the Justice and Public Safety Cabinet is responsible for housing the Office of the Kentucky State Medical Examiner, which is headed by the Chief Medical Examiner for the Commonwealth of Kentucky. The office is responsible for all matters relating to forensic pathology and forensic toxicology. Recognized as national leaders in their respective field, the scientific staff members of the Kentucky Office of the Medical Examiner provide death investigation services and forensic autopsy services for deaths that occur in Kentucky when authorized by County Coroners or the Court. All deaths that are sudden or unexpected or occur from other than natural causes must be reported to the County Coroner, who then may authorize a postmortem examination by the Kentucky Medical Examiner's Office. The goal of the Medical Examiner's Office is to assist



county coroners, families, law enforcement agencies and the legal system by determining a scientifically unbiased and logical cause and manner of death.

The Kentucky Parole Board is an independent, autonomous agency attached in administrative capacity to the Justice & Public Safety Cabinet under KRS 439.330. The Kentucky Parole Board consists of nine full-time members whose primary responsibility is to grant and revoke parole for adult felony offenders incarcerated in Kentucky correctional institutions. The purpose of the Parole Board is to determine if, when and under what circumstances the best interest of society will be served by allowing an offender to serve a portion of his/her sentence in the community under supervision and conditions of parole. Parole is the process that endeavors to reintegrate the offender from incarceration back into society, before restoring complete freedom.

The Justice and Public Safety Cabinet is responsible for establishing the Criminal Justice Council (CJC) pursuant to KRS 15A.075. Since its creation in 1998, the Kentucky Criminal Justice Council has established a neutral forum for discussion of systemic issues by a diverse group of state and local criminal justice professionals. As a statewide criminal justice coordinating body, the Council works to develop a better understanding of the nature of crime across the different regions of the state; to develop clearer goals and system priorities; to promote coordination among the components of the justice system; and to promote effective utilization of limited resources.

Under the provisions of KRS 15A.150, the Justice and Public Safety Cabinet shall administer all state and federally funded grant programs related to criminal justice. The Grants Management Division, located within Justice Administration, serves as the designated State Administering Agency for criminal justice and victim service-related discretionary and formula grants issued by the U.S. Department of Justice as well as certain state funds for similar purposes. Originally established in 1968 as part of the Kentucky Crime Commission, the division is now located within the Office of the Secretary, Kentucky Justice and Public Safety Cabinet (KJPSC). Major current funding administered includes: Byrne Memorial Justice Assistance Grants (JAG), Victims of Crime Act (VOCA), Violence Against Women Act (VAWA), Comprehensive Opioid, Stimulant, and Substance Abuse Program (COSSAP) and Coronavirus Emergency Supplemental Funding (CESF) programs. The Division also manages Discretionary grant awards for forensic science projects, PREA compliance and training, substance abuse treatment and training, rape kit backlog testing, and projects from the Office for Victims of Crime. Programs are administered according to funding source guidelines, applicable statutes, state and agency priorities and policies. The Division also provides grants-related support for other KJPSC Departments and Agencies.

In August of 2004, a 51-member team of state, federal and local officials in substance abuse prevention-education, treatment and enforcement recommended the creation of the Office of Drug Control Policy (ODCP). Pursuant to KRS 15A.020 the Justice and Public Safety Cabinet is responsible for housing the ODCP which is tasked to coordinate Kentucky's response to substance abuse. The goal of the ODCP is to change the way substance abuse is handled, reduce the problem and make the Commonwealth a model for other states. They have joined prevention/education, treatment, and law enforcement in a united effort to confront the epidemic and have made great strides.

The Access to Justice Foundation is a poverty law resource center dedicated to providing opportunity for quality civil legal assistance for low-income Kentuckians. This is accomplished by supporting Kentucky's four Legal Services programs and pro bono lawyers and promoting awareness in the legal community of the need for volunteers to assist poor Kentuckians in civil matters.

## **Policy**

The base budget provides \$16,340,000 in fiscal year 2023 and \$16,339,100 in fiscal year 2024 for substance abuse initiatives. This amount is held in reserve until approved by Office of Drug Control Policy and allocated by the Secretary of the Justice and Public Safety Cabinet. This funding empowered the Kentucky Office of Drug Control Policy to continue to work towards increased public education, access to treatment, and greater access to naloxone. Funding is provided to the following entities:

- Department of Public Advocacy to fund social worker program, for the purpose of developing individualized alternative sentencing plans.
- Prosecutors Advisory Council to enhance the use of "rocket docket" prosecutions in controlled substances cases for the Commonwealth's Attorneys and County Attorneys.

- Department of Corrections for substance abuse treatment programs for county inmates in local jails and for an injectable, FDA-approved treatment program to prevent an opiate relapse as offenders are released from custody.
- Department of Behavioral Health, Developmental and Intellectual Disabilities (DBHDID) for community mental health centers to fund additional substance abuse treatment resources on a local level. Funding to DBHDID also addresses neonatal abstinence syndrome by assisting with transitional care and wrap-around services.
- Kentucky Agency for Substance Abuse Programs to supplement traditional programming for ASAP boards/counties.
- Kentucky State Police for the Angel Initiative, a pro-active approach offering an alternative escape to those battling addiction.

The base budget in each fiscal year includes General Fund resources in the amount of \$500,000 and restricted fund appropriation in the amount of \$1,500,000 from settlement funds resulting from the suit against Purdue Pharma for the Operation UNITE program.

The budget includes Phase I Tobacco Settlement Funds in the amount of \$3,243,800 each fiscal year for the Office of Drug Control Policy to support opioid prevention, treatment, and recovery initiatives.

The base budget includes Phase I Tobacco Settlement Funds in the amount of \$350,000 in each fiscal year to support the Restorative Justice Program administered by the Volunteers of America.

Included in the base General Fund budget is \$1,500,000 in each fiscal year for grants to support Court Appointed Special Advocate funding programs.

The recommended budget includes additional General Fund in the amount of \$592,800 in fiscal year 2023 and \$1,212,700 in fiscal year 2024 for Legal Services for additional attorneys to support high caseloads that serve the State Police, and the Departments of Corrections and Juvenile Justice.

The budget includes General Fund in the amount of \$8,900 in each fiscal year to support a ten percent pay increase for an employee within Social Service classification series.

**Justice and Public Safety  
Criminal Justice Training**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	19,491,992	21,630,042	36,998,400	51,731,000	26,498,300
Current Receipts	338,810	296,008	335,300	375,700	379,000
Non-Revenue Receipts	87,664,835	92,300,889	96,109,100	99,958,200	102,835,500
<b>Total Restricted Funds</b>	<b>107,495,637</b>	<b>114,226,939</b>	<b>133,442,800</b>	<b>152,064,900</b>	<b>129,712,800</b>
<b>Federal Fund</b>					
Balance Forward	7,028	38,429	38,400	38,400	38,400
Current Receipts	31,863		2,000	2,000	2,000
<b>Total Federal Fund</b>	<b>38,891</b>	<b>38,429</b>	<b>40,400</b>	<b>40,400</b>	<b>40,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>107,534,528</b>	<b>114,265,368</b>	<b>133,483,200</b>	<b>152,105,300</b>	<b>129,753,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	31,150,575	31,736,778	33,521,500	38,266,700	38,341,600
Operating Expenses	6,273,803	3,998,596	5,157,000	7,445,800	7,446,300
Grants Loans Benefits	39,332,119	39,239,441	41,235,300	49,020,200	49,015,900
Debt Service	488,800				
Capital Outlay	8,613,139	2,253,765	1,800,000	30,835,900	2,300,000
Construction	7,620				
<b>TOTAL EXPENDITURES</b>	<b>85,866,057</b>	<b>77,228,581</b>	<b>81,713,800</b>	<b>125,568,600</b>	<b>97,103,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	85,865,595	77,228,581	81,711,800	125,566,600	97,101,800
Federal Fund	462		2,000	2,000	2,000
<b>TOTAL EXPENDITURES</b>	<b>85,866,057</b>	<b>77,228,581</b>	<b>81,713,800</b>	<b>125,568,600</b>	<b>97,103,800</b>
<b>EXPENDITURES BY UNIT</b>					
Kentucky Law Enforcement Program Fund	82,542,881	73,647,217	77,029,900	120,827,400	92,358,900
Peace Officer Professional Standards	688,736	691,323	813,500	824,600	826,300
Office of the State School Security Marshal	1,637,848	1,791,064	2,229,800	2,263,200	2,261,100
Special Training Programs	394,599	368,248	556,200	562,000	561,800
DOCJT Federal Grants	462		2,000	2,000	2,000
Professional Development & Wellness Prog. Fd	601,532	730,728	1,082,400	1,089,400	1,093,700
<b>TOTAL EXPENDITURES</b>	<b>85,866,057</b>	<b>77,228,581</b>	<b>81,713,800</b>	<b>125,568,600</b>	<b>97,103,800</b>

The Department of Criminal Justice Training (DOCJT) is responsible for the training of law enforcement professionals as provided under Kentucky Revised Statutes, Chapters 15, 15A, 16, 70, 71, 72, 95, and KRS 403.785(2), along with 500 KAR 8:010 and 503 KAR. Basic and specialized training courses are offered to police officers, dispatchers, sheriffs, deputies, coroners, certified court-security officers, school resource officers, and certain other agencies upon request. Course curriculum includes training in basic law enforcement, telecommunications, de-escalation techniques, coroner training, AIDS, post-traumatic stress disorder (PTSD), pediatric-abuse head trauma, child sexual abuse, juvenile crime, domestic violence, sexual assault response, bias-related crimes, penal code and constitutional law, tactical training in rapid response, crisis intervention, response to persons with special needs, professional development, executive and staff training, leadership development, internet crime, breath testing, school security, and post-critical incident seminars and counseling. Training is conducted at the Training Center on the Eastern Kentucky University campus and at regional sites.

The DOCJT operates two training programs: the Kentucky Law Enforcement Foundation Program Fund (KLEFPF), and the Special Training programs. Additionally, DOCJT is responsible for the Peace Officers Professional Standards (POPS) program, the Law Enforcement Professional Development and Wellness Fund, and the Office of the State School Security Marshal. The KLEFPF agency resources are derived from property and casualty insurance premium surcharge proceeds,

which accrue pursuant to KRS 136.392, and are allocated by KRS 42.190 between the KLEFPF and the Kentucky Firefighters Foundation Program Fund. The Department provides entry-level and in-service training for approximately 14,500 seats each year, totaling approximately 707,000 hours of training.

House Bill 68, KRS 15.518, an act relating to law enforcement support programs, was passed during the 2018 Regular Session establishing the Professional Development and Wellness Branch. It is a comprehensive approach to wellbeing by striving to provide Kentucky law enforcement officers and dispatchers with the tools required to have a long life, a successful career and a happy retirement. The branch is responsible for assisting law enforcement officers with obtaining benefits related to disability, line of duty death, and veterans' education. Additionally, the branch hosts Kentucky Post-Critical Incident Seminars (KYPCIS), three-day trainings led by mental health professionals trained to work with peace officers and dispatchers, and driven by a team of law enforcement and public safety dispatch peers who have experienced their own critical incident and received training in Critical Incident Stress Management.

The School Safety and Resiliency Act, an act relating to school safety and regularly referred to as Senate Bill 1, was passed during the 2019 Regular Session. The Office of the State School Security Marshal was established to monitor school safety and security initiatives, born out of legislation developed after the Marshall County High School shooting that occurred on January 23, 2018. Compliance officers will be assigned to districts throughout the state to conduct school on-site reviews to ensure compliance with the law, using a 66-point assessment tool DOCJT prepared in accordance with SB1.

## **Policy**

The Governor's budget provides for a \$600 increase in the training incentive stipend to bring it to \$4,600 in each fiscal year from the Kentucky Law Enforcement Foundation Program Fund (KLEFPF) for approximately 7,970 certified peace officers. The total stipend payments are estimated to be \$56,059,400 in fiscal year 2023 and \$56,054,500 in fiscal year 2024.

The stipend recipients include municipal, county and university local law enforcement officers, state troopers, arson investigators, hazardous devices investigators, legislative security specialists, and Vehicle Enforcement officers within the Kentucky State Police; Horse Park mounted patrol officers; State Park rangers; Agriculture investigators, Charitable Gaming investigators; Alcoholic Beverage Control investigators; Insurance fraud investigators; Attorney General investigators; and School Security Officers.

The budget includes \$120,827,400 in fiscal year 2023 and \$92,358,900 in fiscal year 2024 for the Kentucky Law Enforcement Program Fund.

The Governor's budget directs \$28,535,900 from the KLEFPF fund to fund a capital project to replace the delapidated firing range replacement at the Center's facilities in Richmond.

The recommended budget includes additional Restricted Funds in the amount of \$1,076,700 in each fiscal year for critical training staff, \$1,714,800 in each fiscal year for additional staffing and expansion of field training, \$100,000 each fiscal year for COVID-19 personal protective equipment, \$949,700 each fiscal year for off-campus housing to meet housing needs due to COVID-19 provide adequate social distancing, \$120,000 each fiscal year to integrate Blackboard with in-house Training Management System, Law Enforcement Training and Reporting System, \$268,700 each fiscal year for utility increases, and \$107,000 each fiscal year to fund the maintenance contract which provides mechanical and electrical maintenance service to ensure no interruptions to the training mission.

**Justice and Public Safety**

**Juvenile Justice**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	105,397,200	97,775,800	98,791,100	105,024,300	105,913,800
Current Year Appropriation			117,500		
Reorganization Adjustment	-1,097,000	-1,125,700			
Other		-15,701,700			
<b>Total General Fund</b>	<b>104,300,200</b>	<b>80,948,400</b>	<b>98,908,600</b>	<b>105,024,300</b>	<b>105,913,800</b>
<b>Restricted Funds</b>					
Balance Forward	4,324,050	14,182,939	21,313,900	12,599,300	6,636,800
Current Receipts	556,634	498,982	499,000	499,000	499,000
Non-Revenue Receipts	18,569,529	8,558,594	7,200,000	7,500,000	7,500,000
Fund Transfers			-2,452,100		
<b>Total Restricted Funds</b>	<b>23,450,213</b>	<b>23,240,515</b>	<b>26,560,800</b>	<b>20,598,300</b>	<b>14,635,800</b>
<b>Federal Fund</b>					
Balance Forward	-516,005	-533,374	3,900		
Current Receipts	8,487,195	20,519,849	10,612,900	9,754,200	9,836,900
Non-Revenue Receipts		531,131			
<b>Total Federal Fund</b>	<b>7,971,190</b>	<b>20,517,607</b>	<b>10,616,800</b>	<b>9,754,200</b>	<b>9,836,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>135,721,604</b>	<b>124,706,522</b>	<b>136,086,200</b>	<b>135,376,800</b>	<b>130,386,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	92,648,132	84,519,136	95,986,100	102,669,900	104,073,200
Operating Expenses	10,222,083	10,827,862	14,611,500	13,281,500	12,981,400
Grants Loans Benefits	9,109,450	7,268,386	12,425,500	12,324,800	12,193,800
Debt Service	457,660	464,169	463,800	463,800	463,800
Capital Outlay	43,418	139,837			
Construction	392				
<b>TOTAL EXPENDITURES</b>	<b>112,481,135</b>	<b>103,219,390</b>	<b>123,486,900</b>	<b>128,740,000</b>	<b>129,712,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	94,709,297	80,779,021	98,908,600	105,024,300	105,913,800
Restricted Funds	9,267,274	1,926,618	13,961,500	13,961,500	13,961,500
Federal Fund	8,504,564	20,513,751	10,616,800	9,754,200	9,836,900
<b>TOTAL EXPENDITURES</b>	<b>112,481,135</b>	<b>103,219,390</b>	<b>123,486,900</b>	<b>128,740,000</b>	<b>129,712,200</b>
<b>EXPENDITURES BY UNIT</b>					
Program Management	1,594,428	1,100,050	1,732,900	1,732,700	1,735,100
Program Operations	101,241,180	93,906,869	112,028,700	117,097,300	118,017,000
Support Services	9,645,527	8,212,472	9,725,300	9,910,000	9,960,100
<b>TOTAL EXPENDITURES</b>	<b>112,481,135</b>	<b>103,219,390</b>	<b>123,486,900</b>	<b>128,740,000</b>	<b>129,712,200</b>

The Department of Juvenile Justice operates programs for juvenile crime prevention, detention, and community services, as well as residential facilities for post-adjudicated offenders. All programs are designed primarily for “public” and “youthful” offenders. The Department consists of three programmatic areas: Program Management, Program Operations, and Support Services.

Program Management is comprised of the Commissioner’s Office which provides management and policy direction for the Department. There are three Offices reporting to the Commissioner’s Office: Office of Program Operations, Office of Community and Mental Health Services, and Office of Support Services. The Office of the Commissioner provides staff support for the Commissioner, which includes public information services.

Program Operations consists of the direct services provided to both public and youthful offenders, through Day Treatment Services, Group Homes, Residential Facilities, Community Supervision, Private Child Care Facilities, Detention Facilities, and Alternatives to Detention. The programs are administered on a regional basis, divided into two separate regions.

Day Treatment Services is comprised of five state-owned and 19 contract programs. These programs are the least restrictive, since the youths remain in a home setting during the evening and attend a day treatment program during the day. A court or school system usually refers a youth to serve in these programs. Day Treatment provides educational alternatives, treatment, and counseling for youths between the ages of 12 and 17. The total capacity of the 24 centers is 826 youths.

<b>Group Home Facilities</b>	<b>County</b>	<b>Beds</b>
Ashland	Boyd	8
Bowling Green	Warren	8
Burnside	Pulaski	8
Frenchburg	Menifee	8
Hopkinsville	Christian	8
London	Laurel	8
Middlesboro	Bell	8
Frankfort	Franklin	8
Westport	Jefferson	8

Group Home Beds = 72

Group Homes are community-based residential treatment facilities that generally serve eight youths per home. These programs accept youths between 12-18 years of age who have been committed to the Department as “public” or “youthful” offenders. Group home care serves as an alternative to institutionalization and aims to transition a youth from institutional placement to the community. The total capacity of 9 group homes is 72 youths.

<b>Residential Facilities</b>	<b>City</b>	<b>County</b>	<b>Beds</b>
Northern Kentucky Youth Development Center	Crittenden	Grant	44
Morehead Youth Development Center	Morehead	Rowan	40
Green River Youth Development Center	Cromwell	Butler	40
Mayfield Youth Development Center	Mayfield	Graves	30
Lake Cumberland Youth Development Center	Monticello	Wayne	40
Woodsbend Youth Development Center	West Liberty	Morgan	40
Cadet Leadership Education Program	Jackson	Breathitt	40
Adair Youth Development Center	Columbia	Adair	30

Residential Beds = 304

The 8 state-operated Residential Facilities provide 24-hour care and custody of juveniles who have been committed to the Department as public offenders or sentenced as youthful offenders. These facilities serve youths who are in need of treatment that cannot be provided in their community, or who require placement in a secure setting because they represent a threat to the community. The current capacity of the residential care program is 304 youths.

<b>State-operated Detention Centers</b>	<b>County</b>	<b>Beds</b>
Breathitt Regional Juvenile Detention Center	Breathitt	48
McCracken Regional Juvenile Detention Center	McCracken	48
Campbell Regional Juvenile Detention Center	Campbell	52
Adair Youth Develop Center/Regional Juvenile Detention Center	Adair	20
Warren Regional Juvenile Detention Center	Warren	48
Boyd Regional Juvenile Detention Center	Boyd	36
Fayette Regional Juvenile Detention Center	Fayette	60
Jefferson Regional Juvenile Detention Center	Jefferson	16

Detention Beds = 328

Eight state-operated detention centers are currently in operation in Breathitt, McCracken, Campbell, Warren, Fayette, Boyd, and Jefferson Counties, and twenty beds are available for detention at the youth development center in Adair County.

Placements less restrictive than detention facilities are provided through contracts with emergency shelters and foster care providers, electronic monitoring, and tracking services. Departmental staff members are responsible for the assessment of juveniles in the facilities, and the determination of whether an alternative to detention is appropriate.

Private child care facilities and therapeutic foster care programs are utilized to alleviate facility capacity problems and to provide specialized treatment for youths. Approximately 10-30 juveniles are in these programs on any given day.

Community Services provide services to juvenile offenders. Workers in the community offices develop service objectives and comprehensive service plans for juvenile offenders and their families. These workers supervise over 2,525 juvenile offenders and recommend any necessary out-of-home placements.

The Division of Placement Services, included in the Program Operations area, determines appropriate out-of-home placements for youths committed to the Department of Juvenile Justice.

Support Services, which provides administrative support to all organizational units of the Department, includes: Division of Administrative Services, Division of Program Services, Division of Professional Development, and the Division of Medical Services. The Division of Administrative Services consists of five branches: Personnel, Fiscal, Grants, Capital Construction and Real Properties, and Information Systems. The Division of Program Services consists of the Quality Assurance Branch, Education Branch, and the Juvenile Detention Alternatives Branch that report directly to the Division Director. The Division of Professional Development consists of the Academy Training Branch and the In-service Training Branch. The Medical Division oversees the medical delivery system throughout the Department.

## **Policy**

The recommend budget includes a ten percent salary increase for youth workers in Kentucky's juvenile facilities, effective December 16, 2021, and funded with \$2,532,400 in fiscal year 2023 and \$2,529,900 in fiscal year 2024. This increase is critical as one step in recruitment and retention efforts for these essential employees. The Department is experiencing an unprecedented shortage in youth workers and an immediate increase in pay will assist that effort.

The Governor's budget includes additional General Fund in the amount of \$1,856,000 in fiscal year 2023 and \$1,851,100 in fiscal year 2024 for the ten percent pay increase for the social worker classification series grade changes effective December 16, 2021. This increase is critical as one step in recruitment and retention of these essential employees.

**Justice and Public Safety  
State Police**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	121,147,800	123,521,700	183,805,400	242,139,000	244,700,900
Special Appropriation			1,754,400		
Current Year Appropriation			5,634,600		
Reorganization Adjustment	-535,800	-708,400			
Other		-28,566,300			
<b>Total General Fund</b>	120,612,000	94,247,000	191,194,400	242,139,000	244,700,900
<b>Restricted Funds</b>					
Balance Forward	9,826,785	11,257,727	14,965,500	6,328,600	4,500,100
Current Receipts	17,528,342	16,734,844	21,322,300	22,711,700	22,915,400
Non-Revenue Receipts	12,670,884	10,158,345	9,742,100	11,960,600	11,959,800
<b>Total Restricted Funds</b>	40,026,010	38,150,915	46,029,900	41,000,900	39,375,300
<b>Federal Fund</b>					
Balance Forward	-5,076,077	-3,545,784	-5,179,500	-960,500	-381,900
Current Receipts	50,380,968	75,991,861	18,892,600	15,275,700	15,244,600
<b>Total Federal Fund</b>	45,304,891	72,446,077	13,713,100	14,315,200	14,862,700
<b>Road Fund</b>					
Regular Appropriation	106,762,100	108,100,200	56,980,300	56,980,300	56,980,300
Other		-30,000,000			
<b>Total Road Fund</b>		78,100,200	56,980,300	56,980,300	56,980,300
<b>TOTAL SOURCE OF FUNDS</b>	312,705,001	282,944,192	307,917,700	354,435,400	355,919,200
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	209,694,929	211,789,408	245,473,600	279,934,500	288,255,600
Operating Expenses	48,832,329	52,757,284	44,450,700	45,801,500	45,477,100
Grants Loans Benefits	346,004	307,130	218,000	218,000	218,000
Debt Service	2,138,000	295,000		2,915,000	5,830,000
Capital Outlay	9,034,728	7,333,448	12,407,300	21,448,200	13,297,200
Construction	30,398	12,635			
<b>TOTAL EXPENDITURES</b>	270,076,388	272,494,905	302,549,600	350,317,200	353,077,900
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	108,999,514	94,247,000	191,194,400	242,139,000	244,700,900
Restricted Funds	28,768,284	22,522,094	39,701,300	36,500,800	36,534,000
Federal Fund	48,850,675	77,625,610	14,673,600	14,697,100	14,862,700
Road Fund	83,457,915	78,100,200	56,980,300	56,980,300	56,980,300
<b>TOTAL EXPENDITURES</b>	270,076,388	272,494,905	302,549,600	350,317,200	353,077,900
<b>EXPENDITURES BY UNIT</b>					
Administration	34,405,751	29,613,955	33,841,900	33,626,800	33,884,800
Technical Services	48,088,275	49,763,816	58,371,000	62,346,200	64,530,300
Operations	175,050,010	178,423,707	197,233,200	241,157,100	241,384,900
Commercial Vehicle Enforcement	12,532,352	14,693,426	13,103,500	13,187,100	13,277,900
<b>TOTAL EXPENDITURES</b>	270,076,388	272,494,905	302,549,600	350,317,200	353,077,900

The Kentucky State Police is the statewide law enforcement agency of the Commonwealth. The State Police was established in 1948. State Troopers are assigned to 16 regional posts and Commercial Vehicle Enforcement officers are assigned to 6 regions. The Department is responsible for the enforcement of criminal and traffic laws, along with white-collar crime, organized crime, electronic crime, racketeering, and drug-related crime. The State Police also provide protection for the Governor, Lieutenant Governor, their families, and property. The current organization is comprised of four offices: Commissioner's, Administrative Services, Operations, and Technical Services.

The Office of the Commissioner comprises of executive staff of the commissioner as well as Executive Security Branch and Legal Services Branch.



The Office Administrative Services, includes the Division of the Operational Support which provides professional support services for the Department. These services include Public Affairs, Strategic Planning, Inspections and Evaluations, Basic Training and In-service Training, Legislative Security, Facility Security, Recruitment Services, Employee Assistance and Driver Testing – which consists of 8 Regions and Commercial Drivers Testing; and Division of Management Services which provides management services for the Department and includes Supply Branch, Property Management Branch, Budget Branch, Financial/Grants Management Branch. The State Police Drivers Testing Stations, Facilities Security and Legislative Security also provide external support to citizens and other public officials of Kentucky.

The Office of Operations consists of the following divisions: East Troops, West Troops, Special Enforcement and Commercial Vehicle Enforcement. The Office includes the regional posts and the personnel assigned to each post. State Police posts are maintained in Mayfield, Madisonville, Henderson, Elizabethtown, Bowling Green, Dry Ridge, Frankfort, Campbellsburg, Richmond, Columbia, Morehead, Ashland, Pikeville, Hazard, Harlan, and London. Other functions in this office include Highway Safety, Drug Enforcement Special Investigations, Vehicle Investigation, Critical Incident Response Team, and Special Operations (Hazardous Devices, Special Response Team, and Canine). The Division of Commercial Vehicle Enforcement is responsible for encouraging and promoting a safe driving environment through education and safety awareness while enforcing state and federal laws and regulations, placing special emphasis on commercial vehicles. This Division is staffed with sworn law enforcement officers, regulatory weight and safety inspectors, and civilian staff.

The Office of Technical Services is responsible for providing technical assistance to all departmental areas, along with outside agencies, concerning electronic crimes examination/analysis, records, communications (including headquarters dispatch), criminal history information, intelligence information, automated fingerprint information, and computer technology needs. The Office also has the responsibility of providing forensic analysis for all law enforcement agencies throughout the Commonwealth. The forensic analysis function is provided through the Central Laboratory in Frankfort as well as Regional Laboratories in Ashland, Louisville, Cold Springs, London, and Madisonville.

## **Policy**

The Kentucky State Police is experiencing an unprecedented shortage of troopers, its lowest in over 30 years, at 740 currently. Retirements and resignations are substantially above historic patterns, and the number of graduating cadets have declined. The Governor's budget supports an immediate pay increase of \$15,000 for state troopers with a 10 percent difference between ranks by years of service. This will assist in both recruitment and retention efforts by targeting the starting pay to be among the top five in Kentucky with an annual inflator to salary schedule. The goal is to increase trooper numbers from 740 to 1,000 over the next 5-10 years, a level commensurate with its public safety mission. The Governor's budget includes additional General Fund in the amount of \$3,106,400 in fiscal year 2022, \$34,942,800 in fiscal year 2023 and \$41,480,900 in fiscal year 2024. Also, the proposal adds the Commercial Vehicle Enforcement classification series to the trooper salary schedule, and a \$10,000 pay increase for Arson Investigators, Arson Investigator Supervisors, Hazardous Devices Investigators, Hazardous Devices Supervisors and Legislative Security Specialists. All these compensation increases are effective May 1, 2022.

Another area of critical staffing shortages due to low pay is State Police telecommunicators, the employees that provide dispatch services. It has become too commonplace for telecommunicators to learn the job at the State Police then move on to local government entities. An increase in pay of \$8,000 across-the-board is provided and moving to a 40-hour work week is supported in the Governor's budget through an additional \$334,700 in fiscal year 2022, \$3,902,600 in fiscal year 2023 and \$3,892,300 in fiscal year 2024 from the General Fund.

The recommended budget includes additional General Fund in the amount of \$9,717,500 in fiscal year 2023 and \$2,429,800 in fiscal year 2024 to supply the State Police with body cameras.

The Governor's budget includes Restricted funds for a \$600 increase, to \$4,600, for the training incentive stipend in each fiscal year for state troopers, arson investigators, hazardous devices investigators, legislative security specialist, and Vehicle Enforcement officers within the Kentucky State Police. The stipend payments are provided from the Kentucky Law Enforcement Foundation Fund.

The budget includes General Fund debt service in the amount of \$2,915,000 in fiscal year 2023 and \$5,830,000 in fiscal year 2024 to support new bonds for the Emergency Radio System Replacement - Phase III.

The recommended budget includes additional General Fund in the amount of \$2,000,000 and Restricted Funds in the amount of \$5,462,100 in fiscal year 2022 to support sick leave credit accounts payable to the Kentucky Retirement System and \$4,000,000 in fiscal year 2023 and fiscal year 2024 to support future sick leave credit obligations for sworn personnel that choose to retire.

The budget includes additional Restricted Funds for the facilities security classification series to be raised to minimum \$35,000 annual salary.

The budget includes General Fund in the amount of \$951,000 in fiscal year 2023 for lab equipment such as 3-D firearm imaging systems, wet vacuum DNA collection systems and equipment upgrades for existing evidence processing and testing.

**Justice and Public Safety**

**Corrections**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	598,768,900	633,785,800	595,436,300	667,399,900	687,354,800
Special Appropriation			30,000,000		
Current Year Appropriation	17,216,900		314,800		
Continuing Approp-General Fund	2,789	153	146,300		
Reorganization Adjustment	-1,240,800	-1,127,500			
Other		-100,748,900			
<b>Total General Fund</b>	<b>614,747,789</b>	<b>531,909,553</b>	<b>625,897,400</b>	<b>667,399,900</b>	<b>687,354,800</b>
<b>Restricted Funds</b>					
Balance Forward	5,309,811	3,543,679	10,745,500	7,842,800	3,669,500
Current Receipts	20,332,334	16,875,128	22,472,400	21,825,700	21,957,900
Non-Revenue Receipts	1,945,080	3,308,885	3,000,000	2,000,000	2,000,000
<b>Total Restricted Funds</b>	<b>27,587,225</b>	<b>23,727,691</b>	<b>36,217,900</b>	<b>31,668,500</b>	<b>27,627,400</b>
<b>Federal Fund</b>					
Balance Forward	-152,585	-446,857	-934,500	48,700	
Current Receipts	4,169,633	57,327,378	45,473,600	1,068,500	1,071,900
<b>Total Federal Fund</b>	<b>4,017,048</b>	<b>56,880,521</b>	<b>44,539,100</b>	<b>1,117,200</b>	<b>1,071,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>646,352,062</b>	<b>612,517,765</b>	<b>706,654,400</b>	<b>700,185,600</b>	<b>716,054,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	279,252,530	275,399,788	308,056,200	310,496,500	313,888,000
Operating Expenses	77,692,318	82,493,558	105,508,800	89,990,000	90,876,100
Grants Loans Benefits	276,228,087	226,867,307	283,475,200	283,050,900	286,771,700
Debt Service	544,000	460,000		9,996,000	19,992,000
Capital Outlay	890,471	3,113,318	1,722,700	2,982,700	3,822,700
Construction	17,470				
<b>TOTAL EXPENDITURES</b>	<b>634,624,875</b>	<b>588,333,972</b>	<b>698,762,900</b>	<b>696,516,100</b>	<b>715,350,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	606,117,424	517,536,826	625,897,400	667,399,900	687,354,800
Restricted Funds	24,043,546	12,982,130	28,375,100	27,999,000	26,923,800
Federal Fund	4,463,906	57,815,016	44,490,400	1,117,200	1,071,900
<b>TOTAL EXPENDITURES</b>	<b>634,624,875</b>	<b>588,333,972</b>	<b>698,762,900</b>	<b>696,516,100</b>	<b>715,350,500</b>
<b>EXPENDITURES BY UNIT</b>					
Corrections Management	13,432,257	14,666,971	16,269,300	15,441,500	15,803,600
Adult Correctional Institutions	356,515,186	352,224,361	411,960,700	407,933,200	424,320,400
Community Services and Local Facilities	248,193,754	204,967,796	253,753,000	256,352,800	258,437,900
Local Jail Support	16,483,679	16,474,843	16,779,900	16,788,600	16,788,600
<b>TOTAL EXPENDITURES</b>	<b>634,624,875</b>	<b>588,333,972</b>	<b>698,762,900</b>	<b>696,516,100</b>	<b>715,350,500</b>

The Department of Corrections, pursuant to KRS 196 - 197, is responsible for the broad range of activities associated with adult criminal incarceration, public safety, inmate rehabilitation, probation and parole, and criminal recidivism. As the largest department in the Justice and Public Safety Cabinet, Corrections has four separate appropriation units: Corrections Management, Community Services and Local Facilities, Adult Institutions, and Local Jail Support. The Department of Corrections utilizes resources from each of these units to provide the necessary balance between public safety and fiscal responsibility. In order to accomplish this, the Department is charged with accommodating a growing inmate population through a balance of community and institutional based solutions.

The Department's core cost driver is the felon population. KRS 196.111 mandates the use of evidence-based practices in the sentencing process for convicted felons and in the decision making process for the supervision and treatment of felons in prison or on probation or parole. In 2011, modifications to KRS Chapter 218A controlled substance statutes placed emphasis on probation, diversion, and treatment and diverts savings from the drug law changes to drug treatment programs. Other provisions in KRS 439.335, KRS 439.340, KRS 439.320, and KRS 197.045 emphasize the use of parole to effectuate accelerated parole hearings; to order mandatory reentry supervision release; and to allow for good time credit that reduces the sentence while on parole.

**Policy**

The budget incorporates the following array of institutional and community beds to accommodate the projected prison and community felon population under the custody of the Department of Corrections.

**2022 - 2024 Felon and Community Beds Forecast**

	<u>FY 2022</u> <u>Revised</u>	<u>FY 2023</u>	<u>FY 2024</u>
Felons*	18,522	19,124	19,577
Other**	1,918	1,918	1,918
<b>Total</b>	<b>20,440</b>	<b>21,042</b>	<b>21,495</b>

\* The incarcerated felon forecast is a consensus estimating process involving the Department of Corrections and the Office of the State Budget Director.

\*\*The Other category is the remaining population under the custody of the Department of Corrections located in Halfway House and Recovery Kentucky beds for parolees and probationers, as well as others serving time in jails under an alternative sentence arrangement with the Courts.

**Justice and Public Safety  
Corrections Management**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	11,890,700	14,595,600	13,896,700	15,118,000	15,528,800
Current Year Appropriation			44,600		
Reorganization Adjustment	-879,700	-1,127,500			
Other	2,573,400	407,500			
<b>Total General Fund</b>	<b>13,584,400</b>	<b>13,875,600</b>	<b>13,941,300</b>	<b>15,118,000</b>	<b>15,528,800</b>
<b>Restricted Funds</b>					
Balance Forward	149,409	194,309	220,600	145,600	70,600
Current Receipts	47,051	26,549	75,000	75,000	79,400
<b>Total Restricted Funds</b>	<b>196,460</b>	<b>220,858</b>	<b>295,600</b>	<b>220,600</b>	<b>150,000</b>
<b>Federal Fund</b>					
Balance Forward	96,814	281,684	-485,500	48,700	
Current Receipts	259,874	24,711	2,712,200	124,800	124,800
<b>Total Federal Fund</b>	<b>356,688</b>	<b>306,395</b>	<b>2,226,700</b>	<b>173,500</b>	<b>124,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>14,137,548</b>	<b>14,402,853</b>	<b>16,463,600</b>	<b>15,512,100</b>	<b>15,803,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	12,057,212	12,299,082	12,887,700	13,525,500	13,882,800
Operating Expenses	1,366,404	2,044,545	3,381,600	1,716,000	1,720,800
Grants Loans Benefits	8,641	3,000		200,000	200,000
Capital Outlay		320,345			
<b>TOTAL EXPENDITURES</b>	<b>13,432,257</b>	<b>14,666,971</b>	<b>16,269,300</b>	<b>15,441,500</b>	<b>15,803,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	13,355,101	13,874,820	13,941,300	15,118,000	15,528,800
Restricted Funds	2,151	281	150,000	150,000	150,000
Federal Fund	75,005	791,870	2,178,000	173,500	124,800
<b>TOTAL EXPENDITURES</b>	<b>13,432,257</b>	<b>14,666,971</b>	<b>16,269,300</b>	<b>15,441,500</b>	<b>15,803,600</b>
<b>EXPENDITURES BY UNIT</b>					
Corrections Management	13,432,257	14,666,971	16,269,300	15,441,500	15,803,600
<b>TOTAL EXPENDITURES</b>	<b>13,432,257</b>	<b>14,666,971</b>	<b>16,269,300</b>	<b>15,441,500</b>	<b>15,803,600</b>

Corrections Management provides the administrative and management functions for the Department of Corrections. These functions are achieved through the following program areas: Office of the Commissioner, Division of Corrections Training, and Division of Administrative Services.

The Office of the Commissioner provides departmental management and administrative support necessary for the Commissioner of Corrections to conduct statutorily assigned duties pursuant to KRS 196 and 197. The Kentucky State Corrections Commission is administratively attached to the Office. Also attached to the Office of the Commissioner is the Office of the Deputy Commissioner for Support Services, responsible for the Division of Corrections Training and Division of Administrative Services. The Division of Population Management, Information Technology and Offender Information Branches, as well as, the Parole Board/Victims Services Division are also under the Office of the Deputy Commissioner of Support Services.

The Division of Corrections Training is responsible for developing curriculum and providing job training to corrections employees including staff in the county jails. Instruction is provided through the Basic Academy program, the Common Core/Officer In-service program, Jail Training programs, and various specialized programs.

The Division of Administrative Services is comprised of two branches that provide support services to the entire Department in accounting and purchasing, property inventory, and budgeting.

## **Policy**

The recommended budget includes General Fund in the amount of \$313,100 in fiscal year 2023 and \$619,100 in fiscal year 2024 to support higher offender management caseloads from significant legislation and population changes during last ten year and provide support directly affecting population management and security of adult correctional institutions by ensuring inmates are appropriately housed.

The budget includes General Fund in the amount of \$270,800 in fiscal year 2023 and \$276,000 in fiscal year 2024 to support the training operations due to higher turnover rates, ensure expanded training operations are fully supported and provide necessary equipment to assist in basic academy and in-service training for staff and jailers.

The Governor's budget includes General Fund in the amount of \$200,000 each fiscal year to reinstate the tuition assistance for correctional personnel as one tactic to address the growing staff turnover.

**Justice and Public Safety  
Adult Correctional Institutions**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	324,718,900	357,631,000	358,607,500	390,487,500	406,814,300
Current Year Appropriation	13,415,600		69,900		
Reorganization Adjustment	-361,100				
Other	1,357,100	-59,103,900			
<b>Total General Fund</b>	<b>339,130,500</b>	<b>298,527,100</b>	<b>358,677,400</b>	<b>390,487,500</b>	<b>406,814,300</b>
<b>Restricted Funds</b>					
Balance Forward	2,968,412	1,056,084	4,930,700	3,385,000	1,946,100
Current Receipts	15,357,131	12,803,384	16,177,600	15,908,800	16,032,100
Non-Revenue Receipts	-54,920	-291,115			
<b>Total Restricted Funds</b>	<b>18,270,623</b>	<b>13,568,352</b>	<b>21,108,300</b>	<b>19,293,800</b>	<b>17,978,200</b>
<b>Federal Fund</b>					
Balance Forward	-246,861	-260,513	-223,600		
Current Receipts	3,728,675	56,473,434	35,783,600	98,000	98,000
<b>Total Federal Fund</b>	<b>3,481,814</b>	<b>56,212,921</b>	<b>35,560,000</b>	<b>98,000</b>	<b>98,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>360,882,936</b>	<b>368,308,373</b>	<b>415,345,700</b>	<b>409,879,300</b>	<b>424,890,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	202,915,115	198,784,820	228,260,600	224,656,000	226,928,400
Operating Expenses	64,848,862	70,011,547	90,202,300	76,181,000	77,136,100
Grants Loans Benefits	87,335,426	80,175,021	91,775,100	94,377,500	97,541,200
Debt Service	544,000	460,000		9,996,000	19,992,000
Capital Outlay	854,313	2,792,973	1,722,700	2,722,700	2,722,700
Construction	17,470				
<b>TOTAL EXPENDITURES</b>	<b>356,515,186</b>	<b>352,224,361</b>	<b>411,960,700</b>	<b>407,933,200</b>	<b>424,320,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	335,558,320	287,150,194	358,677,400	390,487,500	406,814,300
Restricted Funds	17,214,539	8,637,663	17,723,300	17,347,700	17,408,100
Federal Fund	3,742,327	56,436,505	35,560,000	98,000	98,000
<b>TOTAL EXPENDITURES</b>	<b>356,515,186</b>	<b>352,224,361</b>	<b>411,960,700</b>	<b>407,933,200</b>	<b>424,320,400</b>
<b>EXPENDITURES BY UNIT</b>					
Institutions Operations	5,799,469	5,972,030	21,787,000	4,508,900	4,528,300
Medical Services	71,737,853	65,802,325	79,994,500	76,766,800	79,593,300
Education	5,771,880	5,735,154	5,884,000	6,045,300	6,093,300
Correctional Industries	10,601,987	8,032,881	10,848,200	11,007,200	11,045,400
Correctional Facilities	233,961,865	238,873,965	262,328,500	277,784,700	291,151,200
Mental Health	9,075,515	9,096,964	9,370,000	10,071,800	10,160,400
Private Prisons	19,566,616	18,711,042	21,748,500	21,748,500	21,748,500
<b>TOTAL EXPENDITURES</b>	<b>356,515,186</b>	<b>352,224,361</b>	<b>411,960,700</b>	<b>407,933,200</b>	<b>424,320,400</b>

Adult Correctional Institutions is comprised of 13 state correctional facilities and one contracted correctional facility for adult felon offenders. Seven additional programmatic areas serve all institutions and their incarcerated populations: the Division of Operations, the Division of Mental Health, the Division of Substance Abuse, Education programs, Inmate Medical Services, the Division of Adult Institutions and the Division of Correctional Industries.

The Division of Operations, pursuant to KRS 197.505, 197.065, 196.240, and 197.110, supervises and directs the following activities: coordination of academic and technical programs, coordination of dietary and health programs for state owned facilities, and coordination of security threat group information.

The Division of Mental Health is responsible for providing mental health treatment services to Kentucky's incarcerated, paroled, and probated populations. The Division is comprised of three units: sex offender treatment programs, the Sex Offender Risk Assessment Unit, and psychiatric and psychological out-patient services.

Inmate Medical Services, pursuant to KRS 197.020, provides necessary health services to inmates committed to the Department. Services are performed at each institutional location through institutional medical staff, personal service contracts, and outside referrals to local specialists and hospitals. The provision of medical services is monitored, authorized, and reviewed by a system-wide Medical Director. Beneficiaries of the Division of Inmate Medical Services also include the state inmates housed in local jails who are able to participate in the healthcare network administered through the Division. County jail inmates are now beneficiaries of the healthcare network in accordance with KRS 441.560.

Kentucky Correctional Industries (KCI), as authorized by KRS 197.200, produces goods and services employing inmate labor. Kentucky Correctional Industries is a self-supporting operation, receiving only restricted funds for operations in nine of the Department's state-operated institutions. Twenty-one separate plants produce products and provide services such as office furniture, recycling, license tags, janitorial products, printing, mattresses, ergonomic chairs, signage, furniture refurbishing, and office panel systems. Data entry, coupon sorting, Braille printing services, and mail services are also offered by KCI.

Also administered by the Division of Correctional Industries is the Institutional Farm program. Farm programs are currently operated at Blackburn Correctional Complex, Northpoint Training Center, Roederer Correctional Complex, and Western Kentucky Correctional Complex. Current farm operations consist of cattle (including commercial cattle and a prime Registered Angus herd), grain, hay, orchards, vegetables, and freshwater shrimp. The farm program also has a working agreement with the Thoroughbred Retirement Foundation, and operates a refuge for retired thoroughbred horses at the Blackburn Correctional Complex.

## **Correctional Institutions**

**Kentucky State Reformatory (KSR)** is a medium security institution with current operational capacity of 1,051 inmates located near LaGrange in Oldham County. The inmate population is divided into four segments: general population, special management unit, nursing care facility, and mental health unit. Since 1980, KSR has converted designated living areas into single cell facilities and opened a new 150-bed mental health unit during 1998. In 1995 KSR opened the Nursing Care Facility which houses inmates in need of medical care due to their medical condition.

**Kentucky State Penitentiary (KSP)** is a maximum security institution with an operational capacity of 914 inmates, located near Eddyville in Lyon County. The inmate population is separated into three major groups: general population, protective custody, and disciplinary/administrative segregation. KSP also houses the state's capital punishment unit.

**Blackburn Correctional Complex (BCC)** is a minimum security institution with an operational capacity of 320 inmates located near Lexington in Fayette County. The institution programmatically directs inmates to halfway houses or returns the inmate to the community by parole, based upon the individual's demonstrated conduct, program performance, and need.

**Bell County Forestry Camp (BCFC)** is a minimum security institution with an operational capacity of 300 inmates located near Pineville in Bell County. The institution provides manpower to the Division of Forestry for fire suppression in Bell and seven surrounding counties during fire season along with road, highway garage, and community service details.

**Kentucky Correctional Institution for Women (KCIW)**, the only state institutional facility for women in the Commonwealth, is located in PeeWee Valley in Shelby County, and has an operational capacity of 733 inmates. All levels of security and all levels of medical services must be provided since virtually all female prisoners are housed at KCIW.

**Eastern Kentucky Correctional Complex (EKCC)** is a medium security institution with an operational capacity of 1,930 inmates located near West Liberty in Morgan County. The facility is the second largest correctional institution in the state, providing inmates with employment opportunities, academic resources, and vocational programs.

**Western Kentucky Correctional Complex (WKCC)** is a medium security institution with an operational capacity of 493 inmates located near Caldwell County. The institution operates a full farm operation on 2,500 acres, a



community work program for surrounding parks and cities, and the Correctional Industries recycling program serving the surrounding counties. **Ross-Cash Center (R-CC)** is located on the grounds of Western Kentucky Correctional Complex in Lyon County and has an operational capacity of 200 female inmates. The facility, which opened in October 2015, is named for two correctional employees killed in the line of duty during the 1980s.

**Roederer Correctional Complex (RCC)** is a medium security institution with an operational capacity of 1,238 inmates located near LaGrange in Oldham County. The institution operates the Department's Assessment and Classification Center, serving all incoming male inmates with the exception of inmates sentenced to capital punishment. The institution also operates a full farm operation on approximately 2,800 acres.

**Luther Lockett Correctional Complex (LLCC)** is a medium security institution with an operational capacity of 1,204 inmates, also located near LaGrange in Oldham County. The facility houses two separate institutions: the Department of Correction's prison facility and the Cabinet for Health and Family Services' Kentucky Correctional Psychiatric Center (KCPC). Due to KCPC, the inmate population has a variety of psychological, pharmaceutical, recreational, academic, vocational, and substance abuse programs available.

**Green River Correctional Complex (GRCC)** is a medium security institution with an operational capacity of 982 inmates located near Central City in Muhlenberg County.

**Northpoint Training Center (NTC)** is a medium security institution with an operational capacity of 1,270 inmates located near Danville in Boyle County. The institution operates a prison farm, along with counseling, academic, and vocational programs.

**Little Sandy Correctional Complex (LSCC)** is located near Sandy Hook in Elliott County and has an operational capacity of 1,062 inmates. Programming at the new institution consists of basic educational and vocational training classes, as well as psychological services. Correctional industries programs are planned in the near future.

**Southeast State Correctional Complex (SSCC)** is a new medium security facility with an operational capacity of 621 inmates located in Wheelwright in Floyd County that will come online in fiscal year 2021. The facility will be operated by the Commonwealth and is privately owned by CoreCivic and leased to the Commonwealth.

**Lee Adjustment Center (LAC)** is located near Beattyville in Lee County and has an operational capacity of 866 inmates. The Department contracts with CoreCivic for operation of this medium security facility.

## Policy

A ten percent salary increase for correctional security officers is included, effective December 16, 2021, and funded with \$9,444,800 in fiscal year 2023 and \$9,447,100 in fiscal year 2024. This increase is critical as one step in recruitment and retention efforts for these critical employees. The Department is experiencing an unprecedented shortage in correctional security officers and an immediate increase in pay will assist that effort. Staffing shortages have caused certain units to be closed down and substantial overtime has heavily stressed the staff.

The recommended budget includes General Fund in the amount of \$7,072,500 in fiscal year 2023 and \$11,145,200 in fiscal year 2024 for increased costs in medical services and utilities.

The budget includes General Fund debt service in the amount of \$9,996,000 in fiscal year 2023 and \$19,992,000 in fiscal year 2024 to support new bonds for capital projects.

The Governor's budget includes General Fund in the amount of \$412,300 each fiscal year for a ten percent pay increase for social service classification series grade changes effective December 16, 2021 to aid in recruit and retention of these essential employees. This is a critical one step to assist in the shortage of the essential social service workers.

**Justice and Public Safety  
Community Services and Local Facilities**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	245,505,700	244,925,600	206,298,500	245,005,800	248,223,100
Special Appropriation			30,000,000		
Current Year Appropriation	3,801,300		200,300		
Other	-3,930,500	-42,052,500			
<b>Total General Fund</b>	<b>245,376,500</b>	<b>202,873,100</b>	<b>236,498,800</b>	<b>245,005,800</b>	<b>248,223,100</b>
<b>Restricted Funds</b>					
Balance Forward	2,191,990	2,293,287	5,594,200	4,312,200	1,652,800
Current Receipts	4,928,153	4,045,195	6,219,800	5,841,900	5,846,400
Non-Revenue Receipts	2,000,000	3,600,000	3,000,000	2,000,000	2,000,000
<b>Total Restricted Funds</b>	<b>9,120,142</b>	<b>9,938,481</b>	<b>14,814,000</b>	<b>12,154,100</b>	<b>9,499,200</b>
<b>Federal Fund</b>					
Balance Forward	-2,537	-468,028	-225,400		
Current Receipts	181,084	829,233	6,977,800	845,700	849,100
<b>Total Federal Fund</b>	<b>178,546</b>	<b>361,204</b>	<b>6,752,400</b>	<b>845,700</b>	<b>849,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>254,675,189</b>	<b>213,172,786</b>	<b>258,065,200</b>	<b>258,005,600</b>	<b>258,571,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	64,256,326	64,294,916	66,874,500	72,126,600	72,888,400
Operating Expenses	11,196,886	10,161,020	11,648,300	11,816,400	11,742,600
Grants Loans Benefits	172,704,384	130,511,861	175,230,200	172,149,800	172,706,900
Capital Outlay	36,158			260,000	1,100,000
<b>TOTAL EXPENDITURES</b>	<b>248,193,754</b>	<b>204,967,796</b>	<b>253,753,000</b>	<b>256,352,800</b>	<b>258,437,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	240,720,324	200,036,969	236,498,800	245,005,800	248,223,100
Restricted Funds	6,826,856	4,344,186	10,501,800	10,501,300	9,365,700
Federal Fund	646,574	586,642	6,752,400	845,700	849,100
<b>TOTAL EXPENDITURES</b>	<b>248,193,754</b>	<b>204,967,796</b>	<b>253,753,000</b>	<b>256,352,800</b>	<b>258,437,900</b>
<b>EXPENDITURES BY UNIT</b>					
Probation and Parole Program	62,208,736	62,604,393	62,977,400	67,502,600	69,159,200
Local Facilities Operations	1,199,141	1,451,110	1,308,600	1,608,600	1,359,500
Local Facilities - Jail Program	139,034,590	105,914,626	140,268,300	138,194,400	138,779,200
Community Corrections Commission	627,542	643,280	670,500	670,500	670,500
Halfway Houses	28,765,956	17,135,979	25,695,700	23,750,200	23,767,100
Substance Abuse Programs	12,328,535	12,837,077	16,454,000	17,819,700	17,862,800
Reentry Division	4,029,254	4,381,332	6,378,500	6,806,800	6,839,600
<b>TOTAL EXPENDITURES</b>	<b>248,193,754</b>	<b>204,967,796</b>	<b>253,753,000</b>	<b>256,352,800</b>	<b>258,437,900</b>

The Community Corrections area is comprised of the Division of Local Facilities, County Jail Program, Halfway House program, Kentucky Corrections Commission, the Division of Re-entry, Probation and Parole, and Community Substance Abuse. Pursuant to KRS Chapter 439, the Halfway House program provides rehabilitation in community residential correctional centers throughout the Commonwealth where inmates are transitioned prior to their release. Pursuant to KRS Chapter 196, the Kentucky Corrections Commission grants funds for the purpose of assisting judges, throughout the Commonwealth, develop alternatives to incarceration. In accordance with KRS 532.260, the Department of Corrections has initiated the Home Incarceration program (HIP). The current average daily population of HIP participants is 200.

**Policy**

The Department of Corrections estimates a four percent growth in the number of probationers and parolees over the biennium. Much of this increase is due to accelerated parole hearings, mandatory reentry supervision release and new forms of supervision such as women's medical release and parole board sanctions.

<b>Fiscal Year</b>	<b>Probation and Parole Population</b>
2022 Revised	48,557
2023 Estimated	49,528
2024 Estimated	50,519

The Governor’s budget includes General Fund in the amount of \$1,790,700 and Restricted Fund in the amount of \$1,140,100 in fiscal year 2023 and \$3,519,300 in fiscal year 2024 for higher inmate population forecast. 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).

The budget includes Restricted Funds in the amount of \$1,000,000 in fiscal year 2022, fiscal year 2023, and fiscal year 2024 for Kentucky Opioid Response Effort funding from the Cabinet for Health and Family Services to support successful reentry of individuals combatting substance abuse disorders into the community.

The recommended budget includes General Fund in the amount of \$310,200 in fiscal year 2023 and \$318,300 in fiscal year 2024 for a reentry pilot project to reduce recidivism of state felons that are housed and released from county jails by providing staff and programs in performing evidence-based and assistive services.

The budget includes General Fund in the amount of \$2,585,900 in fiscal year 2023 and \$2,490,900 in fiscal year 2024 to support Probation and Parole caseload increases by providing funding for an additional 25 Probation and Parole Officers.

The Governor’s budget includes General Fund in the amount of \$260,000 in fiscal year 2023 for vehicles for the department’s county jail inspectors and \$1,100,000 in fiscal year 2024 for transport vehicles for Probation and Parole.

The recommend budget includes General Fund in the amount of \$375,800 in fiscal year 2023 and \$374,900 in fiscal year 2024 to support social worker classification series grade changes effective December 16, 2021.

The Governor’s budget includes General Fund in the amount of \$14,200 each fiscal year to support correctional security officer classification series grade changes effective December 16, 2021.

**Justice and Public Safety**

**Local Jail Support**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	16,653,600	16,633,600	16,633,600	16,788,600	16,788,600
Continuing Approp-General Fund	2,789	153	146,300		
<b>Total General Fund</b>	<b>16,656,389</b>	<b>16,633,753</b>	<b>16,779,900</b>	<b>16,788,600</b>	<b>16,788,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>16,656,389</b>	<b>16,633,753</b>	<b>16,779,900</b>	<b>16,788,600</b>	<b>16,788,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	23,877	20,971	33,400	188,400	188,400
Operating Expenses	280,166	276,447	276,600	276,600	276,600
Grants Loans Benefits	16,179,636	16,177,425	16,469,900	16,323,600	16,323,600
<b>TOTAL EXPENDITURES</b>	<b>16,483,679</b>	<b>16,474,843</b>	<b>16,779,900</b>	<b>16,788,600</b>	<b>16,788,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	16,483,679	16,474,843	16,779,900	16,788,600	16,788,600
<b>TOTAL EXPENDITURES</b>	<b>16,483,679</b>	<b>16,474,843</b>	<b>16,779,900</b>	<b>16,788,600</b>	<b>16,788,600</b>
<b>EXPENDITURES BY UNIT</b>					
Local Jail Allotment	10,068,800	10,048,800	10,048,800	10,048,800	10,048,800
Restricted Medical	792,800	792,800	792,800	792,800	792,800
Jailers' Allowance	304,043	297,418	310,000	465,000	465,000
Catastrophic Medical	687,836	705,625	998,100	851,800	851,800
Local Corrections Assistance Fund	4,630,200	4,630,200	4,630,200	4,630,200	4,630,200
<b>TOTAL EXPENDITURES</b>	<b>16,483,679</b>	<b>16,474,843</b>	<b>16,779,900</b>	<b>16,788,600</b>	<b>16,788,600</b>

The Local Jail Support program consists of five funds used to assist counties in local jail operations: Local Jail Allotment, Restricted Medical Allotment, Jailer's Allowance, Local Corrections Assistance Fund and Catastrophic Medical. These programs were part of the Jail Reform package passed in the 1982 and 1984 Regular Sessions of the General Assembly.

The Local Jail Allotment, pursuant to KRS 441.206, was established for the care and maintenance of prisoners charged with or convicted of violations of state law. Funds appropriated for the Jail Allotment and Restricted Medical programs are distributed to each county based upon the formula in KRS 441.206.

The Jailer's Allowance program, pursuant to KRS 441.115, trains jailers and jail personnel. No fee is charged for this training. Three hundred dollars (\$300) per month is paid to jailers to help defray the costs of participation in this training program. Expense allowance payments are discontinued if the jailer fails to satisfactorily complete annual continuing training.

The Catastrophic Medical program, pursuant to KRS 441.045, provides funds that assist counties with costs of providing necessary medical, dental, or psychological care beyond routine care and diagnostic services. When the cost of providing such services exceeds \$1,000, the county is reimbursed. Initial reimbursements are limited by the maximum payments allowed for services under the Kentucky Medical Assistance Program.

The Local Corrections Assistance Fund, pursuant to KRS 196.288 provides funding to counties based upon 25% of the estimated savings resulting from changes in HB463.

**Policy**

The Governor's budget includes General Fund in the amount of \$155,000 each fiscal year for jailer expense allowance increase from \$2,400 to the statutory amount of \$3,600.

The budget includes General Fund appropriation of \$860,000 each fiscal year to provide a monthly payment of an annual amount of \$20,000 to each county with a Life Safety or Closed Jails Program. The payment shall be in addition to the payment required by KRS 441.206(2).

The budget includes General Fund appropriation in the amount of \$792,800 each fiscal year for medical care contracts to be distributed, upon approval of the Department of Corrections, to counties by the formula codified in KRS 441.206, and \$851,800 each fiscal year, on a partial reimbursement basis, for medical claims in excess of the statutory threshold pursuant to KRS 441.045.

**Justice and Public Safety**

**Public Advocacy**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	66,170,800	66,576,800	66,663,700	69,216,600	69,603,800
Current Year Appropriation			218,100		
<b>Total General Fund</b>	<b>66,170,800</b>	<b>66,576,800</b>	<b>66,881,800</b>	<b>69,216,600</b>	<b>69,603,800</b>
<b>Restricted Funds</b>					
Balance Forward	2,575,386	2,630,879	1,297,800		
Current Receipts	4,559,793	3,957,177	4,494,200	4,504,300	4,504,300
<b>Total Restricted Funds</b>	<b>7,135,179</b>	<b>6,588,056</b>	<b>5,792,000</b>	<b>4,504,300</b>	<b>4,504,300</b>
<b>Federal Fund</b>					
Balance Forward	-35,647	-61,018	-89,800	50,000	
Current Receipts	1,915,822	2,115,510	2,897,300	2,088,000	2,088,000
<b>Total Federal Fund</b>	<b>1,880,175</b>	<b>2,054,493</b>	<b>2,807,500</b>	<b>2,138,000</b>	<b>2,088,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>75,186,154</b>	<b>75,219,349</b>	<b>75,481,300</b>	<b>75,858,900</b>	<b>76,196,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	63,489,566	66,076,763	66,572,000	67,940,900	68,418,000
Operating Expenses	8,462,634	7,933,699	8,858,300	7,917,000	7,777,100
Grants Loans Benefits	248	855	1,000	1,000	1,000
Capital Outlay	2,145				
<b>TOTAL EXPENDITURES</b>	<b>71,954,592</b>	<b>74,011,317</b>	<b>75,431,300</b>	<b>75,858,900</b>	<b>76,196,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	65,509,100	66,576,800	66,881,800	69,216,600	69,603,800
Restricted Funds	4,504,300	5,290,285	5,792,000	4,504,300	4,504,300
Federal Fund	1,941,192	2,144,231	2,757,500	2,138,000	2,088,000
<b>TOTAL EXPENDITURES</b>	<b>71,954,592</b>	<b>74,011,317</b>	<b>75,431,300</b>	<b>75,858,900</b>	<b>76,196,100</b>
<b>EXPENDITURES BY UNIT</b>					
Office of the Public Advocate	1,908,900	1,955,959	1,995,500	1,976,300	1,983,100
Defense Services	65,298,369	67,249,053	68,097,600	68,592,600	68,901,200
Conflict Services		148,514	167,600	170,600	171,100
Law Operations	2,185,800	2,221,300	2,209,900	2,264,900	2,276,800
Protection and Advocacy	2,561,524	2,436,491	2,960,700	2,854,500	2,863,900
<b>TOTAL EXPENDITURES</b>	<b>71,954,592</b>	<b>74,011,317</b>	<b>75,431,300</b>	<b>75,858,900</b>	<b>76,196,100</b>

The United States and Kentucky Constitutions provide to all Americans the right to the assistance of counsel when they are charged with a crime. Those same constitutional provisions mandate that all persons who cannot afford an attorney and are charged with a crime that carries a potential loss of liberty be provided with an attorney by the state. The Kentucky Department for Public Advocacy (DPA) was established in KRS Chapter 31 to provide representation for indigent persons accused of crimes (or mental states) which may result in their incarceration. Kentucky's mandated public defender services are delivered by a system consisting of full-time employed public defenders and private attorneys contracting with the Department to provide services primarily in situations involving conflicts of interest. The Department, under the direction of the Public Advocate, is attached to the Justice and Public Safety Cabinet for administrative purposes.

The Public Advocacy Commission is a 12 person governing board consisting of the Dean or designee from each of the three Kentucky law schools, three members appointed by the Governor from recommendations of the Kentucky Bar Association, one member from recommendations by the Protection and Advocacy Advisory Boards, three members at-large. Two members are appointed by the Kentucky Supreme Court. The Commission insures the Department's ability to provide independent professional representation of individual clients according to the American Bar Association Ten Principles of a Public Defense Delivery System (2002).

The Office of the Public Advocate is responsible for the oversight of the agency and includes the Public Advocate, Deputy Public Advocate, General Counsel and all strategic planning and litigation education functions.

The Law Operations Division provides budget, personnel, administrative, technology, facility oversight, library services, research, archive services and management support for the Department and its offices across the state.

The Trial Division represents all needy persons accused of crimes punishable by loss of liberty, persons accused of juvenile delinquency and status offenses, and all needy persons faced with involuntary commitments due to mental state or condition in all of Kentucky's 120 counties. This includes district, circuit, drug, juvenile, mental health, veterans and family court venues.

The Post-Trial Division provides mandated defender services for indigent persons after conviction. These services include providing counsel to indigent persons on appeal to the KY Supreme Court and Court of Appeals, to incarcerated persons on post-conviction actions in state and federal court, and to all juveniles in treatment facilities.

The Division of Conflict Services was established to build a statewide indigent conflict system and improve the quality of the departments existing conflict defense program that supports individuals represented through contract conflict counsel statewide.

Kentucky Protection & Advocacy (P&A), a division within the Department of Public Advocacy attached to the Department for administrative purposes only, was established pursuant to Public Law 99-319 (42 USC 10805 et seq.), Public Law 106-402 (42 USC § 15042 et seq.), and KRS 31.010 (2). P&A seeks legal, administrative, and other appropriate remedies to protect and promote the rights of Kentuckians with disabilities. The majority of funds in this division's budget are federal funds that have strict non-supplanting requirements.

## **Policy**

The Governor's budget includes additional General Fund in the amount of \$700,000 each fiscal year to increase the reimbursement amounts for conflict case payments.

# Personnel

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	Personnel				
	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation			102,064,000		
<b>Total General Fund</b>			102,064,000		
<b>Restricted Funds</b>					
Balance Forward	31,510,227	29,176,415	33,718,100	26,511,900	21,340,600
Current Receipts	49,389,222	48,469,175	47,107,300	48,517,900	51,029,800
Non-Revenue Receipts	1,676,060	8,893,162	9,467,900	10,802,600	10,809,700
Fund Transfers	-2,693,800	-2,690,700			
<b>Total Restricted Funds</b>	79,881,708	83,848,051	90,293,300	85,832,400	83,180,100
<b>Federal Fund</b>					
Current Receipts	100,125	468,075			
<b>Total Federal Fund</b>	100,125	468,075			
<b>TOTAL SOURCE OF FUNDS</b>	79,981,833	84,316,126	192,357,300	85,832,400	83,180,100
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	46,240,863	46,139,433	57,351,200	57,902,500	58,039,400
Operating Expenses	4,564,555	4,458,611	6,400,200	6,589,300	6,552,000
Grants Loans Benefits			102,064,000		
Capital Outlay			30,000		
<b>TOTAL EXPENDITURES</b>	50,805,419	50,598,044	165,845,400	64,491,800	64,591,400
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund			102,064,000		
Restricted Funds	50,705,294	50,129,969	63,781,400	64,491,800	64,591,400
Federal Fund	100,125	468,075			
<b>TOTAL EXPENDITURES</b>	50,805,419	50,598,044	165,845,400	64,491,800	64,591,400
<b>EXPENDITURES BY UNIT</b>					
General Operations	25,843,263	25,970,208	31,262,900	31,926,800	32,012,000
Public Employees Deferred Compensation Authority	6,743,320	6,958,694	8,249,400	8,283,300	8,292,700
Workers' Compensation Benefits and Reserve	18,218,836	17,669,141	24,269,100	24,281,700	24,286,700
Fixed Allocation Non-Hazardous Pension Fund			102,064,000		
<b>TOTAL EXPENDITURES</b>	50,805,419	50,598,044	165,845,400	64,491,800	64,591,400

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

Currently, the Personnel Cabinet is comprised of four appropriation units: General Operations, Public Employees Deferred Compensation Authority, Workers' Compensation Benefits and Reserve, and the Fixed Allocation Non-Hazardous Pension Fund.

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

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

**Personnel  
General Operations**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	11,256,310	3,873,068	3,969,800	1,753,300	1,263,000
Current Receipts	19,212,637	19,226,379	19,403,500	20,453,900	20,575,900
Non-Revenue Receipts	1,841,060	9,063,162	9,642,900	10,982,600	10,994,700
Fund Transfers	-2,693,800	-2,690,700			
<b>Total Restricted Funds</b>	29,616,206	29,471,909	33,016,200	33,189,800	32,833,600
<b>Federal Fund</b>					
Current Receipts	100,125	468,075			
<b>Total Federal Fund</b>	100,125	468,075			
<b>TOTAL SOURCE OF FUNDS</b>	29,716,331	29,939,984	33,016,200	33,189,800	32,833,600
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	21,615,358	21,906,877	25,303,400	25,784,400	25,901,800
Operating Expenses	4,227,905	4,063,332	5,929,500	6,142,400	6,110,200
Capital Outlay			30,000		
<b>TOTAL EXPENDITURES</b>	25,843,263	25,970,208	31,262,900	31,926,800	32,012,000
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	25,743,138	25,502,133	31,262,900	31,926,800	32,012,000
Federal Fund	100,125	468,075			
<b>TOTAL EXPENDITURES</b>	25,843,263	25,970,208	31,262,900	31,926,800	32,012,000
<b>EXPENDITURES BY UNIT</b>					
General Administration	10,770,777	10,827,803	13,141,600	13,362,900	13,459,900
Governmental Service Center	977,780	1,008,888	1,294,700	1,306,700	1,310,300
Employee Relations	730,768	753,191	908,200	815,700	821,100
Employee Insurance	8,883,040	8,900,479	10,461,700	11,006,200	10,955,800
Personnel Administration	4,480,899	4,479,847	5,456,700	5,435,300	5,464,900
<b>TOTAL EXPENDITURES</b>	25,843,263	25,970,208	31,262,900	31,926,800	32,012,000

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

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

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

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

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

The Office of Diversity and Equality and Training is responsible for administering the Equal Employment Opportunity and Diversity Programs, the Minority Management Trainee Program, and the Commonwealth's affirmative action plan

established in 18A.138. The Office is also responsible for government-wide training, consultation, and organizational development, including the coordination of the Commonwealth's strategic planning, performance measurement processes and is responsible for maintaining the employee performance management system.

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

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

The Department of Employee Insurance manages state government's self-insured health insurance program, the Kentucky Employees' Health Plan and the life insurance benefits for state employees. The Health Plan provides health insurance coverage for state employees, state and teacher retirees that are not yet Medicare eligible, local boards of education, local health departments, and other public and quasi-public agencies. The Department also provides administrative support to the Group Health Insurance Board under KRS 18A.226 and 18A.227. The Personnel Cabinet shall collect a benefits assessment per month per employee eligible for health insurance coverage in the state group for duly authorized use by the Personnel Cabinet in administering its statutory and administrative responsibilities, including but not limited to administration of the Commonwealth's health insurance program.

**Personnel**  
**Public Employees Deferred Compensation Authority**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	9,639,076	11,205,644	12,663,900	11,885,900	9,876,600
Current Receipts	8,392,388	8,501,992	7,558,900	6,364,000	8,753,900
Non-Revenue Receipts	-82,500	-85,000	-87,500	-90,000	-92,500
<b>Total Restricted Funds</b>	<b>17,948,964</b>	<b>19,622,637</b>	<b>20,135,300</b>	<b>18,159,900</b>	<b>18,538,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>17,948,964</b>	<b>19,622,637</b>	<b>20,135,300</b>	<b>18,159,900</b>	<b>18,538,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	6,475,045	6,627,236	7,856,300	7,914,900	7,929,400
Operating Expenses	268,275	331,458	393,100	368,400	363,300
<b>TOTAL EXPENDITURES</b>	<b>6,743,320</b>	<b>6,958,694</b>	<b>8,249,400</b>	<b>8,283,300</b>	<b>8,292,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	6,743,320	6,958,694	8,249,400	8,283,300	8,292,700
<b>TOTAL EXPENDITURES</b>	<b>6,743,320</b>	<b>6,958,694</b>	<b>8,249,400</b>	<b>8,283,300</b>	<b>8,292,700</b>
<b>EXPENDITURES BY UNIT</b>					
Public Employees Deferred Compensation Authority	6,743,320	6,958,694	8,249,400	8,283,300	8,292,700
<b>TOTAL EXPENDITURES</b>	<b>6,743,320</b>	<b>6,958,694</b>	<b>8,249,400</b>	<b>8,283,300</b>	<b>8,292,700</b>

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

**Personnel**

**Workers' Compensation Benefits and Reserve**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	10,614,841	14,097,703	17,084,400	12,872,700	10,201,000
Current Receipts	21,784,197	20,740,803	20,144,900	21,700,000	21,700,000
Non-Revenue Receipts	-82,500	-85,000	-87,500	-90,000	-92,500
<b>Total Restricted Funds</b>	<b>32,316,538</b>	<b>34,753,506</b>	<b>37,141,800</b>	<b>34,482,700</b>	<b>31,808,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>32,316,538</b>	<b>34,753,506</b>	<b>37,141,800</b>	<b>34,482,700</b>	<b>31,808,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	18,150,460	17,605,319	24,191,500	24,203,200	24,208,200
Operating Expenses	68,376	63,822	77,600	78,500	78,500
<b>TOTAL EXPENDITURES</b>	<b>18,218,836</b>	<b>17,669,141</b>	<b>24,269,100</b>	<b>24,281,700</b>	<b>24,286,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	18,218,836	17,669,141	24,269,100	24,281,700	24,286,700
<b>TOTAL EXPENDITURES</b>	<b>18,218,836</b>	<b>17,669,141</b>	<b>24,269,100</b>	<b>24,281,700</b>	<b>24,286,700</b>
<b>EXPENDITURES BY UNIT</b>					
Workers' Compensation Benefits and Reserve	18,218,836	17,669,141	24,269,100	24,281,700	24,286,700
<b>TOTAL EXPENDITURES</b>	<b>18,218,836</b>	<b>17,669,141</b>	<b>24,269,100</b>	<b>24,281,700</b>	<b>24,286,700</b>

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

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

<b>Personnel</b>					
<b>Fixed Allocation Non-Hazardous Pension Fund</b>					
	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation			102,064,000		
<b>Total General Fund</b>			102,064,000		
<b>TOTAL SOURCE OF FUNDS</b>					
			102,064,000		
<b>EXPENDITURES BY CLASS</b>					
Grants Loans Benefits			102,064,000		
<b>TOTAL EXPENDITURES</b>			102,064,000		
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund			102,064,000		
<b>TOTAL EXPENDITURES</b>			102,064,000		
<b>EXPENDITURES BY UNIT</b>					
Fixed Allocation Non-Hazardous Pension Fund			102,064,000		
<b>TOTAL EXPENDITURES</b>			102,064,000		

The State Fixed Allocation Pension Fund is a statewide pool to provide the additional funds necessary for state agencies to finance the increased costs of the fixed allocation non-hazardous retirement plan's employer contributions.

**Policy**

The base funding of \$102,064,000 in fiscal year 2022 has been included in the following appropriation units in fiscal year 2023 and 2024:

- CHFS-Behavioral Health, Developmental and Intellectual Disabilities - \$42,064,300
- CHFS-Public Health - \$58,921,800
- CHFS-Community Based Services - \$400,600
- Finance-General Administration - \$677,300

# Postsecondary Education

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**Postsecondary Education**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,118,607,800	1,152,735,400	1,209,303,500	1,374,136,300	1,460,621,900
Special Appropriation			5,200,000		
Current Year Appropriation	497,400	10,161,600	50,988,600		
Continuing Approp-General Fund	42,426,308	37,929,863	57,595,900		
Reorganization Adjustment	-1,856,200				
Other	15,363,344	-17,000,000			
<b>Total General Fund</b>	<b>1,175,038,652</b>	<b>1,183,826,863</b>	<b>1,323,088,000</b>	<b>1,374,136,300</b>	<b>1,460,621,900</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	6,686,500	7,526,100	7,693,800	7,993,800	7,993,800
Current Year Appropriation			300,000		
Continuing Approp-Tob Settlement	642,289	154,444	2,300		
Other	-418,327	300,000			
<b>Total Tobacco Fund</b>	<b>6,910,462</b>	<b>7,980,544</b>	<b>7,996,100</b>	<b>7,993,800</b>	<b>7,993,800</b>
<b>Restricted Funds</b>					
Balance Forward	7,328,908	8,143,165	9,234,500	4,215,600	1,916,100
Current Receipts	5,388,665,664	5,522,429,360	6,921,608,900	9,252,436,000	13,421,341,400
Non-Revenue Receipts	14,752,621	11,104,236	7,642,900	43,896,900	44,236,900
Fund Transfers			-1,300,000		
<b>Total Restricted Funds</b>	<b>5,410,747,192</b>	<b>5,541,676,761</b>	<b>6,937,186,300</b>	<b>9,300,548,500</b>	<b>13,467,494,400</b>
<b>Federal Fund</b>					
Balance Forward	1,311	2,175	-38,011		
Current Receipts	873,205,454	1,085,791,976	1,234,722,911	1,321,466,700	1,351,043,600
Non-Revenue Receipts			2,063,500		
CRF Receipts		38,643,053			
<b>Total Federal Fund</b>	<b>873,206,764</b>	<b>1,124,437,204</b>	<b>1,236,748,400</b>	<b>1,321,466,700</b>	<b>1,351,043,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>7,465,903,070</b>	<b>7,857,921,373</b>	<b>9,505,018,800</b>	<b>12,004,145,300</b>	<b>16,287,153,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,690,128,926	3,762,350,806	4,128,582,200	4,795,074,600	5,813,518,900
Operating Expenses	2,087,824,436	2,357,990,859	3,339,036,800	5,135,391,400	8,225,111,100
Grants Loans Benefits	747,522,656	769,248,347	1,516,945,000	1,350,441,900	1,380,920,600
Debt Service	165,063,809	173,514,589	173,898,700	215,028,400	249,364,000
Capital Outlay	288,950,019	290,371,322	342,340,500	506,292,900	616,787,100
<b>TOTAL EXPENDITURES</b>	<b>6,979,489,846</b>	<b>7,353,475,923</b>	<b>9,500,803,200</b>	<b>12,002,229,200</b>	<b>16,285,701,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,136,736,412	1,126,227,892	1,323,088,100	1,374,136,300	1,460,621,900
Tobacco Fund	6,756,018	7,978,217	7,996,100	7,993,800	7,993,800
Restricted Funds	4,961,189,427	5,090,620,848	6,932,970,700	9,298,632,400	13,466,042,400
Federal Fund	874,807,989	1,128,648,965	1,236,748,300	1,321,466,700	1,351,043,600
<b>TOTAL EXPENDITURES</b>	<b>6,979,489,846</b>	<b>7,353,475,923</b>	<b>9,500,803,200</b>	<b>12,002,229,200</b>	<b>16,285,701,700</b>
<b>EXPENDITURES BY UNIT</b>					
Council on Postsecondary Education	30,638,255	34,139,080	33,035,800	36,428,100	39,973,100
Kentucky Higher Education Assistance Authority	289,923,354	295,441,312	413,718,300	413,455,300	434,866,900
Postsecondary Education Institutions	6,658,928,237	7,023,895,531	9,054,049,100	11,552,345,800	15,810,861,700
<b>TOTAL EXPENDITURES</b>	<b>6,979,489,846</b>	<b>7,353,475,923</b>	<b>9,500,803,200</b>	<b>12,002,229,200</b>	<b>16,285,701,700</b>



**Postsecondary Education**  
**Council on Postsecondary Education**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	19,152,500	8,086,400	11,598,800	16,675,300	21,525,100
Current Year Appropriation			17,100		
Reorganization Adjustment	-1,856,200				
<b>Total General Fund</b>	17,296,300	8,086,400	11,615,900	16,675,300	21,525,100
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	6,686,500	7,526,100	7,693,800	7,993,800	7,993,800
Current Year Appropriation			300,000		
Other	-418,327	300,000			
<b>Total Tobacco Fund</b>	6,268,173	7,826,100	7,993,800	7,993,800	7,993,800
<b>Restricted Funds</b>					
Balance Forward	2,252,168	2,348,139	1,324,700	1,062,000	773,100
Current Receipts	571,054	548,950	571,000	645,000	701,600
Non-Revenue Receipts	3,613,699	3,568,978	4,095,300	4,025,100	4,025,100
<b>Total Restricted Funds</b>	6,436,921	6,466,068	5,991,000	5,732,100	5,499,800
<b>Federal Fund</b>					
Balance Forward	-864				
Current Receipts	3,358,241	13,088,305	8,497,100	6,800,000	5,486,200
<b>Total Federal Fund</b>	3,357,376	13,088,305	8,497,100	6,800,000	5,486,200
<b>TOTAL SOURCE OF FUNDS</b>	33,358,771	35,466,873	34,097,800	37,201,200	40,504,900
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	8,137,840	8,877,767	10,355,700	12,203,000	12,615,000
Operating Expenses	1,990,484	1,686,500	2,030,800	2,372,800	2,270,200
Grants Loans Benefits	20,509,931	23,574,813	20,649,300	19,434,300	20,251,900
Debt Service				2,418,000	4,836,000
<b>TOTAL EXPENDITURES</b>	30,638,255	34,139,080	33,035,800	36,428,100	39,973,100
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	16,923,924	8,083,308	11,615,900	16,675,300	21,525,100
Tobacco Fund	6,268,173	7,826,100	7,993,800	7,993,800	7,993,800
Restricted Funds	4,088,782	5,141,367	4,929,000	4,959,000	4,968,000
Federal Fund	3,357,376	13,088,305	8,497,100	6,800,000	5,486,200
<b>TOTAL EXPENDITURES</b>	30,638,255	34,139,080	33,035,800	36,428,100	39,973,100
<b>EXPENDITURES BY UNIT</b>					
Agency Operations	5,651,522	5,567,734	6,368,100	7,666,200	8,046,700
Licensure	414,989	354,433	317,700	410,200	412,600
Pass Through Programs	16,232,842	12,145,008	12,866,300	12,833,700	12,883,700
Federal Programs	3,357,376	13,088,305	8,497,100	6,800,000	5,486,200
Strategic Investment and Incentive Funding Program	4,981,526	2,983,600	4,986,600	8,718,000	13,143,900
<b>TOTAL EXPENDITURES</b>	30,638,255	34,139,080	33,035,800	36,428,100	39,973,100

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

The Council's statutory responsibilities include:

- development of a strategic plan for an efficient and effective system of postsecondary education that provides statewide access without unnecessary competition and duplication, recognizing both public and independent institutions;
- implementation of the strategic plan through public accountability, including reporting and evaluation of institutional performance;
- approval of the creation, modification, and elimination of programs and degrees and transferability of credits earned;
- approval of tuition rates and admission requirements;
- approval of capital projects and real property acquisitions by institutions;
- training and orientation of new members of institutional governing boards;
- liaison between postsecondary education institutions and the Kentucky Department of Education, the Education Professional Standards Board, the Education and Workforce Development Cabinet, and the Cabinet for Economic Development;
- operation of the Kentucky Virtual High School and the Kentucky Virtual Library;
- coordination and acquisition of technology resources for broadest access and cost efficiency;
- collection of data and research and analysis concerning the overall needs of postsecondary education;
- assistance in the development of the postsecondary institutions' biennial budget requests and recommendations concerning operating and capital appropriations to the Governor and the General Assembly; and
- implementation of the Postsecondary Education Performance Funding Model.

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

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	7,686,900	4,341,200	5,850,400	7,142,500	7,516,400
Current Year Appropriation			14,100		
Reorganization Adjustment	-1,856,200				
<b>Total General Fund</b>	<b>5,830,700</b>	<b>4,341,200</b>	<b>5,864,500</b>	<b>7,142,500</b>	<b>7,516,400</b>
<b>Restricted Funds</b>					
Balance Forward	537,078	810,234	1,233,500	983,500	751,400
Current Receipts	276,099	249,766	253,600	291,600	291,500
Non-Revenue Receipts		1,400,000			
<b>Total Restricted Funds</b>	<b>813,178</b>	<b>2,460,000</b>	<b>1,487,100</b>	<b>1,275,100</b>	<b>1,042,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>6,643,878</b>	<b>6,801,200</b>	<b>7,351,600</b>	<b>8,417,600</b>	<b>8,559,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	4,638,310	4,788,396	5,534,300	6,788,500	7,165,200
Operating Expenses	1,013,211	779,338	833,800	877,700	881,500
<b>TOTAL EXPENDITURES</b>	<b>5,651,522</b>	<b>5,567,734</b>	<b>6,368,100</b>	<b>7,666,200</b>	<b>8,046,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,648,578	4,341,200	5,864,500	7,142,500	7,516,400
Restricted Funds	2,944	1,226,534	503,600	523,700	530,300
<b>TOTAL EXPENDITURES</b>	<b>5,651,522</b>	<b>5,567,734</b>	<b>6,368,100</b>	<b>7,666,200</b>	<b>8,046,700</b>

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

**Policy**

Included in the Governor's budget is \$1,032,500 in fiscal year 2023 and \$1,383,400 in fiscal year 2024 from the General Fund for additional staff for expanded duties and responsibilities of the Council in the areas of workforce and economic development, academic program evaluation, financial oversight, and the Student Success Collaborative.

**Postsecondary Education  
Council on Postsecondary Education**

**Licensure**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	1,665,104	1,534,114	78,800	78,500	21,700
Current Receipts	284,000	299,200	317,400	353,400	410,100
Non-Revenue Receipts		-1,400,000			
<b>Total Restricted Funds</b>	<b>1,949,104</b>	<b>433,314</b>	<b>396,200</b>	<b>431,900</b>	<b>431,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,949,104</b>	<b>433,314</b>	<b>396,200</b>	<b>431,900</b>	<b>431,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	342,507	351,503	303,700	398,500	400,900
Operating Expenses	72,482	2,929	14,000	11,700	11,700
<b>TOTAL EXPENDITURES</b>	<b>414,989</b>	<b>354,433</b>	<b>317,700</b>	<b>410,200</b>	<b>412,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	414,989	354,433	317,700	410,200	412,600
<b>TOTAL EXPENDITURES</b>	<b>414,989</b>	<b>354,433</b>	<b>317,700</b>	<b>410,200</b>	<b>412,600</b>

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

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

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	6,482,000	761,600	764,800	814,800	864,800
<b>Total General Fund</b>	6,482,000	761,600	764,800	814,800	864,800
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	6,686,500	7,526,100	7,693,800	7,993,800	7,993,800
Current Year Appropriation			300,000		
Other	-418,327	300,000			
<b>Total Tobacco Fund</b>	6,268,173	7,826,100	7,993,800	7,993,800	7,993,800
<b>Restricted Funds</b>					
Balance Forward	49,985	3,791	12,400		
Current Receipts	10,955	-16			
Non-Revenue Receipts	3,613,699	3,568,978	4,095,300	4,025,100	4,025,100
<b>Total Restricted Funds</b>	3,674,640	3,572,754	4,107,700	4,025,100	4,025,100
<b>TOTAL SOURCE OF FUNDS</b>	16,424,813	12,160,454	12,866,300	12,833,700	12,883,700
<b>EXPENDITURES BY CLASS</b>					
Operating Expenses		208,508	214,800	214,800	214,800
Grants Loans Benefits	16,232,842	11,936,500	12,651,500	12,618,900	12,668,900
<b>TOTAL EXPENDITURES</b>	16,232,842	12,145,008	12,866,300	12,833,700	12,883,700
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	6,293,820	758,508	764,800	814,800	864,800
Tobacco Fund	6,268,173	7,826,100	7,993,800	7,993,800	7,993,800
Restricted Funds	3,670,849	3,560,400	4,107,700	4,025,100	4,025,100
<b>TOTAL EXPENDITURES</b>	16,232,842	12,145,008	12,866,300	12,833,700	12,883,700
<b>EXPENDITURES BY UNIT</b>					
Contract Spaces	5,793,820	208,508	214,800	214,800	214,800
SREB Doctoral Scholars Program		50,000	50,000	100,000	150,000
Cancer Research Insts Mtchg Fd	3,670,849	3,560,400	4,107,700	4,025,100	4,025,100
Spinal Cord and Head Injury Research		650,000	650,000	650,000	650,000
Ovarian Cancer Screening	500,000	800,000	800,000	800,000	800,000
Cancer Research and Screening	6,268,173	6,876,100	7,043,800	7,043,800	7,043,800
<b>TOTAL EXPENDITURES</b>	16,232,842	12,145,008	12,866,300	12,833,700	12,883,700

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

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

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

The **Southern Regional Education Board (SREB) Doctoral Scholars Program** supports and encourages minority students to pursue doctoral degrees. The program seeks to increase the number of minority faculty members employed as college faculty and executives by increasing the available pool of minority candidates. Students are provided scholarships and other financial support to attend institutions throughout the southern region and in some Midwest states.

The **Ovarian Cancer Screening Program** supports early cancer screening at the University of Kentucky. The program is an ongoing, 34-year research study showing that annual screening continues to detect ovarian cancer at an earlier stage than is possible with a clinical examination.

The **Cancer Research and Screening Programs** at the University of Kentucky and the University of Louisville support research and clinical trials to benefit the citizens of Kentucky.

The **Spinal Cord and Head Injury Research Program**, codified in KRS 211.500 through 211.504, funds spinal cord and head injury research undertaken at the University of Kentucky and the University of Louisville. The funding is administered by the Kentucky Spinal Cord and Head Injury Research Board.

## **Policy**

The budget includes an additional \$50,000 in fiscal year 2023 and \$100,000 in fiscal year 2024 to support four additional SREB Doctoral Scholars at UK and UofL over the biennium, growing the current program from 4 to 12.

Funding from Tobacco Settlement Funds in the amount of \$650,000 is included in each fiscal year for the Spinal Cord and Head Injury Research program, codified in KRS 211.500 through 211.504.

Tobacco Settlement Funds in the amount of \$7,043,800 in each fiscal year are included for Cancer Research and Screening, which is shared equally between the University of Kentucky's Markey Cancer Center and the University of Louisville's Brown Cancer Center.

The Ovarian Cancer Screening program is funded with \$500,000 in base funding from the General Fund, and the Governor's budget adds an additional \$300,000 in all three fiscal years from Tobacco Funds. In fiscal year 2021, the additional \$300,000 in Tobacco Funds that were added to the program provided 15,463 free screens for women from 120 counties. The survival rate of women whose ovarian cancer was detected by screening remains twice as high as women who do not have screening.

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

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>Federal Fund</b>					
Balance Forward	-864				
Current Receipts	3,358,241	13,088,305	8,497,100	6,800,000	5,486,200
<b>Total Federal Fund</b>	<b>3,357,376</b>	<b>13,088,305</b>	<b>8,497,100</b>	<b>6,800,000</b>	<b>5,486,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>3,357,376</b>	<b>13,088,305</b>	<b>8,497,100</b>	<b>6,800,000</b>	<b>5,486,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,505,722	2,397,035	2,916,300	3,093,000	3,111,600
Operating Expenses	779,929	681,257	951,000	1,251,200	1,151,200
Grants Loans Benefits	71,725	10,010,013	4,629,800	2,455,800	1,223,400
<b>TOTAL EXPENDITURES</b>	<b>3,357,376</b>	<b>13,088,305</b>	<b>8,497,100</b>	<b>6,800,000</b>	<b>5,486,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Federal Fund	3,357,376	13,088,305	8,497,100	6,800,000	5,486,200
<b>TOTAL EXPENDITURES</b>	<b>3,357,376</b>	<b>13,088,305</b>	<b>8,497,100</b>	<b>6,800,000</b>	<b>5,486,200</b>

The Council on Postsecondary Education administers two federal programs: the Governor's Emergency Education Relief Fund and Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) Kentucky.

The Governor's Emergency Education Relief Fund was awarded to the Commonwealth in the Coronavirus Aid, Relief, and Economic Security Act and the Coronavirus Response and Relief Supplemental Appropriations Act. Funds must be used to address costs associated with the expansion of remote learning and support services, including enhancing the quality of programs, providing equitable access to programs, and increasing non-academic remote supports systems for current and prospective students. Funding may also be used to support operational recovery, including costs related to planning, manpower, equipment, and supplies as campuses reopen for in-person instruction.

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

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

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	4,983,600	2,983,600	4,983,600	8,718,000	13,143,900
Current Year Appropriation			3,000		
<b>Total General Fund</b>	4,983,600	2,983,600	4,986,600	8,718,000	13,143,900
<b>TOTAL SOURCE OF FUNDS</b>	4,983,600	2,983,600	4,986,600	8,718,000	13,143,900
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	651,300	1,340,832	1,601,400	1,923,000	1,937,300
Operating Expenses	124,862	14,468	17,200	17,400	11,000
Grants Loans Benefits	4,205,364	1,628,300	3,368,000	4,359,600	6,359,600
Debt Service				2,418,000	4,836,000
<b>TOTAL EXPENDITURES</b>	4,981,526	2,983,600	4,986,600	8,718,000	13,143,900
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	4,981,526	2,983,600	4,986,600	8,718,000	13,143,900
<b>TOTAL EXPENDITURES</b>	4,981,526	2,983,600	4,986,600	8,718,000	13,143,900
<b>EXPENDITURES BY UNIT</b>					
Research Challenge Trust Fund				2,015,000	4,030,000
Regional University Excellence Trust Fund				403,000	806,000
Technology Initiative Trust Fund	3,628,300	1,628,300	3,629,600	3,642,600	3,646,600
Special Initiatives Funding Program	1,353,226	1,355,300	1,357,000	2,657,400	4,661,300
<b>TOTAL EXPENDITURES</b>	4,981,526	2,983,600	4,986,600	8,718,000	13,143,900

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

**Special Initiatives Funding Program**

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

**Technology Initiative Trust Fund**

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

**Physical Facilities Trust Fund**

The Physical Facilities Trust Fund includes funding to support the physical plants at public postsecondary education institutions. The Council is charged with distributing the funds in this program to the institutions as enacted in the biennial appropriations act.

**Research Challenge Trust Fund and Regional University Excellence Trust Fund**

Also known as “Bucks for Brains”, the purpose of these funds is to grow university endowments by encouraging private giving. The Research Challenge Trust Fund supports the University of Kentucky and the University of Louisville funds research-related programs and capital projects. The Regional University Excellence Trust Fund supports the Commonwealth’s six comprehensive universities and encourages them to develop nationally recognized programs.



## Policy

The budget includes General Fund in the amount of \$1,285,000 in fiscal year 2023 and \$3,285,000 in fiscal year 2024 to support recommendations of the Education Continuum, a multi-agency effort made up of 28 members from all levels of the education community. Funding would support transitions to postsecondary education and early postsecondary opportunities.

General Fund in the amount of \$2,418,000 in fiscal year 2023 and \$4,836,000 in fiscal year 2024 is included to support debt service on new bonds included in the capital budget for the Bucks for Brains program. These funds shall be matched dollar for dollar with private giving at each of the institutions. The funds are endowed, with investment proceeds used to provide a perpetual source of funding for research related activities, but can also be used to support research related capital projects.

**Postsecondary Education**  
**Kentucky Higher Education Assistance Authority**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	239,100,000	279,293,600	291,702,400	344,850,200	366,249,000
Current Year Appropriation		9,100,000	27,300,000		
Continuing Approp-General Fund	42,426,308	37,929,863	57,595,900		
Other	15,363,344	3,000,000			
<b>Total General Fund</b>	<b>296,889,652</b>	<b>329,323,463</b>	<b>376,598,300</b>	<b>344,850,200</b>	<b>366,249,000</b>
<b>Tobacco Fund</b>					
Continuing Approp-Tob Settlement	642,289	154,444	2,300		
<b>Total Tobacco Fund</b>	<b>642,289</b>	<b>154,444</b>	<b>2,300</b>		
<b>Restricted Funds</b>					
Balance Forward	5,076,740	5,795,026	7,909,800	3,153,600	1,143,000
Current Receipts	20,055,085	18,066,273	19,011,000	13,682,700	15,143,100
Non-Revenue Receipts	11,138,921	7,535,258	3,547,600	39,871,800	40,211,800
Fund Transfers			-1,300,000		
<b>Total Restricted Funds</b>	<b>36,270,747</b>	<b>31,396,556</b>	<b>29,168,400</b>	<b>56,708,100</b>	<b>56,497,900</b>
<b>Federal Fund</b>					
Balance Forward	2,175	2,175	-38,011		
Current Receipts		38,630	9,077,411	13,040,000	13,040,000
Non-Revenue Receipts			2,063,500		
<b>Total Federal Fund</b>	<b>2,175</b>	<b>40,805</b>	<b>11,102,900</b>	<b>13,040,000</b>	<b>13,040,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>333,804,862</b>	<b>360,915,268</b>	<b>416,871,900</b>	<b>414,598,300</b>	<b>435,786,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	15,754,758	15,588,006	16,962,400	19,320,400	19,332,700
Operating Expenses	1,779,349	2,084,145	2,210,400	2,269,900	2,270,400
Grants Loans Benefits	271,268,685	277,579,163	394,319,000	391,615,000	413,013,800
Debt Service	747,275				
Capital Outlay	373,287	189,998	226,500	250,000	250,000
<b>TOTAL EXPENDITURES</b>	<b>289,923,354</b>	<b>295,441,312</b>	<b>413,718,300</b>	<b>413,455,300</b>	<b>434,866,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	258,959,789	271,727,584	376,598,300	344,850,200	366,249,000
Tobacco Fund	487,845	152,117	2,300		
Restricted Funds	30,475,721	23,484,544	26,014,800	55,565,100	55,577,900
Federal Fund		77,066	11,102,900	13,040,000	13,040,000
<b>TOTAL EXPENDITURES</b>	<b>289,923,354</b>	<b>295,441,312</b>	<b>413,718,300</b>	<b>413,455,300</b>	<b>434,866,900</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration and Support	18,390,714	17,601,868	18,999,300	21,440,300	21,453,100
College Access Program	91,627,928	89,855,653	134,320,700	134,763,900	142,938,900
Kentucky Coal County College Completion Program	534,385				
Kentucky Tuition Grant	35,730,306	35,542,902	57,925,000	45,288,000	48,013,000
Federal Programs			2,063,500		
Teacher Scholarships		50,000	1,050,000	1,050,000	1,050,000
Ky National Guard Tuition	7,232,998	7,980,430	7,811,800	7,448,100	7,448,100
Ky Educational Excellence Scholarships	118,848,633	118,922,893	119,700,000	120,900,000	122,000,000

Early Childhood Development Scholarships	487,845	371,313	4,302,300	8,000,000	8,000,000
Kentucky's Affordable Prepaid Tuition (KAPT)	263,956	260,281	400,000	400,000	400,000
Coal County Scholarship for Pharmacy Students	110,550			200,000	200,000
Early Graduation Scholarship Certificate	122,000	186,000	575,000	575,000	575,000
Work Ready Scholarship	11,199,650	9,319,396	10,408,600	4,102,800	1,881,600
Dual Credit Scholarship	5,374,390	9,356,686	16,258,700	13,200,000	13,200,000
Other Programs		77,066	39,400	40,000	40,000
Optometry Scholarship Program		764,824	839,200	848,400	848,400
Veterinary Contract Spaces Program		5,152,000	5,590,000	5,494,000	5,659,000
Better Kentucky Promise Scholarship				16,270,000	27,725,000
Teacher Loan Forgiveness			26,334,800	26,334,800	26,334,800
Social Worker Loan Forgiveness			2,100,000	2,100,000	2,100,000
Nurse Loan Forgiveness			5,000,000	5,000,000	5,000,000
<b>TOTAL EXPENDITURES</b>	<b>289,923,354</b>	<b>295,441,312</b>	<b>413,718,300</b>	<b>413,455,300</b>	<b>434,866,900</b>

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

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

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

The Kentucky Tuition Grant program provides need-based grants to qualified Kentucky students who choose to attend one of the Commonwealth's 25 participating independent colleges and is designed to assist full-time students with tuition charges at these schools.

The Kentucky Educational Excellence Scholarships (KEES) program provides merit-based scholarships to eligible high school students based on their yearly grade point average and supplemental awards based on their highest ACT (or equivalent SAT) score and Advanced Placement, International Baccalaureate, or Cambridge Advanced International test scores. The scholarships can be used to pay the expenses of each year of college or technical training.

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

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

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

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

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

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

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

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

The Early Graduation Scholarship is awarded to students who graduate high school in three years. It can be used at any public or non-profit, independent institution the academic year immediately following graduation and is equal to one-half of the state portion of the average statewide per pupil guaranteed base funding level (SEEK allowance).

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

The Work Ready Scholarship is awarded to Kentuckians with a high school credential but who have not yet earned an associate's degree and are enrolled in an industry-recognized certificate or diploma program in a high-demand workforce sector. High School students pursuing dual credit coursework in a high-demand sector are also eligible.

## **Policy**

The Governor's budget dedicates an additional \$183,304,500 in Lottery revenue and an additional \$29,694,000 from the General Fund to KHEAA's student financial aid programs in fiscal biennium 2022-2024.

Fiscal year 2022 Lottery receipts accruing to the General Fund are estimated to be \$27,300,000 more than the enacted estimate of \$292,000,000. The Governor's budget recommends that amount, combined with the \$58,004,500 in excess Lottery receipts from fiscal year 2021 that were deposited into a trust fund, be used to fund a loan forgiveness program for Teachers and Social Service workers. The funding would be spread over all three years, with \$2,100,000 for Social Service workers and \$26,334,800 for Teachers in each year. With a maximum annual award of \$3,000, the program will provide aid to at least 9,478 individuals each year.

The budget also includes a loan forgiveness program for Nurses, funded with federal funds from the State Fiscal Recovery Fund of the American Rescue Plan Act of 2021. The program will span five years, utilizing \$5,000,000 per year for a total of \$25,000,000.

In fiscal years 2023 and 2024, the Governor's budget combines the Work Ready Scholarship with a new program – the Better Kentucky Promise Scholarship, which fills the gap between tuition and federal and other state aid for all new Associate degree and certificate-seeking students. The scholarship is available to new Associate degree and certificate seeking students at public universities and private, non-profit Kentucky institutions, but is capped at the KCTCS tuition rate. Included in fiscal year 2023 is \$16,270,000 from the General Fund for the Better Kentucky Promise Scholarship, \$7,097,200 of which comes from Lottery receipts. Included in fiscal year 2024 is \$27,725,000 for the Better Kentucky Promise Scholarship, \$9,318,400 of which comes from Lottery receipts. The new program will provide aid for approximately 6,000 additional recipients in the first year and 9,700 in the second, providing valuable training for Kentuckians, especially those who may have experienced disruption due to the COVID-19 pandemic. A better-educated and better-trained workforce is key to Kentucky's growth and prosperity. The Work Ready Scholarship Program is funded from Lottery receipts with \$3,702,800 in fiscal year 2023 and \$1,481,600 in fiscal year 2024 to allow those already participating in the program to finish.

The Governor's budget includes General Fund Lottery receipts of \$6,000,000 in fiscal years 2023 and 2024 for the cost of administering student aid programs. Due to changes in the federal student loan program that began in 2011, and exacerbated by changes in federal student loan policies resulting from the COVID-19 pandemic, the revenue that KHEAA previously generated acting as a guarantor, lender, and service of federal student loans is beginning to wane. This funding would replace the lost revenue and allow KHEAA to continue administering student aid programs.

Kentucky's need-based aid programs, the College Access Program (CAP) and the Kentucky Tuition Grant program (KTG), have benefitted from the dedication and growth of Lottery receipts in the past several years, funding all eligible applicants for the first time ever in the most recent application cycle. The maximum grant award for CAP increased from \$2,000 to \$2,900 over the course of the 2020-2022 biennium. When leveraging federal Pell Grant dollars, the CAP program now covers full-time tuition and fees at KCTCS and nearly covers the average tuition and fees at four-year institutions. However, tuition and fees are only part of the total cost of attendance. Additional General Fund in the amount of

\$38,516,700 in fiscal year 2023 and \$46,691,700 in fiscal year 2024 is included from Lottery receipts for the College Access Program (CAP) and an additional \$709,900 in fiscal year 2023 and \$3,434,900 in fiscal year 2024 is included from Lottery receipts for the Kentucky Tuition Grant program. The additional funding will allow KHEAA to increase in the maximum cap award to \$3,100 and \$3,300 in fiscal years 2023 and 2024 respectively while continuing to fund all eligible applicants.

Additional General Fund in the amount of \$935,000 is included to fund recommendations of the Education Continuum, a multi-agency effort made up of 28 members from all levels of the education community. Funding will be used to support 30 AmeriCorps College Coaches and three KHEAA outreach counselors.

The budget includes additional General Fund of \$40,000 in fiscal years 2023 and 2024 for the Optometry Scholarship Program and \$165,000 in fiscal year 2024 for the Veterinary Contract Spaces Program to maintain the existing slots.

Federal Funds in the amount of \$4,000,000 in fiscal years 2023 and 2024 are included for the Early Childhood Development Scholarship program which will provide scholarships to approximately 425 recipients to promote and increase the number of preschool and early childcare workers. KHEAA is a sub-recipient of the Cabinet for Health and Family Services child care relief funding grant, supplied by the American Rescue Plan Act.

The Governor's budget directs any Lottery revenue above the Consensus Forecasting Group's estimate to need-based financial aid in the 2022-2024 biennium.

**Postsecondary Education**  
**Postsecondary Education Institutions**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	860,355,300	865,355,400	906,002,300	1,012,610,800	1,072,847,800
Special Appropriation			5,200,000		
Current Year Appropriation	497,400	1,061,600	23,671,500		
Other		-20,000,000			
<b>Total General Fund</b>	<b>860,852,700</b>	<b>846,417,000</b>	<b>934,873,800</b>	<b>1,012,610,800</b>	<b>1,072,847,800</b>
<b>Restricted Funds</b>					
Current Receipts	5,368,039,524	5,503,814,137	6,902,026,900	9,238,108,300	13,405,496,700
<b>Total Restricted Funds</b>	<b>5,368,039,524</b>	<b>5,503,814,137</b>	<b>6,902,026,900</b>	<b>9,238,108,300</b>	<b>13,405,496,700</b>
<b>Federal Fund</b>					
Current Receipts	869,847,213	1,072,665,041	1,217,148,400	1,301,626,700	1,332,517,400
CRF Receipts		38,643,053			
<b>Total Federal Fund</b>	<b>869,847,213</b>	<b>1,111,308,094</b>	<b>1,217,148,400</b>	<b>1,301,626,700</b>	<b>1,332,517,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>7,098,739,437</b>	<b>7,461,539,231</b>	<b>9,054,049,100</b>	<b>11,552,345,800</b>	<b>15,810,861,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,666,236,328	3,737,885,033	4,101,264,100	4,763,551,200	5,781,571,200
Operating Expenses	2,084,054,603	2,354,220,214	3,334,795,600	5,130,748,700	8,220,570,500
Grants Loans Benefits	455,744,040	468,094,371	1,101,976,700	939,392,600	947,654,900
Debt Service	164,316,534	173,514,589	173,898,700	212,610,400	244,528,000
Capital Outlay	288,576,732	290,181,324	342,114,000	506,042,900	616,537,100
<b>TOTAL EXPENDITURES</b>	<b>6,658,928,237</b>	<b>7,023,895,531</b>	<b>9,054,049,100</b>	<b>11,552,345,800</b>	<b>15,810,861,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	860,852,700	846,417,000	934,873,900	1,012,610,800	1,072,847,800
Restricted Funds	4,926,624,924	5,061,994,937	6,902,026,900	9,238,108,300	13,405,496,500
Federal Fund	871,450,613	1,115,483,594	1,217,148,300	1,301,626,700	1,332,517,400
<b>TOTAL EXPENDITURES</b>	<b>6,658,928,237</b>	<b>7,023,895,531</b>	<b>9,054,049,100</b>	<b>11,552,345,800</b>	<b>15,810,861,700</b>
<b>EXPENDITURES BY UNIT</b>					
Eastern Kentucky University	353,374,311	330,717,238	420,555,500	430,492,200	436,652,400
Kentucky State University	68,524,526	85,556,993	108,529,500	81,758,600	84,662,400
Morehead State University	164,243,200	164,052,800	211,006,900	209,020,600	218,090,000
Murray State University	157,497,000	134,635,000	185,477,100	190,280,900	192,705,600
Northern Kentucky University	254,757,300	263,293,900	267,404,100	276,640,800	282,719,700
University of Kentucky	3,549,817,100	3,917,784,300	5,078,502,700	7,494,110,500	11,659,588,300
University of Louisville	1,192,420,400	1,232,124,100	1,335,253,400	1,393,143,500	1,442,244,300
Western Kentucky University	276,325,700	248,752,600	375,677,300	389,283,400	395,149,000
Kentucky Community and Technical College System	641,968,700	646,978,600	1,071,642,600	1,087,615,300	1,099,050,000
<b>TOTAL EXPENDITURES</b>	<b>6,658,928,237</b>	<b>7,023,895,531</b>	<b>9,054,049,100</b>	<b>11,552,345,800</b>	<b>15,810,861,700</b>

The Governor's budget includes additional General Fund of \$67,500,000 in fiscal year 2023 and \$90,000,000 in fiscal year 2024 for postsecondary institutions, which represents an 8.8% and 11.73% increase respectively in General Fund investment in postsecondary institutions. The increase is reflected in the base budget of each institution.

Additionally, the budget provides relief from the statutorily scheduled declining support for the Fixed Allocation Pension Subsidy for five comprehensive universities and KCTCS. The subsidy was scheduled to decline by 10% in fiscal year 2023 and 20% in fiscal year 2024, which would have reduced General Fund support by \$2,209,900 and \$4,419,800 respectively. The Governor proposes that institutions retain the subsidy at the fiscal year 2022 level, which funded 100% of the additional need. Relief from the scheduled decline will allow universities to keep tuition rates down, avoiding a potential 0.55 – 1.09% required increase in tuition necessary to cover the decline.

**Postsecondary Education  
Eastern Kentucky University**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	60,175,200	65,020,000	74,323,900	84,380,800	90,541,000
Postsecondary Ed Performance	3,578,400	394,200	120,200		
Other		-1,511,900			
<b>Total General Fund</b>	<b>63,753,600</b>	<b>63,902,300</b>	<b>74,444,100</b>	<b>84,380,800</b>	<b>90,541,000</b>
<b>Restricted Funds</b>					
Current Receipts	155,767,941	134,242,247	210,611,400	210,611,400	210,611,400
<b>Total Restricted Funds</b>	<b>155,767,941</b>	<b>134,242,247</b>	<b>210,611,400</b>	<b>210,611,400</b>	<b>210,611,400</b>
<b>Federal Fund</b>					
Current Receipts	133,852,770	130,905,838	135,500,000	135,500,000	135,500,000
CRF Receipts		1,666,853			
<b>Total Federal Fund</b>	<b>133,852,770</b>	<b>132,572,691</b>	<b>135,500,000</b>	<b>135,500,000</b>	<b>135,500,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>353,374,311</b>	<b>330,717,238</b>	<b>420,555,500</b>	<b>430,492,200</b>	<b>436,652,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	148,657,973	147,488,489	176,055,500	176,055,500	176,055,500
Operating Expenses	91,174,497	78,617,274	119,500,000	125,064,900	126,852,800
Grants Loans Benefits	104,435,211	96,852,945	117,000,000	116,999,800	117,000,100
Debt Service	9,106,630	7,758,530	8,000,000	12,372,000	16,744,000
<b>TOTAL EXPENDITURES</b>	<b>353,374,311</b>	<b>330,717,238</b>	<b>420,555,500</b>	<b>430,492,200</b>	<b>436,652,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	63,753,600	63,902,300	74,444,100	84,380,800	90,541,000
Restricted Funds	155,767,941	134,242,247	210,611,400	210,611,400	210,611,400
Federal Fund	133,852,770	132,572,691	135,500,000	135,500,000	135,500,000
<b>TOTAL EXPENDITURES</b>	<b>353,374,311</b>	<b>330,717,238</b>	<b>420,555,500</b>	<b>430,492,200</b>	<b>436,652,400</b>
<b>EXPENDITURES BY UNIT</b>					
Instruction	79,647,545	79,089,107	90,931,600	91,051,800	91,051,800
Research	699,890	866,474	700,000	700,000	700,000
Public Service	32,870,585	23,145,751	35,500,000	35,700,000	35,700,000
Libraries	3,430,014	3,118,843	3,400,000	3,400,000	3,400,000
Academic Support	19,058,748	18,847,300	29,400,000	29,400,000	29,400,000
Student Services	17,603,915	17,565,002	27,600,000	27,600,000	27,600,000
Institutional Support	26,066,038	26,839,595	35,000,000	41,255,700	43,934,800
Operation and Maintenance of Plant	47,218,982	41,224,081	49,023,900	48,012,900	47,121,700
Scholarships and Fellowships	104,435,211	97,247,145	117,000,000	116,999,800	117,000,100
Mandatory Transfers				4,372,000	8,744,000
Auxilliary Enterprises	22,343,383	22,773,940	32,000,000	32,000,000	32,000,000
<b>TOTAL EXPENDITURES</b>	<b>353,374,311</b>	<b>330,717,238</b>	<b>420,555,500</b>	<b>430,492,200</b>	<b>436,652,400</b>

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

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

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

## **Policy**

The Governor's budget includes additional General Fund support of \$5,364,700 in fiscal year 2023 and \$7,152,900 in fiscal year 2024, which represents an 8.8% and 11.73% increase respectively for university operations.

General Fund in the amount of \$4,372,000 in fiscal year 2023 and \$8,744,000 in fiscal year 2024 is included for debt service on new bonds included in the capital budget.

The Governor's budget includes an additional \$200,000 in fiscal years 2023 and 2024 from the General Fund for the Community Operations Board. This program along with \$4,571,900 for the Model Laboratory School and \$8,909,700 for the Fixed Allocation Pension Subsidy are EKU's Mandated Programs which total \$13,681,600 in fiscal years 2023 and 2024.



**Postsecondary Education  
Kentucky State University**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	25,259,100	25,384,300	27,004,100	31,682,300	34,419,200
Special Appropriation			200,000		
Current Year Appropriation	497,400	1,061,600	23,671,500		
Other		-586,700			
<b>Total General Fund</b>	<b>25,756,500</b>	<b>25,859,200</b>	<b>50,875,600</b>	<b>31,682,300</b>	<b>34,419,200</b>
<b>Restricted Funds</b>					
Current Receipts	19,825,283	31,343,790	25,210,000	20,624,400	23,791,300
<b>Total Restricted Funds</b>	<b>19,825,283</b>	<b>31,343,790</b>	<b>25,210,000</b>	<b>20,624,400</b>	<b>23,791,300</b>
<b>Federal Fund</b>					
Current Receipts	22,942,743	27,180,603	32,443,900	29,451,900	26,451,900
CRF Receipts		1,173,400			
<b>Total Federal Fund</b>	<b>22,942,743</b>	<b>28,354,003</b>	<b>32,443,900</b>	<b>29,451,900</b>	<b>26,451,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>68,524,526</b>	<b>85,556,993</b>	<b>108,529,500</b>	<b>81,758,600</b>	<b>84,662,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	38,790,955	42,688,944	38,567,700	33,223,800	33,923,800
Operating Expenses	19,471,706	29,202,040	54,798,600	34,332,800	35,128,300
Grants Loans Benefits	6,420,729	10,003,426	10,200,000	9,070,000	8,276,300
Debt Service	132,704	107,659	121,500	2,332,000	4,534,000
Capital Outlay	3,708,432	3,554,924	4,841,700	2,800,000	2,800,000
<b>TOTAL EXPENDITURES</b>	<b>68,524,526</b>	<b>85,556,993</b>	<b>108,529,500</b>	<b>81,758,600</b>	<b>84,662,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	25,756,500	25,859,200	50,875,600	31,682,300	34,419,200
Restricted Funds	19,825,283	31,343,790	25,210,000	20,624,400	23,791,300
Federal Fund	22,942,743	28,354,003	32,443,900	29,451,900	26,451,900
<b>TOTAL EXPENDITURES</b>	<b>68,524,526</b>	<b>85,556,993</b>	<b>108,529,500</b>	<b>81,758,600</b>	<b>84,662,400</b>
<b>EXPENDITURES BY UNIT</b>					
Instruction	9,022,473	10,816,141	10,650,000	8,748,900	9,702,500
Research	6,929,355	8,042,779	8,660,300	8,654,400	8,648,300
Public Service	8,875,115	8,467,683	9,775,000	9,768,100	9,761,400
Academic Support	278,360	711,557	730,000	699,500	699,000
Student Services	8,646,414	8,312,549	8,524,000	7,010,400	7,005,500
Institutional Support	14,500,923	23,348,012	39,098,300	14,852,600	13,229,000
Operation and Maintenance of Plant	8,683,425	10,140,483	12,391,900	10,992,300	10,984,300
Scholarships and Fellowships	6,420,729	10,003,426	10,200,000	9,064,000	8,264,400
Mandatory Transfers				2,202,000	4,404,000
Auxilliary Enterprises	5,167,732	5,714,363	8,500,000	9,766,400	11,964,000
<b>TOTAL EXPENDITURES</b>	<b>68,524,526</b>	<b>85,556,993</b>	<b>108,529,500</b>	<b>81,758,600</b>	<b>84,662,400</b>

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

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

## **Policy**

Included in the current fiscal year is an additional \$23,000,000 from the General Fund to stabilize Kentucky State University's finances. The Council on Postsecondary Education shall provide prior approval before the release of these funds to the University.

The budget includes additional General Fund in the amount of \$671,500 in all three fiscal years for a total of \$8,881,900 for Kentucky State University's federal land grant program. These additional General Fund dollars will be used to match additional federal funds. This program along with \$200,000 for the West End Pilot programs and \$558,200 for the Fixed Allocation Pension Subsidy make up Kentucky State University's Mandated Programs which total \$9,640,100.

The Governor's budget includes an additional \$1,604,700 in fiscal year 2023 and \$2,139,600 in fiscal year 2024 from the General Fund, which represents an 8.8% and 11.73% increase respectively for university operations.

The budget includes General Fund in the amount of \$2,202,000 in fiscal year 2023 and \$4,404,000 in in fiscal year 2024 for debt service on new bonds included in the capital budget.

**Postsecondary Education  
Morehead State University**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	38,466,800	38,332,900	43,324,900	51,060,900	56,747,500
Other		-885,900			
<b>Total General Fund</b>	38,466,800	37,447,000	43,324,900	51,060,900	56,747,500
<b>Restricted Funds</b>					
Current Receipts	104,094,600	99,081,100	117,936,200	121,153,900	124,536,700
<b>Total Restricted Funds</b>	104,094,600	99,081,100	117,936,200	121,153,900	124,536,700
<b>Federal Fund</b>					
Current Receipts	27,915,200	42,555,600	49,745,800	36,805,800	36,805,800
CRF Receipts		1,771,800			
<b>Total Federal Fund</b>	27,915,200	44,327,400	49,745,800	36,805,800	36,805,800
<b>TOTAL SOURCE OF FUNDS</b>	170,476,600	180,855,500	211,006,900	209,020,600	218,090,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	73,355,300	71,292,300	84,179,200	81,932,600	83,035,400
Operating Expenses	23,276,800	24,555,500	35,455,900	37,567,600	39,608,300
Grants Loans Benefits	50,394,400	52,762,500	51,218,500	51,942,400	52,688,000
Debt Service	12,834,500	11,024,800	6,999,000	11,661,000	16,323,000
Capital Outlay	4,382,200	4,417,700	33,154,300	25,917,000	26,435,300
<b>TOTAL EXPENDITURES</b>	164,243,200	164,052,800	211,006,900	209,020,600	218,090,000
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	38,466,800	37,447,000	43,324,900	51,060,900	56,747,500
Restricted Funds	96,257,800	78,102,900	117,936,200	121,153,900	124,536,700
Federal Fund	29,518,600	48,502,900	49,745,800	36,805,800	36,805,800
<b>TOTAL EXPENDITURES</b>	164,243,200	164,052,800	211,006,900	209,020,600	218,090,000
<b>EXPENDITURES BY UNIT</b>					
Instruction	39,976,800	39,859,700	44,970,500	46,910,800	47,834,600
Research	2,156,400	3,896,800	7,325,400	6,302,300	6,404,200
Public Service	6,033,700	6,179,400	10,529,400	11,066,300	11,180,300
Libraries	2,456,100	2,288,300	2,477,400	2,523,900	2,574,100
Academic Support	4,547,300	3,983,700	6,967,500	7,312,400	7,448,100
Student Services	19,412,200	18,295,100	18,563,300	19,104,900	19,477,200
Institutional Support	11,630,700	27,735,200	27,432,200	17,597,100	19,395,400
Operation and Maintenance of Plant	9,357,900	10,125,900	8,130,900	8,206,700	8,372,300
Scholarships and Fellowships	46,019,400	47,960,200	48,300,600	49,024,500	49,770,100
Mandatory Transfers	4,668,000	3,706,000	2,606,500	7,268,500	11,930,500
Non-Mandatory Transfers	-3,777,800	-17,943,000	17,003,000	17,003,000	17,003,000
Auxilliary Enterprises	21,762,500	17,965,500	16,700,200	16,700,200	16,700,200
<b>TOTAL EXPENDITURES</b>	164,243,200	164,052,800	211,006,900	209,020,600	218,090,000

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

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

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

## **Policy**

The Governor's budget includes an additional \$3,074,000 in fiscal year 2023 and \$4,098,600 in fiscal year 2024 from the General Fund, which represents an 8.8% and 11.73% increase respectively for university operations.

Included in the General Fund is \$8,393,400 in each fiscal year for Morehead State University's Mandated Programs, including \$3,480,400 for the Craft Academy for Excellence in Science and Mathematics and \$4,913,000 for the Fixed Allocation Pension Subsidy.

General Fund in the amount of \$4,662,000 in fiscal year 2023 and \$9,324,000 in fiscal year 2024 is included for debt service on new bonds included in the capital budget.

**Postsecondary Education  
Murray State University**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	44,581,400	43,753,800	47,024,700	51,501,400	53,599,000
Other		-1,011,200			
<b>Total General Fund</b>	44,581,400	42,742,600	47,024,700	51,501,400	53,599,000
<b>Restricted Funds</b>					
Current Receipts	90,207,500	53,256,600	103,640,000	103,967,100	104,294,200
<b>Total Restricted Funds</b>	90,207,500	53,256,600	103,640,000	103,967,100	104,294,200
<b>Federal Fund</b>					
Current Receipts	22,708,100	36,613,400	34,812,400	34,812,400	34,812,400
CRF Receipts		2,022,400			
<b>Total Federal Fund</b>	22,708,100	38,635,800	34,812,400	34,812,400	34,812,400
<b>TOTAL SOURCE OF FUNDS</b>	157,497,000	134,635,000	185,477,100	190,280,900	192,705,600
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	100,008,300	95,357,400	102,732,600	102,732,600	102,732,600
Operating Expenses	49,299,000	48,940,900	55,119,800	59,015,600	60,532,300
Grants Loans Benefits	681,700	-16,611,500	19,581,600	19,581,600	19,581,600
Debt Service	6,449,000	5,881,400	7,236,700	8,144,700	9,052,700
Capital Outlay	1,059,000	1,066,800	806,400	806,400	806,400
<b>TOTAL EXPENDITURES</b>	157,497,000	134,635,000	185,477,100	190,280,900	192,705,600
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	44,581,400	42,742,600	47,024,700	51,501,400	53,599,000
Restricted Funds	90,207,500	53,256,600	103,640,000	103,967,100	104,294,200
Federal Fund	22,708,100	38,635,800	34,812,400	34,812,400	34,812,400
<b>TOTAL EXPENDITURES</b>	157,497,000	134,635,000	185,477,100	190,280,900	192,705,600
<b>EXPENDITURES BY UNIT</b>					
Instruction	57,729,000	57,210,400	58,240,900	58,240,900	58,240,900
Research	2,481,800	3,183,500	3,239,600	3,239,600	3,239,600
Public Service	5,615,100	4,295,000	6,222,700	6,222,700	6,222,700
Libraries	3,439,200	3,581,500	3,588,400	3,588,400	3,588,400
Academic Support	6,699,200	6,629,600	7,438,200	7,438,200	7,438,200
Student Services	1,169,400	-19,396,600	7,786,500	7,786,500	7,786,500
Institutional Support	16,224,900	16,239,000	21,302,700	25,198,500	26,715,200
Operation and Maintenance of Plant	28,946,900	26,117,900	24,446,300	24,446,300	24,446,300
Scholarships and Fellowships	17,106,500	19,468,000	23,731,500	23,731,500	23,731,500
Mandatory Transfers	6,449,000	5,881,400	6,095,400	7,003,400	7,911,400
Non-Mandatory Transfers	3,349,000	1,970,700	2,947,700	2,947,700	2,947,700
Auxilliary Enterprises	8,287,000	9,454,600	20,437,200	20,437,200	20,437,200
<b>TOTAL EXPENDITURES</b>	157,497,000	134,635,000	185,477,100	190,280,900	192,705,600

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

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

## **Policy**

The Governor's budget includes additional General Fund support of \$3,568,700 in fiscal year 2023 and \$4,758,300 in fiscal year 2024, which represents an 8.8% and 11.73% increase respectively for university operations.

Included in the above General Fund is \$6,470,900 in each fiscal year for Murray State's Mandated Programs, including \$3,200,000 for the Breathitt Veterinary Center and \$3,270,900 for the Fixed Allocation Pension Subsidy.

General Fund in the amount of \$908,000 in fiscal year 2023 and \$1,816,000 in fiscal year 2024 is included for debt service on new bonds included in the capital budget.

**Postsecondary Education  
Northern Kentucky University**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	47,974,500	51,280,500	52,247,500	64,386,900	70,465,800
Postsecondary Ed Performance	4,325,500	967,000	2,902,700		
Other		-1,207,500			
<b>Total General Fund</b>	<b>52,300,000</b>	<b>51,040,000</b>	<b>55,150,200</b>	<b>64,386,900</b>	<b>70,465,800</b>
<b>Restricted Funds</b>					
Current Receipts	189,381,700	199,178,300	199,178,300	199,178,300	199,178,300
<b>Total Restricted Funds</b>	<b>189,381,700</b>	<b>199,178,300</b>	<b>199,178,300</b>	<b>199,178,300</b>	<b>199,178,300</b>
<b>Federal Fund</b>					
Current Receipts	13,075,600	10,660,600	13,075,600	13,075,600	13,075,600
CRF Receipts		2,415,000			
<b>Total Federal Fund</b>	<b>13,075,600</b>	<b>13,075,600</b>	<b>13,075,600</b>	<b>13,075,600</b>	<b>13,075,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>254,757,300</b>	<b>263,293,900</b>	<b>267,404,100</b>	<b>276,640,800</b>	<b>282,719,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	170,572,600	161,377,900	166,320,500	166,320,500	166,320,500
Operating Expenses	42,065,800	37,419,900	29,013,600	33,750,300	35,329,200
Grants Loans Benefits	24,541,800	46,901,000	44,424,600	44,424,600	44,424,600
Debt Service	11,235,300	12,466,300	23,394,400	27,894,400	32,394,400
Capital Outlay	6,341,800	5,128,800	4,251,000	4,251,000	4,251,000
<b>TOTAL EXPENDITURES</b>	<b>254,757,300</b>	<b>263,293,900</b>	<b>267,404,100</b>	<b>276,640,800</b>	<b>282,719,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	52,300,000	51,040,000	55,150,200	64,386,900	70,465,800
Restricted Funds	189,381,700	199,178,300	199,178,300	199,178,300	199,178,300
Federal Fund	13,075,600	13,075,600	13,075,600	13,075,600	13,075,600
<b>TOTAL EXPENDITURES</b>	<b>254,757,300</b>	<b>263,293,900</b>	<b>267,404,100</b>	<b>276,640,800</b>	<b>282,719,700</b>
<b>EXPENDITURES BY UNIT</b>					
Instruction	87,386,100	90,166,200	93,944,800	93,944,800	93,944,800
Research	785,600	758,600	182,600	182,600	182,600
Public Service	8,145,900	7,299,100	6,170,400	6,170,400	6,170,400
Libraries	5,361,500	5,293,500	6,604,400	6,604,400	6,604,400
Academic Support	24,135,200	23,276,600	25,468,200	25,468,200	25,468,200
Student Services	27,801,100	25,218,000	20,915,500	20,915,500	20,915,500
Institutional Support	34,857,100	32,927,500	22,419,800	27,156,500	28,735,400
Operation and Maintenance of Plant	20,078,600	17,520,800	17,193,100	17,193,100	17,193,100
Scholarships and Fellowships	24,097,200	46,245,000	44,082,600	44,082,600	44,082,600
Mandatory Transfers	5,709,900	5,756,000	16,265,500	20,765,500	25,265,500
Non-Mandatory Transfers	2,176,500	-4,465,900	-931,400	-931,400	-931,400
Auxilliary Enterprises	14,222,600	13,298,500	15,088,600	15,088,600	15,088,600
<b>TOTAL EXPENDITURES</b>	<b>254,757,300</b>	<b>263,293,900</b>	<b>267,404,100</b>	<b>276,640,800</b>	<b>282,719,700</b>

Northern Kentucky University is the only one of Kentucky's comprehensive universities that did not start as an institution for training teachers. NKU began as a community college under the University of Kentucky and became an autonomous institution by an act of the General Assembly in 1968. Upper division courses were offered beginning in 1971, the same year that Salmon P. Chase College of Law merged with what was then known as Northern Kentucky State College. Today there are over 14,000 students enrolled. Although about one-third are non-residents, the Kentuckians among them come from 106 of the state's 120 counties. Boone, Kenton and Campbell counties in northern Kentucky account for 7,227 students. Due to limited dormitory space, 80% of undergraduates commute.

Between 45% and 50% of NKU's first time, full-time students are first generation college-goers. The university seeks to provide support services that make it possible for all members of its diverse student body to succeed. Academic advisors use a web-based system to proactively identify students who are "off path" for timely degree completion and suggest changes to guide students to a degree. Another particular focus is on transfer students, reflecting NKU's continuing connection with Gateway Community and Technical College. Gateway2NKU maintains 39 program pathways for seamless transfer between the institutions. Social work pathway participants, for example, graduate in three semesters after transfer to NKU.

### **Policy**

The Governor's budget includes additional General Fund support of \$4,736,700 in fiscal year 2023 and \$6,315,600 in fiscal year 2024, which represents an 8.8% and 11.73% increase respectively for university operations.

Included in the above General Fund is \$1,323,900 in each fiscal year for NKU's Mandated Program, the Kentucky Center for Mathematics.

General Fund in the amount of \$4,500,000 in fiscal year 2023 and \$9,000,000 in fiscal year 2024 is included for debt service on new bonds included in the capital budget.



**Postsecondary Education  
University of Kentucky**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	246,563,900	258,609,200	265,230,800	300,351,500	318,195,200
Postsecondary Ed Performance	14,492,500	6,621,600	6,086,400		
Other		-6,130,000			
<b>Total General Fund</b>	<b>261,056,400</b>	<b>259,100,800</b>	<b>271,317,200</b>	<b>300,351,500</b>	<b>318,195,200</b>
<b>Restricted Funds</b>					
Current Receipts	3,438,487,800	3,703,229,000	4,483,925,500	6,770,959,000	10,891,355,400
<b>Total Restricted Funds</b>	<b>3,438,487,800</b>	<b>3,703,229,000</b>	<b>4,483,925,500</b>	<b>6,770,959,000</b>	<b>10,891,355,400</b>
<b>Federal Fund</b>					
Current Receipts	283,850,700	364,035,500	323,260,000	422,800,000	450,037,700
CRF Receipts		12,260,000			
<b>Total Federal Fund</b>	<b>283,850,700</b>	<b>376,295,500</b>	<b>323,260,000</b>	<b>422,800,000</b>	<b>450,037,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>3,983,394,900</b>	<b>4,338,625,300</b>	<b>5,078,502,700</b>	<b>7,494,110,500</b>	<b>11,659,588,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,054,291,700	2,151,995,100	2,264,857,100	2,912,157,300	3,898,811,500
Operating Expenses	1,254,047,400	1,470,780,500	2,288,935,900	3,971,739,100	7,031,895,800
Grants Loans Benefits	58,508,000	58,546,400	244,175,800	249,214,500	252,658,600
Debt Service	86,617,300	93,198,000	91,971,300	104,221,000	110,491,800
Capital Outlay	96,352,700	143,264,300	188,562,600	256,778,600	365,730,600
<b>TOTAL EXPENDITURES</b>	<b>3,549,817,100</b>	<b>3,917,784,300</b>	<b>5,078,502,700</b>	<b>7,494,110,500</b>	<b>11,659,588,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	261,056,400	259,100,800	271,317,200	300,351,500	318,195,200
Restricted Funds	3,004,910,000	3,282,388,000	4,483,925,500	6,770,959,000	10,891,355,400
Federal Fund	283,850,700	376,295,500	323,260,000	422,800,000	450,037,700
<b>TOTAL EXPENDITURES</b>	<b>3,549,817,100</b>	<b>3,917,784,300</b>	<b>5,078,502,700</b>	<b>7,494,110,500</b>	<b>11,659,588,300</b>
<b>EXPENDITURES BY UNIT</b>					
Instruction	327,982,400	302,283,900	467,083,800	485,403,000	495,072,600
Research	313,129,300	321,027,000	457,605,900	529,839,600	556,939,400
Public Service	680,453,100	696,609,100	243,858,000	284,810,600	304,677,800
Libraries	26,353,900	22,632,400	25,948,900	26,525,000	27,110,000
Academic Support	89,797,600	91,593,400	102,770,800	105,001,700	107,260,900
Student Services	45,549,700	60,281,600	54,669,600	55,782,100	56,830,200
Institutional Support	7,393,300	73,085,100	184,300,600	197,547,700	206,461,900
Operation and Maintenance of Plant	72,154,400	70,674,700	98,432,900	102,800,700	107,235,500
Scholarships and Fellowships	58,508,000	58,546,400	244,175,800	249,214,500	252,658,600
Mandatory Transfers	23,329,600	27,105,400	24,923,300	37,173,000	43,443,800
Non-Mandatory Transfers	-129,677,200	-12,832,100			
Auxilliary Enterprises	231,307,500	187,555,100	251,928,100	268,918,800	292,935,500
Hospitals	1,803,535,500	2,019,222,300	2,922,805,000	5,151,093,800	9,208,962,100
<b>TOTAL EXPENDITURES</b>	<b>3,549,817,100</b>	<b>3,917,784,300</b>	<b>5,078,502,700</b>	<b>7,494,110,500</b>	<b>11,659,588,300</b>

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

The University campus is undergoing dramatic physical change. In the past eight years, UK has completed, initiated, or approved more than \$2.5 billion in capital investment focused on living, learning, health care, research, and dining spaces.

University researchers employ over 8,000 Kentuckians who generate over \$21 million in state and local taxes annually. Currently on-going investigations include problems of aging, cancer, cardiovascular and neuro-generative diseases; renewable fuels and plant-based alternatives for industrial manufacturing; drug development and delivery system design; plant bio-tech; equine health; and materials for medical devices and implants.

## **Policy**

The Governor's budget includes additional General Fund support of \$16,785,800 in fiscal year 2023 and \$22,381,000 in fiscal year 2024, which represents an 8.8% and 11.73% increase respectively for university operations.

Included in the above General Fund is \$80,568,800 in each fiscal year for UK's Mandated Programs, including:

- \$31,275,300 in each year for the College of Agriculture Cooperative Extension Service;
- \$29,479,600 in each year for the Kentucky Agricultural Experiment Station;
- \$5,176,200 in each year for the Center for Applied Energy Research;
- \$4,076,300 in each year for the Kentucky Geological Survey;
- \$4,034,200 in each year for the Veterinary Diagnostic Laboratory;
- \$2,040,500 in each year for the Sanders-Brown Center on Aging;
- \$1,800,000 in each year for the College of Agriculture Division of Regulatory Services;
- \$600,000 in each year for the College of Agriculture Kentucky Small Business Development Center;
- \$586,300 in each year for the University Press of Kentucky;
- \$500,000 in each year for the Human Development Institute Supported Higher Education Project;
- \$450,200 in each year for the Center for Excellence in Rural Health;
- \$450,200 in each year for the Kentucky Cancer Registry; and
- \$100,000 in each year for the Sports Medicine Research Institute.

The \$500,000 for the Supported Higher Education Project comes from Lottery funds.

General Fund in the amount of \$12,248,500 in fiscal year 2023 and \$24,497,000 in fiscal year 2024 is included for debt service on new bonds included in the capital budget.

**Postsecondary Education  
University of Louisville**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	123,290,400	124,117,900	127,156,800	145,400,500	152,792,900
Postsecondary Ed Performance	3,343,300	2,938,900	2,972,500		
Other		-2,936,500			
<b>Total General Fund</b>	<b>126,633,700</b>	<b>124,120,300</b>	<b>130,129,300</b>	<b>145,400,500</b>	<b>152,792,900</b>
<b>Restricted Funds</b>					
Current Receipts	930,814,800	945,525,800	1,000,934,100	1,042,682,700	1,077,738,100
<b>Total Restricted Funds</b>	<b>930,814,800</b>	<b>945,525,800</b>	<b>1,000,934,100</b>	<b>1,042,682,700</b>	<b>1,077,738,100</b>
<b>Federal Fund</b>					
Current Receipts	134,971,900	156,605,000	204,190,000	205,060,300	211,713,300
CRF Receipts		5,873,000			
<b>Total Federal Fund</b>	<b>134,971,900</b>	<b>162,478,000</b>	<b>204,190,000</b>	<b>205,060,300</b>	<b>211,713,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,192,420,400</b>	<b>1,232,124,100</b>	<b>1,335,253,400</b>	<b>1,393,143,500</b>	<b>1,442,244,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	673,060,100	656,512,200	708,545,700	725,688,100	753,470,000
Operating Expenses	384,272,000	430,528,700	430,537,100	462,309,500	475,340,900
Grants Loans Benefits	98,619,400	101,886,900	157,408,800	161,468,500	165,636,700
Debt Service	30,070,100	30,231,500	27,175,800	31,743,800	35,505,100
Capital Outlay	6,398,800	12,964,800	11,586,000	11,933,600	12,291,600
<b>TOTAL EXPENDITURES</b>	<b>1,192,420,400</b>	<b>1,232,124,100</b>	<b>1,335,253,400</b>	<b>1,393,143,500</b>	<b>1,442,244,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	126,633,700	124,120,300	130,129,300	145,400,500	152,792,900
Restricted Funds	930,814,800	945,525,800	1,000,934,100	1,042,682,700	1,077,738,100
Federal Fund	134,971,900	162,478,000	204,190,000	205,060,300	211,713,300
<b>TOTAL EXPENDITURES</b>	<b>1,192,420,400</b>	<b>1,232,124,100</b>	<b>1,335,253,400</b>	<b>1,393,143,500</b>	<b>1,442,244,300</b>
<b>EXPENDITURES BY UNIT</b>					
Instruction	240,357,700	248,360,800	269,148,600	276,365,800	284,161,100
Research	173,219,900	178,987,600	193,969,000	200,458,000	207,124,500
Public Service	72,921,600	75,349,600	81,656,500	84,375,600	87,172,000
Libraries	15,783,300	16,308,800	17,673,800	19,993,300	20,507,500
Academic Support	208,275,200	215,210,100	233,223,300	241,716,600	249,037,800
Student Services	35,022,900	36,189,100	39,218,100	40,118,000	41,130,300
Institutional Support	112,906,500	116,665,900	126,430,900	141,451,400	149,116,000
Operation and Maintenance of Plant	58,094,700	60,029,100	65,053,500	66,687,100	68,481,100
Scholarships and Fellowships	140,570,600	145,251,100	157,408,800	162,043,000	166,938,700
Mandatory Transfers	15,942,400	16,473,300	17,852,100	21,859,000	25,918,100
Auxilliary Enterprises	119,325,600	123,298,700	133,618,800	138,075,700	142,657,200
<b>TOTAL EXPENDITURES</b>	<b>1,192,420,400</b>	<b>1,232,124,100</b>	<b>1,335,253,400</b>	<b>1,393,143,500</b>	<b>1,442,244,300</b>

The University of Louisville is Kentucky's metropolitan research university, with missions of teaching, research and service. Located in the state's largest city, U of L operates on three campuses: the historic Belknap Campus, the Health Sciences Campus in downtown Louisville's medical complex, and the Shelby Campus in suburban Jefferson County.

The University of Louisville's researchers focus on translational research, new knowledge and discoveries that can improve people's lives now. The Nucleus facility downtown was developed with innovative tax-increment financing to incubate and accelerate business entities that provide the bridges from the academy into the larger world. The FirstBuild micro-factory on the Belknap campus designs and builds the next generation of home appliances in collaboration with GE Appliances and Local Motors. Medical research focuses on treatment of pediatric spinal cord injuries, biodefense and emerging infectious diseases, and cancer. Development continues at the Shelby Campus where a conference center and hotel are planned.

## **Policy**

The Governor's budget includes additional General Fund support of \$11,368,200 in fiscal year 2023 and \$15,157,600 in fiscal year 2024, which represents an 8.8% and 11.73% increase respectively for university operations.

Included in the above General Fund is \$945,200 in each fiscal year for U of L's Mandated Programs, including \$695,200 for the Rural Health Education Program, \$150,000 for the Kentucky Autism Training Center, and \$100,000 for Drug Addiction Outreach by the Dental School.

General Fund in the amount of \$3,603,000 in fiscal year 2023 and \$7,206,000 in fiscal year 2024 is included for debt service on new bonds included in the capital budget.

The Governor's budget includes an additional \$300,000 from the General Fund in fiscal years 2023 and 2024 for a new Center for Military-Connected Students. The university has the most military-connected students of all the public postsecondary education institutions. This is a Mandated Program in addition to those mentioned above.

**Postsecondary Education  
Western Kentucky University**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	69,344,200	72,596,200	76,946,600	88,259,900	94,125,500
Postsecondary Ed Performance	4,379,100	757,900	1,398,800		
Other		-1,695,400			
<b>Total General Fund</b>	<b>73,723,300</b>	<b>71,658,700</b>	<b>78,345,400</b>	<b>88,259,900</b>	<b>94,125,500</b>
<b>Restricted Funds</b>					
Current Receipts	168,028,000	143,704,800	264,991,900	268,683,500	268,683,500
<b>Total Restricted Funds</b>	<b>168,028,000</b>	<b>143,704,800</b>	<b>264,991,900</b>	<b>268,683,500</b>	<b>268,683,500</b>
<b>Federal Fund</b>					
Current Receipts	34,574,400	29,998,300	32,340,000	32,340,000	32,340,000
CRF Receipts		3,390,800			
<b>Total Federal Fund</b>	<b>34,574,400</b>	<b>33,389,100</b>	<b>32,340,000</b>	<b>32,340,000</b>	<b>32,340,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>276,325,700</b>	<b>248,752,600</b>	<b>375,677,300</b>	<b>389,283,400</b>	<b>395,149,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	147,752,900	138,318,800	187,410,200	189,343,900	188,984,600
Operating Expenses	48,865,300	46,768,800	68,683,200	76,514,700	78,898,600
Grants Loans Benefits	28,991,600	28,789,100	116,946,700	116,946,700	116,946,700
Debt Service				3,841,000	7,682,000
Capital Outlay	50,715,900	34,875,900	2,637,200	2,637,100	2,637,100
<b>TOTAL EXPENDITURES</b>	<b>276,325,700</b>	<b>248,752,600</b>	<b>375,677,300</b>	<b>389,283,400</b>	<b>395,149,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	73,723,300	71,658,700	78,345,400	88,259,900	94,125,500
Restricted Funds	168,028,000	143,704,800	264,991,900	268,683,500	268,683,500
Federal Fund	34,574,400	33,389,100	32,340,000	32,340,000	32,340,000
<b>TOTAL EXPENDITURES</b>	<b>276,325,700</b>	<b>248,752,600</b>	<b>375,677,300</b>	<b>389,283,400</b>	<b>395,149,000</b>
<b>EXPENDITURES BY UNIT</b>					
Instruction	94,455,500	86,146,600	105,517,400	108,849,800	108,490,500
Research	5,850,400	4,847,800	5,416,200	5,416,100	5,416,100
Public Service	14,851,800	14,651,200	15,663,300	15,663,400	15,663,400
Libraries	4,563,200	3,965,800	7,690,700	7,690,800	7,690,800
Academic Support	19,409,900	18,214,800	26,423,200	26,423,200	26,423,200
Student Services	31,132,400	27,015,000	35,889,600	35,889,600	35,889,600
Institutional Support	35,020,800	52,941,600	29,270,800	35,703,400	38,087,300
Operation and Maintenance of Plant	26,316,100	29,382,100	34,691,500	34,691,500	34,691,500
Scholarships and Fellowships	27,932,900	27,790,500	87,338,000	87,338,000	87,338,000
Mandatory Transfers			11,482,800	15,323,800	19,164,800
Non-Mandatory Transfers	-20,036,400	-44,825,500			
Auxilliary Enterprises	36,829,100	28,622,700	16,293,800	16,293,800	16,293,800
<b>TOTAL EXPENDITURES</b>	<b>276,325,700</b>	<b>248,752,600</b>	<b>375,677,300</b>	<b>389,283,400</b>	<b>395,149,000</b>

Founded in 1906, Western Kentucky University is the largest of Kentucky's six comprehensive postsecondary institutions with nearly 20,000 students on the main campus in Bowling Green and at regional campuses in Glasgow, Owensboro and Elizabethtown. In addition to its traditional mission to train teachers and education leaders for the schools in its service area, WKU provides academic programs in liberal arts and sciences, business, engineering, health sciences and agriculture.

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

In 2018, 646 WKU students participated in study abroad in 28 countries. WKU students also enjoy a global experience through the presence of faculty and fellow students recruited from around the world. The Confucius Institute expands knowledge and strengthens ties with China through language education and arts and cultural programming.

**Policy**

The Governor's budget includes additional General Fund support of \$6,073,500 in fiscal year 2023 and \$8,098,100 in fiscal year 2024, which represents an 8.8% and 11.73% increase respectively for university operations.

Included in the above General Fund is \$9,327,600 in each fiscal year for WKU's Mandated Programs, including \$4,985,100 for the Gatton Academy of Mathematics and Science, \$3,592,500 for the Fixed Allocation Pension Subsidy and \$750,000 for the Kentucky Mesonet.

General Fund in the amount of \$3,841,000 in fiscal year 2023 and \$7,682,000 in fiscal year 2024 is included for debt service on new bonds included in the capital budget.

**Postsecondary Education**  
**Kentucky Community and Technical College System**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	166,034,000	171,265,800	175,435,900	195,586,600	201,961,700
Postsecondary Ed Performance	8,547,000	3,315,200	3,826,500		
Special Appropriation			5,000,000		
Other		-4,034,900			
<b>Total General Fund</b>	<b>174,581,000</b>	<b>170,546,100</b>	<b>184,262,400</b>	<b>195,586,600</b>	<b>201,961,700</b>
<b>Restricted Funds</b>					
Current Receipts	271,431,900	194,252,500	495,599,500	500,248,000	505,307,800
<b>Total Restricted Funds</b>	<b>271,431,900</b>	<b>194,252,500</b>	<b>495,599,500</b>	<b>500,248,000</b>	<b>505,307,800</b>
<b>Federal Fund</b>					
Current Receipts	195,955,800	274,110,200	391,780,700	391,780,700	391,780,700
CRF Receipts		8,069,800			
<b>Total Federal Fund</b>	<b>195,955,800</b>	<b>282,180,000</b>	<b>391,780,700</b>	<b>391,780,700</b>	<b>391,780,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>641,968,700</b>	<b>646,978,600</b>	<b>1,071,642,600</b>	<b>1,087,615,300</b>	<b>1,099,050,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	259,746,500	272,853,900	372,595,600	376,096,900	378,237,300
Operating Expenses	171,582,100	187,406,600	252,751,500	330,454,200	336,984,300
Grants Loans Benefits	83,151,200	88,963,600	341,020,700	169,744,500	170,442,300
Debt Service	7,871,000	12,846,400	9,000,000	10,400,500	11,801,000
Capital Outlay	119,617,900	84,908,100	96,274,800	200,919,200	201,585,100
<b>TOTAL EXPENDITURES</b>	<b>641,968,700</b>	<b>646,978,600</b>	<b>1,071,642,600</b>	<b>1,087,615,300</b>	<b>1,099,050,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	174,581,000	170,546,100	184,262,500	195,586,600	201,961,700
Restricted Funds	271,431,900	194,252,500	495,599,500	500,248,000	505,307,600
Federal Fund	195,955,800	282,180,000	391,780,600	391,780,700	391,780,700
<b>TOTAL EXPENDITURES</b>	<b>641,968,700</b>	<b>646,978,600</b>	<b>1,071,642,600</b>	<b>1,087,615,300</b>	<b>1,099,050,000</b>
<b>EXPENDITURES BY UNIT</b>					
Instruction	160,411,100	170,059,100	319,729,200	322,689,200	324,433,600
Public Service	28,196,400	24,021,400	53,088,200	53,131,600	53,532,600
Libraries	4,328,700	3,650,900	7,525,900	35,271,000	35,489,300
Academic Support	21,333,900	20,571,400	35,323,700	7,533,500	7,591,200
Student Services	38,919,300	38,863,100	80,236,500	80,004,500	80,433,600
Institutional Support	54,194,600	49,416,600	106,178,400	121,099,700	126,858,000
Operation and Maintenance of Plant	73,387,300	63,876,000	52,853,100	149,145,400	150,209,900
Scholarships and Fellowships	133,708,500	178,765,600	311,432,800	208,339,900	208,700,800
Mandatory Transfers	7,871,000	8,023,300	9,000,000	10,400,500	11,801,000
Non-Mandatory Transfers	119,617,900	89,731,200	96,274,800	100,000,000	100,000,000
<b>TOTAL EXPENDITURES</b>	<b>641,968,700</b>	<b>646,978,600</b>	<b>1,071,642,600</b>	<b>1,087,615,300</b>	<b>1,099,050,000</b>

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

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

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

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

### **Policy**

Included in the above General Fund is \$14,674,300 in fiscal year 2022 and \$9,674,300 in fiscal years 2023 and 2024 for KCTCS' Mandated Programs, including:

- \$5,000,000 in fiscal year 2022 for KCTCS-TRAINS program grants for an economic development project in Hardin County (see SB5, 2021 Special Session);
- \$4,149,800 in each year for the KCTCS-TRAINS program;
- \$1,869,900 in each year for the State Fire Rescue Training;
- \$1,799,700 in each year for the Kentucky Board of Emergency Medical Services;
- \$1,000,000 in each year for the Adult Agriculture Education program; and
- \$854,900 in each year for the Fixed Allocation Pension Subsidy.

Included in KCTCS' Restricted Fund appropriation is \$53,488,100 in fiscal year 2023 and \$53,867,800 in fiscal year 2024 for the Firefighters Foundation Program Fund, which includes \$3,321,700 in fiscal year 2023 and \$3,354,900 in fiscal year 2024 for a \$600 increase in the annual firefighter incentive payment, bringing it from \$4,000 to \$4,600 annually.

The Governor's budget includes additional General Fund support of \$14,923,700 in fiscal year 2023 and \$19,898,300 in fiscal year 2024, which represents an 8.8% and 11.73% increase respectively for community and technical college operations.

General Fund in the amount of \$1,400,500 in fiscal year 2023 and \$2,801,000 in fiscal year 2024 is included for debt service on new bonds included in the capital budget.



**Postsecondary Education**  
**Postsecondary Education Performance Fund**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	38,665,800	14,994,800	17,307,100		
Postsecondary Ed Performance	-38,665,800	-14,994,800	-17,307,100		
<b>Total General Fund</b>					
<b>TOTAL SOURCE OF FUNDS</b>					
<b>EXPENDITURES BY CLASS</b>					
<b>TOTAL EXPENDITURES</b>					
<b>EXPENDITURES BY FUND SOURCE</b>					
<b>TOTAL EXPENDITURES</b>					

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

**Policy**

The Governor’s budget recommends that the fiscal year 2022 distribution of the Performance Fund remain in each university’s base General Fund appropriation in fiscal years 2023 and 2024.

# Public Protection

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	<b>Public Protection</b>				
	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	7,178,100	5,312,900	7,324,200	8,701,900	9,135,600
Current Year Appropriation			16,700		
Reorganization Adjustment	652,700				
<b>Total General Fund</b>	<b>7,830,800</b>	<b>5,312,900</b>	<b>7,340,900</b>	<b>8,701,900</b>	<b>9,135,600</b>
<b>Restricted Funds</b>					
Balance Forward	116,330,483	133,035,044	158,678,700	175,110,700	199,008,600
Current Receipts	116,723,129	120,010,689	119,508,200	124,001,200	125,640,700
Non-Revenue Receipts	37,354,335	55,471,495	49,479,600	25,088,600	48,129,600
Fund Transfers	-23,000,000	-35,225,000	-35,000,000		
<b>Total Restricted Funds</b>	<b>247,407,948</b>	<b>273,292,228</b>	<b>292,666,500</b>	<b>324,200,500</b>	<b>372,778,900</b>
<b>Federal Fund</b>					
Balance Forward	-37,399	-2,273	-14,500		
Current Receipts	723,500	36,040,627	23,510,800	479,496,200	996,200
<b>Total Federal Fund</b>	<b>686,101</b>	<b>36,038,355</b>	<b>23,496,300</b>	<b>479,496,200</b>	<b>996,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>255,924,849</b>	<b>314,643,483</b>	<b>323,503,700</b>	<b>812,398,600</b>	<b>382,910,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	69,103,918	70,478,751	76,439,900	83,259,700	82,649,100
Operating Expenses	12,045,617	9,799,660	10,207,300	14,635,900	12,628,000
Grants Loans Benefits	39,545,258	75,425,589	61,539,800	514,037,400	39,033,200
Capital Outlay	357,780	257,022	206,000	1,457,000	1,028,000
Construction	641	613			
<b>TOTAL EXPENDITURES</b>	<b>121,053,213</b>	<b>155,961,635</b>	<b>148,393,000</b>	<b>613,390,000</b>	<b>135,338,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,991,936	5,294,866	7,340,900	8,701,900	9,135,600
Restricted Funds	114,372,904	114,613,890	117,555,800	125,191,900	125,206,500
Federal Fund	688,373	36,052,880	23,496,300	479,496,200	996,200
<b>TOTAL EXPENDITURES</b>	<b>121,053,213</b>	<b>155,961,635</b>	<b>148,393,000</b>	<b>613,390,000</b>	<b>135,338,300</b>
<b>EXPENDITURES BY UNIT</b>					
Secretary	8,743,669	44,767,975	31,824,100	486,049,700	9,584,800
Professional Licensing	3,321,673	3,545,675	5,255,600	7,317,500	5,337,700
Boxing and Wrestling Commission	161,680	139,410	177,800	181,800	182,400
Alcoholic Beverage Control	8,573,520	6,287,306	6,843,200	7,519,900	7,469,800
Charitable Gaming	3,443,382	3,787,551	3,815,500	3,928,700	3,921,300
Financial Institutions	12,607,551	12,312,308	12,817,600	14,566,200	14,618,600
Horse Racing Commission	45,259,245	46,092,946	45,761,000	47,647,500	47,675,300
Housing, Buildings and Construction	23,209,599	23,775,256	23,965,600	27,294,600	27,601,900
Insurance	13,624,154	13,449,618	15,654,500	16,572,800	16,629,800
Claims and Appeals	2,108,740	1,803,591	2,278,100	2,311,300	2,316,700
<b>TOTAL EXPENDITURES</b>	<b>121,053,213</b>	<b>155,961,635</b>	<b>148,393,000</b>	<b>613,390,000</b>	<b>135,338,300</b>

The Public Protection Cabinet's mission is to provide for public safety, consumer protection and financial integrity through the enforcement and administration of laws and regulations throughout the Commonwealth. The Cabinet has six departments:

- Department of Alcoholic Beverage Control
- Department of Charitable Gaming
- Department of Financial Institutions

- Department of Housing, Buildings and Construction
- Department of Insurance
- Department of Professional Licensing.

Attached to the Cabinet for administrative purposes only:

- Kentucky Horse Racing Commission
- Kentucky Boxing & Wrestling Commission
- Office of Claims and Appeals

The Office of the Secretary also includes the Office of Administrative Services, the Office of Communications and Public Outreach, Office of Administrative Hearings, and the Office of Legal Services.

**Public Protection  
Secretary**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Reorganization Adjustment	652,700				
<b>Total General Fund</b>	652,700				
<b>Restricted Funds</b>					
Balance Forward	1,424,587	1,311,516	786,300	851,900	434,400
Current Receipts	149,855	344,963	310,000	335,000	335,000
Non-Revenue Receipts	8,418,310	8,421,006	9,079,700	8,797,200	8,846,700
<b>Total Restricted Funds</b>	9,992,752	10,077,486	10,176,000	9,984,100	9,616,100
<b>Federal Fund</b>					
Current Receipts		35,476,701	22,500,000	476,500,000	
<b>Total Federal Fund</b>		35,476,701	22,500,000	476,500,000	
<b>TOTAL SOURCE OF FUNDS</b>	10,645,452	45,554,187	32,676,000	486,484,100	9,616,100
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	8,159,123	8,716,167	8,879,100	10,553,000	9,088,100
Operating Expenses	577,309	575,161	445,000	496,700	496,700
Grants Loans Benefits		35,476,646	22,500,000	475,000,000	
Capital Outlay	7,236				
<b>TOTAL EXPENDITURES</b>	8,743,669	44,767,975	31,824,100	486,049,700	9,584,800
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	62,433				
Restricted Funds	8,681,236	9,291,273	9,324,100	9,549,700	9,584,800
Federal Fund		35,476,701	22,500,000	476,500,000	
<b>TOTAL EXPENDITURES</b>	8,743,669	44,767,975	31,824,100	486,049,700	9,584,800
<b>EXPENDITURES BY UNIT</b>					
Office of the Secretary - Comm - Legal	8,743,669	44,767,975	31,824,100	486,049,700	9,584,800
<b>TOTAL EXPENDITURES</b>	8,743,669	44,767,975	31,824,100	486,049,700	9,584,800

The Office of the Secretary (OOS) provides leadership, management, and direction to the Public Protection Cabinet's (PPC) agencies to ensure the delivery of services is conducted in a consistent, ethical, and coordinated manner. Executive Order 2009-535, codified in KRS 12.252, established the PPC and OOS. In accordance with Executive Order 2020-821, the Office of Information Technology was created in the Office of the Secretary and transferred functions from the Department of Insurance and Alcoholic Beverage Control.

The Secretary, appointed by the Governor, is responsible for ensuring the enforcement of statutes and administrative regulations for programmatic areas within the cabinet, and establishes the focus for policy development as well as program priorities. The Secretary serves as the Chief Executive Officer of the cabinet and advises the Governor on policy matters relating to public protection issues.

The Office coordinates activities among the agencies organized under the Cabinet to provide the most efficient delivery of services to the citizens of the Commonwealth.

### Policy

Of the remaining \$1.0 billion from the State Fiscal Recovery Fund of the American Rescue Plan Act, the Governor proposes \$400 million for premium pay to essential workers. According to the federal guidance, essential workers are those in critical infrastructure sectors who regularly perform in-person work, interact with others at work, or physically handle items handled by others. Critical infrastructure sectors include healthcare, child care, transportation, sanitation, grocery, public health and safety, among others. To be eligible, essential workers must have worked for the two-year period of March 6, 2020 to March 6, 2022. If an essential worker has already received some type of premium pay, bonus, or hazard pay due to their employment during the pandemic, that amount may be reduced from this premium pay or result in no premium pay from these funds.

The recommended budget includes \$75 million in fiscal year 2023 from the State Fiscal Recovery Fund of the American Rescue Plan Act for direct assistance to eligible small nonprofit organizations with \$10 million dedicated to non-profit arts organizations. Eligible small nonprofit organizations are those with 50 or fewer full-time employees or a total of 50 or fewer full-time equivalent employees, based in Kentucky, providing services to Kentuckians. Other than arts organizations, the assistance is targeted to nonprofit organizations that provide services to the following populations most affected by COVID-19:

- People living at or below the federal poverty level
- People experiencing homelessness
- Communities of color
- Minimum or low-wage employees displaced by business closures
- Older adults living at or below the federal poverty level
- People who are immunocompromised or medically fragile
- Immigrant and refugee communities
- People with limited English proficiency
- People with disabilities
- People without health insurance
- Victims of domestic violence or child abuse; and
- Workers without access to paid sick leave

The Governor's budget includes \$1.5 million for administrative costs, including monitoring and reporting from the State Fiscal Recovery Fund.

**Public Protection  
Claims and Appeals**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,390,000	1,005,400	1,006,000	1,039,500	1,045,900
Current Year Appropriation			3,700		
<b>Total General Fund</b>	1,390,000	1,005,400	1,009,700	1,039,500	1,045,900
<b>Restricted Funds</b>					
Balance Forward	1,253,907	1,041,251	1,037,400	791,200	606,600
Current Receipts	750,766	651,361	665,000	730,000	765,000
<b>Total Restricted Funds</b>	2,004,674	1,692,613	1,702,400	1,521,200	1,371,600
<b>Federal Fund</b>					
Balance Forward	-22,773	-5			
Current Receipts	208,036	142,926	357,200	357,200	357,200
<b>Total Federal Fund</b>	185,263	142,921	357,200	357,200	357,200
<b>TOTAL SOURCE OF FUNDS</b>	3,579,937	2,840,933	3,069,300	2,917,900	2,774,700
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	878,100	909,811	1,312,800	1,335,700	1,342,400
Operating Expenses	841,765	619,339	680,300	690,600	689,300
Grants Loans Benefits	388,875	274,442	285,000	285,000	285,000
<b>TOTAL EXPENDITURES</b>	2,108,740	1,803,591	2,278,100	2,311,300	2,316,700
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	960,049	1,005,400	1,009,700	1,039,500	1,045,900
Restricted Funds	963,423	655,270	911,200	914,600	913,600
Federal Fund	185,268	142,921	357,200	357,200	357,200
<b>TOTAL EXPENDITURES</b>	2,108,740	1,803,591	2,278,100	2,311,300	2,316,700
<b>EXPENDITURES BY UNIT</b>					
Office of Claims and Appeals Administration	339,647	860,903	1,351,200	1,381,500	1,385,800
Office of Claims and Appeals Reparations	1,769,093	942,688	926,900	929,800	930,900
<b>TOTAL EXPENDITURES</b>	2,108,740	1,803,591	2,278,100	2,311,300	2,316,700

The Office of Claims and Appeals was created by Executive Order 2020-708. The Office consists of three separate and distinct administrative boards attached to the Office within the meaning of KRS 12:020: the Board of Tax Appeals, the Board of Claims and the Crime Victims Compensation Board.

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

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

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

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

**Public Protection  
Professional Licensing**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	7,650,504	10,082,924	10,510,700	9,734,200	8,125,100
Current Receipts	6,000,093	4,074,919	4,579,100	3,808,400	4,626,100
Non-Revenue Receipts	-246,000	-300,000	-300,000	-300,000	-300,000
<b>Total Restricted Funds</b>	<b>13,404,597</b>	<b>13,857,843</b>	<b>14,789,800</b>	<b>13,242,600</b>	<b>12,451,200</b>
<b>Federal Fund</b>					
Current Receipts		198,466	200,000	2,200,000	200,000
<b>Total Federal Fund</b>		<b>198,466</b>	<b>200,000</b>	<b>2,200,000</b>	<b>200,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>13,404,597</b>	<b>14,056,308</b>	<b>14,989,800</b>	<b>15,442,600</b>	<b>12,651,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,703,942	2,998,546	3,891,500	3,927,000	3,948,500
Operating Expenses	595,172	503,216	1,064,100	3,064,100	1,064,100
Grants Loans Benefits	22,059	43,913	300,000	326,400	325,100
Construction	500				
<b>TOTAL EXPENDITURES</b>	<b>3,321,673</b>	<b>3,545,675</b>	<b>5,255,600</b>	<b>7,317,500</b>	<b>5,337,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	3,321,673	3,347,209	5,055,600	5,117,500	5,137,700
Federal Fund		198,466	200,000	2,200,000	200,000
<b>TOTAL EXPENDITURES</b>	<b>3,321,673</b>	<b>3,545,675</b>	<b>5,255,600</b>	<b>7,317,500</b>	<b>5,337,700</b>
<b>EXPENDITURES BY UNIT</b>					
Occupations, Professions, and Licensing	1,451,280	1,635,385	1,917,100	3,948,700	1,961,700
Kentucky Real Estate Authority	1,870,393	1,910,290	3,338,500	3,368,800	3,376,000
<b>TOTAL EXPENDITURES</b>	<b>3,321,673</b>	<b>3,545,675</b>	<b>5,255,600</b>	<b>7,317,500</b>	<b>5,337,700</b>

KRS 224.10-052 initially established the Office of Occupations and Professions (O & P) with the responsibility of providing general administrative services to state regulatory boards/entities at the option of the board/commission. In April 2017, Executive Order 2017-325 was codified in KRS 324B.020 to restructure the Office, thus creating the Department of Professional Licensing (DPL). Through utilization of DPL services, these boards license and/or track licensure status for approximately 46,000 individuals/businesses throughout the Commonwealth each year.

The boards/entities served by DPL include:

- Kentucky Board of Certification of Alcohol and Drug Counselors
- Kentucky Board of Licensure and Certification for Dietitians and Nutritionists
- Kentucky Board of Licensure for Pastoral Counselors
- Kentucky Board of Ophthalmic Dispensers
- Kentucky Board of Licensure for Long-term Care Administrators
- Kentucky Board of Registration for Professional Geologists
- Kentucky Board of Interpreters for the Deaf and Hard of Hearing
- Kentucky Board of Licensed Professional Counselors
- Kentucky Board of Licensure of Marriage and Family Therapists
- Kentucky Licensing Board for Specialists in Hearing Instruments



- Kentucky Directory of Registered Athlete Agents
- Kentucky Board of Licensure for Massage Therapy
- Kentucky Board of Podiatry
- Kentucky Board of Licensure for Professional Art Therapists
- Kentucky Board of Chiropractic Examiners
- Kentucky Board of Examiners of Psychology
- Kentucky Board of Licensure for Occupational Therapy
- Kentucky Board of Speech-Language Pathology & Audiology
- Kentucky Board of Licensure for Private Investigators
- Kentucky Applied Behavior Analysis Licensing Board
- Kentucky Board of Prosthetics, Orthotics, and Pedorthics
- Kentucky Board of Licensed Diabetes Educators
- Kentucky Registry of Secondary Metals Recyclers
- Kentucky Board of Durable Medical Equipment Suppliers

Executive Order 2016-859 was codified in KRS 324B.050 to establish the Kentucky Real Estate Authority within the Department in order to provide oversight of the four professional licensing boards that serve functions in the real estate industry. The four boards were abolished and the Board of Real Estate Professionals, Kentucky Board of Real Estate Appraisers, Board of Home Inspectors and Kentucky Board of Auctioneers were recreated under the Authority. Each board under the Authority has five voting members and an Executive Director. The Real Estate Authority utilizes the administrative support services provided by the Department of Professional Licensing.

### **Policy**

Federal funds from the American Rescue Plan Act State Fiscal Recovery Fund in the amount of \$2,000,000 to finance a marketing and outreach program to highlight the nursing profession as part of a response to COVID-19, the nursing shortage and the anticipated need for 16,000 additional nurses by 2024.

**Public Protection  
Boxing and Wrestling Commission**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	311,997	242,474	155,700	113,900	68,100
Current Receipts	92,157	52,658	136,000	136,000	136,000
<b>Total Restricted Funds</b>	<b>404,154</b>	<b>295,133</b>	<b>291,700</b>	<b>249,900</b>	<b>204,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>404,154</b>	<b>295,133</b>	<b>291,700</b>	<b>249,900</b>	<b>204,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	140,296	128,766	139,100	163,700	165,000
Operating Expenses	21,384	10,644	38,700	18,100	17,400
<b>TOTAL EXPENDITURES</b>	<b>161,680</b>	<b>139,410</b>	<b>177,800</b>	<b>181,800</b>	<b>182,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	161,680	139,410	177,800	181,800	182,400
<b>TOTAL EXPENDITURES</b>	<b>161,680</b>	<b>139,410</b>	<b>177,800</b>	<b>181,800</b>	<b>182,400</b>
<b>EXPENDITURES BY UNIT</b>					
Boxing and Wrestling Commission	161,680	139,410	177,800	181,800	182,400
<b>TOTAL EXPENDITURES</b>	<b>161,680</b>	<b>139,410</b>	<b>177,800</b>	<b>181,800</b>	<b>182,400</b>

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

**Public Protection  
Alcoholic Beverage Control**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	6,591,883	5,658,019	4,756,300	4,472,700	3,795,800
Current Receipts	7,794,016	6,116,674	7,750,000	8,095,000	8,195,000
Non-Revenue Receipts	-653,427	-964,345	-1,629,500	-1,691,000	-1,786,000
<b>Total Restricted Funds</b>	<b>13,732,472</b>	<b>10,810,349</b>	<b>10,876,800</b>	<b>10,876,700</b>	<b>10,204,800</b>
<b>Federal Fund</b>					
Balance Forward	-14,626		-14,500		
Current Receipts	513,694	218,746	453,600	439,000	439,000
<b>Total Federal Fund</b>	<b>499,068</b>	<b>218,746</b>	<b>439,100</b>	<b>439,000</b>	<b>439,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>14,231,540</b>	<b>11,029,095</b>	<b>11,315,900</b>	<b>11,315,700</b>	<b>10,643,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	5,807,351	4,977,030	5,359,300	5,902,800	5,942,500
Operating Expenses	2,443,825	1,309,608	1,427,900	1,483,100	1,471,300
Capital Outlay	322,344	667	56,000	134,000	56,000
<b>TOTAL EXPENDITURES</b>	<b>8,573,520</b>	<b>6,287,306</b>	<b>6,843,200</b>	<b>7,519,900</b>	<b>7,469,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	8,074,452	6,054,034	6,404,100	7,080,900	7,030,800
Federal Fund	499,068	233,271	439,100	439,000	439,000
<b>TOTAL EXPENDITURES</b>	<b>8,573,520</b>	<b>6,287,306</b>	<b>6,843,200</b>	<b>7,519,900</b>	<b>7,469,800</b>
<b>EXPENDITURES BY UNIT</b>					
Administration, Enforcement and License	8,002,777	6,201,438	6,270,100	6,946,900	6,896,800
Tobacco Enforcement	570,743	85,868	573,100	573,000	573,000
<b>TOTAL EXPENDITURES</b>	<b>8,573,520</b>	<b>6,287,306</b>	<b>6,843,200</b>	<b>7,519,900</b>	<b>7,469,800</b>

The Department of Alcoholic Beverage Control (ABC) administers and enforces the laws and regulations relating to the manufacturing, sales, transportation, storage, advertising and trafficking of alcoholic beverages, except for the collection of taxes, as set out in the Kentucky Revised Statutes (KRS) Chapters 241 to 244 and title 804 of the Kentucky Administrative Regulations (KAR). The Commissioner is the Department's chief executive officer and serves as chairman of the separate three-member, quasi-judicial administrative body--Alcoholic Beverage Control Board (Board). The Distilled spirits and the malt beverage administrators review applications, sign licenses for issuance, and serve as two members of the Board. The Department's primary responsibility is to regulate the alcoholic beverage industry by licensing the production and sale of alcoholic beverages in the state of Kentucky, while enforcing the alcoholic beverage control laws.

The Department also implements laws, pursuant to KRS 438.300 – 438.350, relating to the use, display, sell or distribution of tobacco products with an emphasis on persons under the age of eighteen.

**Policy**

The Governor's budget includes Restricted Funds for a \$600 increase, to \$4,600, for the training incentive stipend in each fiscal year for alcoholic beverage control investigators. The stipend payments are provided from the Kentucky Law Enforcement Foundation Fund.

**Public Protection  
Charitable Gaming**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	5,967,674	6,882,529	6,265,800	6,284,600	6,312,000
Current Receipts	4,336,603	3,142,577	4,274,000	4,274,000	4,274,000
Non-Revenue Receipts	21,634	28,206	-439,700	-317,900	-320,600
<b>Total Restricted Funds</b>	<b>10,325,911</b>	<b>10,053,313</b>	<b>10,100,100</b>	<b>10,240,700</b>	<b>10,265,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>10,325,911</b>	<b>10,053,313</b>	<b>10,100,100</b>	<b>10,240,700</b>	<b>10,265,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,128,412	3,522,389	3,355,200	3,600,600	3,593,200
Operating Expenses	314,969	265,162	310,300	328,100	328,100
Capital Outlay			150,000		
<b>TOTAL EXPENDITURES</b>	<b>3,443,382</b>	<b>3,787,551</b>	<b>3,815,500</b>	<b>3,928,700</b>	<b>3,921,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	3,443,382	3,787,551	3,815,500	3,928,700	3,921,300
<b>TOTAL EXPENDITURES</b>	<b>3,443,382</b>	<b>3,787,551</b>	<b>3,815,500</b>	<b>3,928,700</b>	<b>3,921,300</b>
<b>EXPENDITURES BY UNIT</b>					
Charitable Gaming	3,443,382	3,787,551	3,815,500	3,928,700	3,921,300
<b>TOTAL EXPENDITURES</b>	<b>3,443,382</b>	<b>3,787,551</b>	<b>3,815,500</b>	<b>3,928,700</b>	<b>3,921,300</b>

The Department of Charitable Gaming (DCG) is responsible for the regulation and licensing of charitable gaming and associated activities within the Commonwealth as well as the enforcement of KRS 238 and Title 820 KAR, Chapter 1. The DCG continues to emphasize the importance of charitable gaming to the citizens and communities across the Commonwealth of Kentucky and ensures the integrity and accountability of an all cash industry through its regulatory activities. The mission of the Department is to establish an effective and efficient mechanism for the regulation of charitable gaming in order to ensure that proceeds from lawful gaming activities are used to further a charitable purpose and to provide services in order to maximize the revenues generated by charitable gaming.

**Policy**

The Governor's budget includes Restricted Funds for a \$600 increase, to \$4,600, for the training incentive stipend in each fiscal year for charitable gaming investigators. The stipend payments are provided from the Kentucky Law Enforcement Foundation Fund.

**Public Protection  
Financial Institutions**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	8,065,831	8,093,118	7,309,600	5,061,300	6,407,400
Current Receipts	17,405,337	17,678,739	17,014,500	18,420,500	18,655,500
Non-Revenue Receipts	-1,770,500	-2,150,000	-2,445,200	-2,508,200	-2,522,900
Fund Transfers	-3,000,000	-4,000,000	-4,000,000		
<b>Total Restricted Funds</b>	<b>20,700,668</b>	<b>19,621,857</b>	<b>17,878,900</b>	<b>20,973,600</b>	<b>22,540,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>20,700,668</b>	<b>19,621,857</b>	<b>17,878,900</b>	<b>20,973,600</b>	<b>22,540,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	11,070,890	11,412,535	12,032,600	13,263,500	13,321,500
Operating Expenses	1,534,537	899,773	785,000	1,302,700	1,297,100
Grants Loans Benefits	2,124				
<b>TOTAL EXPENDITURES</b>	<b>12,607,551</b>	<b>12,312,308</b>	<b>12,817,600</b>	<b>14,566,200</b>	<b>14,618,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	12,607,551	12,312,308	12,817,600	14,566,200	14,618,600
<b>TOTAL EXPENDITURES</b>	<b>12,607,551</b>	<b>12,312,308</b>	<b>12,817,600</b>	<b>14,566,200</b>	<b>14,618,600</b>
<b>EXPENDITURES BY UNIT</b>					
Administrative Services	1,619,671	1,826,403	1,967,000	2,029,600	2,037,300
Securities	2,026,491	2,085,653	2,229,700	2,480,200	2,489,100
Depository Institutions	5,530,690	5,227,930	5,512,800	6,409,900	6,432,500
Non-Depository Institutions	3,430,699	3,172,323	3,108,100	3,646,500	3,659,700
<b>TOTAL EXPENDITURES</b>	<b>12,607,551</b>	<b>12,312,308</b>	<b>12,817,600</b>	<b>14,566,200</b>	<b>14,618,600</b>

The Department of Financial Institutions, pursuant to KRS Chapters 286 and 292, licenses and regulates banks, bank holding companies, trust companies, credit unions, savings and loan associations, consumer loan companies, industrial loan companies, mortgage loan companies, mortgage loan brokers, check cashing licensees, sale of check licensees, securities issuers, broker-dealers, agents, and investment advisors. A Commissioner appointed by the Governor heads the Department.

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

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

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

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

**Public Protection  
Horse Racing Commission**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	3,147,700	1,677,700	3,686,100	3,794,900	3,802,900
Current Year Appropriation			5,700		
<b>Total General Fund</b>	3,147,700	1,677,700	3,691,800	3,794,900	3,802,900
<b>Restricted Funds</b>					
Balance Forward	44,494,221	44,353,737	58,925,400	72,327,400	82,270,800
Current Receipts	6,266,993	5,623,544	6,211,200	6,086,000	6,112,700
Non-Revenue Receipts	35,735,665	53,365,361	49,260,000	47,710,000	47,935,000
<b>Total Restricted Funds</b>	86,496,879	103,342,642	114,396,600	126,123,400	136,318,500
<b>TOTAL SOURCE OF FUNDS</b>	89,644,579	105,020,342	118,088,400	129,918,300	140,121,400
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	5,035,193	5,555,013	6,204,700	6,598,900	6,638,800
Operating Expenses	1,040,982	880,302	1,101,500	2,622,600	2,613,400
Grants Loans Benefits	39,132,199	39,630,589	38,454,800	38,426,000	38,423,100
Capital Outlay	50,871	26,555			
Construction		488			
<b>TOTAL EXPENDITURES</b>	45,259,245	46,092,946	45,761,000	47,647,500	47,675,300
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	3,116,103	1,675,617	3,691,800	3,794,900	3,802,900
Restricted Funds	42,143,142	44,417,329	42,069,200	43,852,600	43,872,400
<b>TOTAL EXPENDITURES</b>	45,259,245	46,092,946	45,761,000	47,647,500	47,675,300
<b>EXPENDITURES BY UNIT</b>					
Administration and Regulation of Racing	5,121,446	5,498,366	6,031,200	7,905,300	7,929,800
Equine Drug Research Fund	342,038	424,834	634,500	641,600	642,800
Thoroughbred Development Fund	19,185,778	18,321,907	17,080,000	17,080,000	17,080,000
Standardbred Development Fund	1,974,862	2,359,564	2,295,800	2,301,400	2,302,400
Standardbred Horsemen Fees	494,890	672,349	550,000	550,000	550,000
Ky Quarter Horse, Appaloosa & Arabian Development Fund			1,000	1,000	1,000
County Fair Purse Fund	43,833	49,999	50,000	50,000	50,000
Backside Improvement Commission	501,988	462,594	700,000	700,000	700,000
Ky Thoroughbred Breeder Incentive Fund	14,764,417	15,209,307	15,211,000	15,210,700	15,211,800
Ky Standardbred Breeder Incentive Fund	1,741,333	2,005,960	2,115,000	2,115,000	2,115,000
Ky Horse Breeders Incentive Fund	1,088,660	1,088,066	1,092,500	1,092,500	1,092,500
<b>TOTAL EXPENDITURES</b>	45,259,245	46,092,946	45,761,000	47,647,500	47,675,300

The Kentucky Horse Racing Commission is an independent regulatory agency attached to the Public Protection Cabinet for administrative purposes. The Commission regulates all horses racing and pari-mutuel wagering thereon in the Commonwealth consistent with KRS Chapter 230 and Titles 810 and 811 of the Kentucky Administrative Regulations. The Commission is responsible for developing programs and procedures for race day medications, recommending tax incentives, and promoting the horse industry.

The Executive Director's Office is responsible for overseeing the day-to-day operations and carrying out policy and program directives of the Commission. The Division of Veterinary Services oversees the state veterinarians and support staff. The Division of Racing & Security supervises drug testing and interdiction at racetracks. The Division of Licensing is responsible for licensing all individuals who participate in horse racing. The Division of Incentives and Development including the Kentucky Thoroughbred, Standardbred, and Horse Breeders' Incentive Funds provide rewards to breeders of horses bred and foaled in Kentucky. Incentive funds are derived from sales taxes paid on stud fees.

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

The Thoroughbred Development Fund created in 1978 to encourage breeders from other states to send their breeding stock to Kentucky to improve the caliber of breeding and racing stock in the Commonwealth (KRS 230.400) The program receives three fourth of one percent of the total pari mutuel handle and the funds disbursed as purse supplements to the owner of the horse.

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

The Kentucky Quarter Horse, Appaloosa and Arabian Development Fund was established during the 2010 General Assembly to promote races and provide purses for races for horses bred and foaled in the Commonwealth (KRS 230.445). The Kentucky Horse Racing Commission is responsible for distributing the funds to persons, corporations or associations operating licensed tracks within Kentucky conducting Quarter Horse, Appaloosa or Arabian horse racing.

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

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

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

## **Policy**

The Governor's budget includes additional General Fund in the amount of \$75,000 in each fiscal year for the Ed Brown Society which was established to celebrate the rich history of African Americans in the equine industry and to create job opportunities for young African American Kentuckians.

**Public Protection**  
**Housing, Buildings and Construction**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,640,400	2,629,800	2,632,100	3,867,500	4,286,800
Current Year Appropriation			7,300		
<b>Total General Fund</b>	2,640,400	2,629,800	2,639,400	3,867,500	4,286,800
<b>Restricted Funds</b>					
Balance Forward	14,047,468	11,878,525	9,320,600	9,295,700	8,293,000
Current Receipts	19,387,405	18,828,645	21,327,400	22,484,400	23,029,900
Non-Revenue Receipts	-200,100	-200	-26,100	-60,000	-60,000
Fund Transfers		-225,000			
<b>Total Restricted Funds</b>	33,234,773	30,481,969	30,621,900	31,720,100	31,262,900
<b>TOTAL SOURCE OF FUNDS</b>	35,875,173	33,111,769	33,261,300	35,587,600	35,549,700
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	20,302,268	20,414,868	21,334,700	23,019,700	23,653,100
Operating Expenses	2,929,862	3,130,463	2,630,900	2,951,900	2,976,800
Capital Outlay	-22,672	229,800		1,323,000	972,000
Construction	141	125			
<b>TOTAL EXPENDITURES</b>	23,209,599	23,775,256	23,965,600	27,294,600	27,601,900
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,853,350	2,613,849	2,639,400	3,867,500	4,286,800
Restricted Funds	21,356,249	21,161,407	21,326,200	23,427,100	23,315,100
<b>TOTAL EXPENDITURES</b>	23,209,599	23,775,256	23,965,600	27,294,600	27,601,900
<b>EXPENDITURES BY UNIT</b>					
General Administration and Management	3,017,640	3,238,638	3,189,400	4,139,700	4,168,300
Fire Prevention	1,234,037	1,011,537	1,038,500	1,044,300	1,047,300
Boiler Inspections	856,424	744,074	769,600	1,065,900	979,500
Hazardous Materials Inspections	709,384	747,937	751,800	1,060,400	975,900
Manufactured Housing Inspections	706,868	709,951	729,000	960,700	871,000
General Inspections	1,281,954	1,489,387	1,327,400	1,491,100	1,991,900
Sprinkler/Alarm Inspections	3,157	22,142	23,000	23,000	23,000
Elevator Inspections	1,537,830	1,507,620	1,627,800	2,063,500	1,962,500
Plumbing	6,799,739	7,068,357	7,160,100	7,296,600	7,344,100
Safe Cigarette Program			6,000	6,000	6,000
HVAC	2,967,241	2,789,578	2,946,600	3,110,800	3,173,000
Building Codes Enforcement	2,930,128	3,266,494	3,343,000	3,816,500	3,840,100
Electrical	1,165,198	1,179,541	1,053,400	1,216,100	1,219,300
<b>TOTAL EXPENDITURES</b>	23,209,599	23,775,256	23,965,600	27,294,600	27,601,900

The mission of the Department of Housing, Buildings and Construction is to protect the life and property of the citizens of the Commonwealth through educational, licensing, plan review, permitting, inspection, and compliance programs in the administration of codes and standards relating to the construction and maintenance of buildings and structures consistent with KRS 198B, 318, 227A, and KAR Title 815. The Department accomplishes this by providing oversight of building construction through enforcement of building and fire codes to include: Plumbing, Boiler, HVAC, Electrical, Elevator, Manufactured Housing, and Hazardous Materials installations. The Department also ensures fire and life safety in existing buildings; licenses/certifies plumbers, boiler contractors, HVAC installers, electricians, elevator mechanics and contractors, manufactured housing installers, underground storage tank installers, sprinkler/fire alarm inspectors, and building inspectors; and serves as headquarters for the State Fire Marshal.



The Division of Fire Prevention enforces the Kentucky Standards of Safety (815 KAR 10:060) in addition to state and federal laws and regulations by performing property inspections, reviewing plans and issuing permits for the underground storage tanks, and educating the public about fire safety.

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

The Division of Heating, Ventilation, and Air Conditioning (HVAC) is responsible for annual licensing and oversight of the heating, ventilation, and air conditioning contractors, journeymen, and apprentices

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

The Division of Electrical is composed of the Electrical Licensing and Electrical Inspection Sections. The Electrical Division enforces the mandates contained within KRS Chapter 227A and 815 KAR 35:020 to protect the public through regulation, licensure and inspection of the electrical industry.

## **Policy**

The budget recommendation includes \$599,100 in fiscal year 2023 and \$1,093,800 in fiscal year 2024 for additional Deputy State Fire Marshals and an administrative position to begin to address the general inspection backlog of approximately 18,000. Funding will support six Deputy State Fire Marshals in fiscal year 2023 and an additional six Deputy State Fire Marshals in fiscal year 2024 for a total increase of twelve Deputy State Fire Marshals along with an additional administrative position in fiscal year 2024. The Deputy State Fire Marshals inspect properties for continuing compliance with codes and standard. Inspections are designed to identify and remedy dangerous conditions to keep citizens and property safe from injury or death associated with fire and other hazards.

The Governor's budget includes additional General Fund in the amount of \$299,200 in fiscal year 2023 and \$209,200 in fiscal year 2024 to fund three additional Hazardous Materials Inspectors to review plans and issue permits for flammable-combustible material storage vessels and to address the current backlog of 4,200 inspections. These inspectors also aid the State Fire Marshal by performing origin and cause fire investigations and investigating incidents that involve flammable/combustible liquids and gas.

The Governor's budget includes additional General Fund in the amount of \$750,000 in fiscal years 2023 and 2024. The funds will be used to replace agency-maintained vehicles that have been driven over 175,000 miles. The high mileage vehicles are unreliable and costly to repair.

**Public Protection  
Insurance**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	26,522,410	43,490,951	59,610,900	66,177,800	82,695,400
Current Receipts	54,539,903	63,496,608	57,241,000	59,631,900	59,511,500
Non-Revenue Receipts	-3,951,247	-2,928,534	-4,019,600	-26,541,500	-3,662,600
Fund Transfers	-20,000,000	-31,000,000	-31,000,000		
<b>Total Restricted Funds</b>	<b>57,111,067</b>	<b>73,059,025</b>	<b>81,832,300</b>	<b>99,268,200</b>	<b>138,544,300</b>
<b>Federal Fund</b>					
Balance Forward		-2,268			
Current Receipts	1,770	3,788			
<b>Total Federal Fund</b>	<b>1,770</b>	<b>1,521</b>			
<b>TOTAL SOURCE OF FUNDS</b>	<b>57,112,837</b>	<b>73,060,546</b>	<b>81,832,300</b>	<b>99,268,200</b>	<b>138,544,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	11,878,342	11,843,626	13,930,900	14,894,800	14,956,000
Operating Expenses	1,745,812	1,605,991	1,723,600	1,678,000	1,673,800
<b>TOTAL EXPENDITURES</b>	<b>13,624,154</b>	<b>13,449,618</b>	<b>15,654,500</b>	<b>16,572,800</b>	<b>16,629,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	13,620,116	13,448,097	15,654,500	16,572,800	16,629,800
Federal Fund	4,038	1,521			
<b>TOTAL EXPENDITURES</b>	<b>13,624,154</b>	<b>13,449,618</b>	<b>15,654,500</b>	<b>16,572,800</b>	<b>16,629,800</b>
<b>EXPENDITURES BY UNIT</b>					
Executive Director and Administration	1,520,330	1,840,957	2,099,800	2,182,600	2,189,200
Financial Standards and Examination	2,169,444	2,111,402	2,480,400	2,721,000	2,725,500
Agent Licensing	1,469,203	1,387,061	1,682,300	1,702,500	1,713,100
Consumer Protection	2,857,279	2,624,151	3,008,200	3,114,900	3,126,800
Insurance Fraud Investigation	1,789,469	1,788,651	1,727,300	1,849,300	1,856,100
Mine Subsidence Program	52,511	44,274	49,500	49,500	49,500
Health and Life Insurance and Managed Care	2,598,484	2,591,563	3,081,400	3,404,900	3,415,900
Property and Casualty	1,167,435	1,061,558	1,525,600	1,548,100	1,553,700
<b>TOTAL EXPENDITURES</b>	<b>13,624,154</b>	<b>13,449,618</b>	<b>15,654,500</b>	<b>16,572,800</b>	<b>16,629,800</b>

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

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

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

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

The Insurance Fraud Investigation Division is the Department's law enforcement unit empowered to conduct criminal investigations of suspected fraudulent insurance acts.

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

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

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

### **Policy**

The Governor's budget includes Restricted Funds for a \$600 increase, to \$4,600, for the training incentive stipend in each fiscal year for insurance fraud investigators. The stipend payments are provided from the Kentucky Law Enforcement Foundation Fund.

# Tourism, Arts and Heritage

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**Tourism, Arts and Heritage**  
**Tourism, Arts and Heritage**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	70,367,600	69,696,200	71,689,600	82,627,300	78,566,400
Special Appropriation	2,121,000		50,000		
Current Year Appropriation	2,700,000	33,800,000	252,300		
<b>Total General Fund</b>	<b>75,188,600</b>	<b>103,496,200</b>	<b>71,991,900</b>	<b>82,627,300</b>	<b>78,566,400</b>
<b>Restricted Funds</b>					
Balance Forward	190,652,125	195,241,347	204,389,185	167,316,585	129,181,385
Current Receipts	155,257,999	125,523,451	158,104,500	176,797,300	165,586,600
Non-Revenue Receipts	8,772,491	-13,790,374	-29,325,700	-17,124,400	-16,421,700
Fund Transfers		-1,000,000			
<b>Total Restricted Funds</b>	<b>354,682,615</b>	<b>305,974,424</b>	<b>333,167,985</b>	<b>326,989,485</b>	<b>278,346,285</b>
<b>Federal Fund</b>					
Balance Forward	6,400,239	7,913,503	8,294,800	7,638,900	7,171,100
Current Receipts	23,635,706	20,335,828	37,141,000	35,131,300	25,122,600
Non-Revenue Receipts	-2,923,702	-893,989	-915,400	-915,200	-915,300
<b>Total Federal Fund</b>	<b>27,112,243</b>	<b>27,355,343</b>	<b>44,520,400</b>	<b>41,855,000</b>	<b>31,378,400</b>
<b>Road Fund</b>					
Regular Appropriation	553,000	573,800			
<b>Total Road Fund</b>	<b>553,000</b>	<b>573,800</b>			
<b>TOTAL SOURCE OF FUNDS</b>	<b>457,536,458</b>	<b>437,399,766</b>	<b>449,680,285</b>	<b>451,471,785</b>	<b>388,291,085</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	155,317,908	139,490,772	165,293,100	192,874,200	198,828,100
Operating Expenses	77,469,740	67,283,629	89,580,500	104,099,000	89,838,300
Grants Loans Benefits	8,097,615	5,033,055	14,720,800	8,970,800	8,936,400
Debt Service	6,452,833	3,130,020	2,357,600	2,357,600	2,357,600
Capital Outlay	6,340,924	9,191,749	2,772,800	6,817,700	6,278,600
Construction	98,256	-261,011			
<b>TOTAL EXPENDITURES</b>	<b>253,777,276</b>	<b>223,868,214</b>	<b>274,724,800</b>	<b>315,119,300</b>	<b>306,239,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	74,584,268	102,648,531	71,991,900	82,627,300	78,566,400
Restricted Funds	159,441,268	101,585,284	165,851,400	197,808,100	202,884,400
Federal Fund	19,198,740	19,060,599	36,881,500	34,683,900	24,788,200
Road Fund	553,000	573,800		0	
<b>TOTAL EXPENDITURES</b>	<b>253,777,276</b>	<b>223,868,214</b>	<b>274,724,800</b>	<b>315,119,300</b>	<b>306,239,000</b>

**EXPENDITURES BY UNIT**

Secretary	15,351,825	11,945,340	33,884,100	35,782,400	20,790,900
Artisans Center	2,336,255	1,997,066	2,671,700	2,700,900	2,715,300
Kentucky Department of Tourism	2,896,366	2,805,563	3,241,600	3,306,200	3,324,400
Parks	99,995,644	86,836,837	99,681,700	104,647,800	104,719,200
Horse Park Commission	12,201,375	10,754,151	12,729,100	13,447,300	13,498,400
State Fair Board	51,970,347	40,647,416	33,859,400	56,760,300	58,412,900
Fish and Wildlife Resources	57,494,825	57,560,867	73,482,000	83,511,400	87,778,100
Historical Society	6,283,716	6,067,499	7,116,500	8,037,000	8,218,500
Arts Council	2,836,491	2,561,313	3,519,100	2,828,900	2,841,100
Heritage Council	1,852,132	2,133,863	2,455,300	3,499,900	3,343,000
Kentucky Center for the Arts	558,300	558,300	2,084,300	597,200	597,200
<b>TOTAL EXPENDITURES</b>	<b>253,777,276</b>	<b>223,868,214</b>	<b>274,724,800</b>	<b>315,119,300</b>	<b>306,239,000</b>

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

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

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

**Tourism, Arts and Heritage  
Secretary**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	3,213,700	3,276,300	3,279,400	8,282,400	3,290,900
Current Year Appropriation			11,300		
<b>Total General Fund</b>	3,213,700	3,276,300	3,290,700	8,282,400	3,290,900
<b>Restricted Funds</b>					
Balance Forward	5,410,430	5,616,197	5,375,500	1,914,800	614,800
Current Receipts	244,003	-9,356			
Non-Revenue Receipts	12,328,972	9,418,797	14,039,300	16,200,000	16,900,000
Fund Transfers		-1,000,000			
<b>Total Restricted Funds</b>	17,983,405	14,025,638	19,414,800	18,114,800	17,514,800
<b>Federal Fund</b>					
Balance Forward			-100,000		
Current Receipts			7,847,100	10,000,000	
<b>Total Federal Fund</b>			7,747,100	10,000,000	
<b>TOTAL SOURCE OF FUNDS</b>	21,197,105	17,301,938	30,452,600	36,397,200	20,805,700
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,756,239	3,106,167	5,043,600	4,864,300	4,872,800
Operating Expenses	9,307,634	7,868,509	20,994,200	28,418,100	13,418,100
Grants Loans Benefits	3,287,952	970,665	2,500,000	2,500,000	2,500,000
<b>TOTAL EXPENDITURES</b>	15,351,825	11,945,340	28,537,800	35,782,400	20,790,900
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	2,984,617	3,195,212	3,290,700	8,282,400	3,290,900
Restricted Funds	12,367,208	8,650,129	17,500,000	17,500,000	17,500,000
Federal Fund		100,000	7,747,100	10,000,000	
<b>TOTAL EXPENDITURES</b>	15,351,825	11,945,340	28,537,800	35,782,400	20,790,900
<b>EXPENDITURES BY UNIT</b>					
Executive Policy and Management	2,984,617	3,295,212	11,038,500	18,322,400	3,330,900
Tourism Meeting & Convention Marketing	12,367,208	8,650,129	17,499,300	17,460,000	17,460,000
<b>TOTAL EXPENDITURES</b>	15,351,825	11,945,340	28,537,800	35,782,400	20,790,900

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

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

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

**Policy**

The Governor's budget includes \$100,000 General Fund in each fiscal year for the Kentucky Center for African American Heritage.

Additional General Fund in the amount of \$50,000 each fiscal year is included in the budget for the Martin Luther King, Jr. State Commission.

Five million additional General Fund dollars are included in fiscal year 2023 for the Louisville Zoo.

The budget includes \$10 million additional Federal Fund in fiscal year 2023 from the American Rescue Plan Act's State Fiscal Recovery Fund. This funding is for Kentucky Travel Industry marketing.



**Tourism, Arts and Heritage  
Artisans Center**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	486,900	290,300	1,066,300	1,086,100	1,097,100
Current Year Appropriation			3,200		
<b>Total General Fund</b>	486,900	290,300	1,069,500	1,086,100	1,097,100
<b>Restricted Funds</b>					
Balance Forward	356,433	304,325	344,085	343,185	329,685
Current Receipts	1,254,047	1,172,726	1,601,300	1,601,300	1,601,300
<b>Total Restricted Funds</b>	1,610,479	1,477,051	1,945,385	1,944,485	1,930,985
<b>Road Fund</b>					
Regular Appropriation	553,000	573,800			
<b>Total Road Fund</b>	553,000	573,800			
<b>TOTAL SOURCE OF FUNDS</b>	2,650,379	2,341,151	3,014,885	3,030,585	3,028,085
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,302,750	1,223,006	1,697,900	1,721,600	1,764,000
Operating Expenses	1,033,186	773,513	973,800	979,300	951,300
Grants Loans Benefits		546			
Construction	318				
<b>TOTAL EXPENDITURES</b>	2,336,255	1,997,066	2,671,700	2,700,900	2,715,300
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	477,100	290,300	1,069,500	1,086,100	1,097,100
Restricted Funds	1,306,155	1,132,966	1,602,200	1,614,800	1,618,200
Road Fund	553,000	573,800			
<b>TOTAL EXPENDITURES</b>	2,336,255	1,997,066	2,671,700	2,700,900	2,715,300
<b>EXPENDITURES BY UNIT</b>					
Berea Artisans Center	2,336,255	1,997,066	2,671,700	2,700,900	2,715,300
<b>TOTAL EXPENDITURES</b>	2,336,255	1,997,066	2,671,700	2,700,900	2,715,300

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

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

**Tourism, Arts and Heritage  
Kentucky Department of Tourism**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	3,157,900	3,145,000	3,209,100	3,283,500	3,301,700
Current Year Appropriation			9,800		
<b>Total General Fund</b>	<b>3,157,900</b>	<b>3,145,000</b>	<b>3,218,900</b>	<b>3,283,500</b>	<b>3,301,700</b>
<b>Restricted Funds</b>					
Balance Forward	60,528	61,888	60,700	42,000	23,300
Current Receipts	13,440	662	4,000	4,000	4,000
<b>Total Restricted Funds</b>	<b>73,968</b>	<b>62,550</b>	<b>64,700</b>	<b>46,000</b>	<b>27,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>3,231,868</b>	<b>3,207,550</b>	<b>3,283,600</b>	<b>3,329,500</b>	<b>3,329,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,520,266	2,356,912	3,012,700	3,092,600	3,119,600
Operating Expenses	376,100	448,650	228,900	213,600	204,800
<b>TOTAL EXPENDITURES</b>	<b>2,896,366</b>	<b>2,805,563</b>	<b>3,241,600</b>	<b>3,306,200</b>	<b>3,324,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	2,884,286	2,803,684	3,218,900	3,283,500	3,301,700
Restricted Funds	12,080	1,879	22,700	22,700	22,700
<b>TOTAL EXPENDITURES</b>	<b>2,896,366</b>	<b>2,805,563</b>	<b>3,241,600</b>	<b>3,306,200</b>	<b>3,324,400</b>
<b>EXPENDITURES BY UNIT</b>					
Executive Policy and Management	1,099,928	1,249,668	1,285,200	1,301,300	1,295,700
Division of Marketing	579,480	458,710	302,700	308,700	310,200
Division of Tourism Services	1,065,328	957,223	1,241,800	1,279,200	1,294,600
Division of Communications and Public Relations	151,630	139,961	411,900	417,000	423,900
<b>TOTAL EXPENDITURES</b>	<b>2,896,366</b>	<b>2,805,563</b>	<b>3,241,600</b>	<b>3,306,200</b>	<b>3,324,400</b>

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

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

The Division of Marketing is responsible for marketing Kentucky as a travel destination on a state, regional, national and international level (creating and developing marketing materials in conjunction with the Commissioner's Office). The division maintains a database of all the tourism related attractions, destinations and events. The division promotes these assets through a variety of mediums including, but not limited to, television, radio, print, out-of-home, OTT & digital. Additionally, the division participates in trade shows, events and conferences to showcase the state. The division also collaborates with industry partners within the state and throughout the region to leverage marketing efforts. The division manages the Department's website as well as the production of the Official Visitor's Guide. The division is also tasked to guide the efforts of the cultural heritage tourism program for Kentucky.

The Division of Tourism Services provides support to the tourism industry by managing the Tourism Marketing Incentive Program (TMIP). The TMIP is a collaborative effort with industry partners to utilize the one percent lodging tax funds effectively by providing Matching Funds for marketing and promotional efforts. Also included in this division is the staffing and management of the seven state welcome centers (Franklin, Grayson, Hopkinsville, Shelbyville, Shepherdsville, Williamsburg and Whitehaven) to provide visitor and travel information. The division also provides travel brochure fulfillment for public and industry requests.

The Division of Communications and Public Relations works to complement the activities of the Department's advertising programs by engaging media and employing other strategies that publicize Kentucky's attractions and events as tourism destinations. These efforts primarily focus on generating earned broadcast and print media to support the marketing efforts

of the department. This Division serves as the liaison with media sources, maintaining constant contact through social media, e-newsletters, and a web-based media resource site. Assistance is provided to individual media representatives and travel writers in a variety of ways including, but not limited to, creating story ideas, making travel arrangements, providing photographs, video and fact verification. Regular press releases are prepared for the Department of Travel and Tourism and the Department of Parks to keep the public abreast of attractions and events in Kentucky. The goal of the division is to provide comprehensive support for projects and promotions developed through the department on behalf of the tourism industry in Kentucky.

The Division of Tourism Development oversees the administration of the Kentucky Tourism Development Finance Authority and the Kentucky Tourism Development Act and incentives. The division also administers film incentives and provides staff to educate the public on all incentive programs TAH has to offer.

**Tourism, Arts and Heritage**

**Parks**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	48,111,500	47,547,900	47,262,400	52,103,400	52,660,000
Special Appropriation	2,121,000				
Current Year Appropriation	2,700,000	11,000,000	147,100		
<b>Total General Fund</b>	<b>52,932,500</b>	<b>58,547,900</b>	<b>47,409,500</b>	<b>52,103,400</b>	<b>52,660,000</b>
<b>Restricted Funds</b>					
Balance Forward	1,849,050	1,596,669	4,489,900	1,577,100	545,900
Current Receipts	37,555,246	44,059,978	49,179,900	51,295,300	51,295,300
Non-Revenue Receipts	8,095,799	-12,876,648	179,500	217,900	218,000
<b>Total Restricted Funds</b>	<b>47,500,094</b>	<b>32,780,000</b>	<b>53,849,300</b>	<b>53,090,300</b>	<b>52,059,200</b>
<b>Federal Fund</b>					
Current Receipts	1,159,719				
<b>Total Federal Fund</b>	<b>1,159,719</b>				
<b>TOTAL SOURCE OF FUNDS</b>	<b>101,592,314</b>	<b>91,327,900</b>	<b>101,258,800</b>	<b>105,193,700</b>	<b>104,719,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	62,673,658	56,686,709	66,024,300	69,552,400	70,080,600
Operating Expenses	31,262,090	27,049,750	30,927,800	32,365,800	31,909,000
Grants Loans Benefits	-105	434			
Debt Service	5,835,833	2,827,520	2,357,600	2,357,600	2,357,600
Capital Outlay	223,543	272,423	372,000	372,000	372,000
Construction	625				
<b>TOTAL EXPENDITURES</b>	<b>99,995,644</b>	<b>86,836,837</b>	<b>99,681,700</b>	<b>104,647,800</b>	<b>104,719,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	52,932,500	58,546,662	47,409,500	52,103,400	52,660,000
Restricted Funds	45,903,425	28,290,175	52,272,200	52,544,400	52,059,200
Federal Fund	1,159,719				
<b>TOTAL EXPENDITURES</b>	<b>99,995,644</b>	<b>86,836,837</b>	<b>99,681,700</b>	<b>104,647,800</b>	<b>104,719,200</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration and Support	20,110,318	16,331,998	16,664,400	17,808,700	17,409,400
Resort Parks	62,143,969	53,580,736	64,501,100	67,446,900	67,813,300
Recreation Parks and Historic Sites	17,196,426	16,390,339	17,934,500	18,805,100	18,906,500
Cafeterias	544,932	533,763	581,700	587,100	590,000
<b>TOTAL EXPENDITURES</b>	<b>99,995,644</b>	<b>86,836,837</b>	<b>99,681,700</b>	<b>104,647,800</b>	<b>104,719,200</b>

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

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

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

The activities of the Department include the operation and maintenance of 17 resort parks, 22 recreational parks, 8 historic sites, linear park(Dawkins Line Rail Park), 1 interstate park (operated by VA, funded by both KYNA) and one cafeteria in Frankfort. The Park System provides overnight lodging to 425,000 guests, food service for 1,150,000 meals for dining patrons, camping for 560,000 guests, golf for 115,700 players, along with other park amenities and activities.

## Resort Parks

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

Barren River Resort Park - Barren County  
Blue Licks Battlefield State Park - Robertson County  
Buckhorn Lake Resort Park - Perry County  
Carter Caves Resort Park - Carter County  
Cumberland Falls Resort Park - Whitley County  
Dale Hollow Resort Park - Cumberland and Clinton Counties  
General Butler Resort Park - Carroll County  
Greenbo Lake Resort Park - Greenup County  
Jenny Wiley Resort Park - Floyd County

Kenlake Resort Park - Marshall County  
KY Dam Village Resort Park - Marshall County  
Lake Barkley Resort Park - Trigg County  
Lake Cumberland Resort Park - Russell County  
Natural Bridge Resort Park - Powell County  
Pennyrile Forest Resort Park - Christian County  
Pine Mountain Resort Park - Bell County  
Rough River Resort Park - Grayson County

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

## Recreation Park Facilities

Big Bone Lick State Park - Boone County  
Carr Creek State Park - Knott County  
Columbus-Belmont Battlefield State Park - Hickman County  
E. P. "Tom" Sawyer State Park - Jefferson County  
Fort Boonesborough State Park - Madison County  
General Burnside State Park - Pulaski County  
Grayson Lake State Park - Elliott and Carter Counties  
Green River Lake State Park - Taylor County  
John James Audubon State Park - Henderson County  
Kincaid Lake State Park - Pendleton County  
Kingdom Come State Park - Harlan County  
Dawkins Line Rail Trail Park – Johnson/Magoffin Counties

Lake Malone State Park - Muhlenberg County  
Lincoln Homestead State Park - Washington County  
Mineral Mound State Park - Lyon County  
My Old Kentucky Home State Park - Nelson County  
Nolin Lake State Park - Edmonson County  
Old Fort Harrod State Park - Mercer County  
Paintsville Lake State Park - Johnson County  
Pine Mnt Trail State Park - Harlan & Bell Counties  
Taylorsville Lake State Park - Spencer County  
Yatesville Lake State Park - Lawrence County

## Historic Sites

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

Jefferson Davis Monument St Shrine - Todd County  
Waveland State Shrine - Fayette County  
Boone Station – Fayette County

## Cafeterias

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

## General Administration and Support

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

## Policy

Additional General Fund in the amount of \$2,415,700 is included in each fiscal year of the Governor's budget for increased operational costs at resort and recreational state parks.

The budget includes \$230,000 General Fund in each fiscal year for property management and point-of-sale upgrades in all state park lodges.

One hundred thousand General Fund dollars is included in fiscal year 2023 and fiscal year 2024 of the Governor's budget for covered bridge maintenance. This additional funding will ultimately provide maintenance for eleven covered bridges in the Commonwealth.

The recommended budget includes \$153,100 additional General Fund in each fiscal year for the Breaks Interstate Park, including the planned installation of a pedestrian suspension bridge. The Park is a major tourism draw for Eastern Kentucky.

The Governor is proposing \$200 million in one-time General Funds as a significant and needed investment in our State Parks. A Parks Improvement Pool will fund essential preservation projects to include maintenance, renovation, demolition, repair, replacement, expansion and new projects at various Parks across the Commonwealth. The goal is both to preserve capital assets and to enhance the State Park facilities to attract and build upon its important role in Kentucky tourism.

The Governor's budget includes Restricted Funds for a \$600 increase, to \$4,600, for the training incentive stipend in each fiscal year for Kentucky state park rangers. The stipend payments are provided from the Kentucky Law Enforcement Foundation Fund.

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

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,708,100	1,729,000	1,731,700	1,864,200	1,887,700
Current Year Appropriation		7,600,000	5,800		
<b>Total General Fund</b>	1,708,100	9,329,000	1,737,500	1,864,200	1,887,700
<b>Restricted Funds</b>					
Balance Forward	159,641	76,199	2,907,700	921,100	568,700
Current Receipts	7,891,136	6,694,424	9,005,000	11,223,300	11,474,100
Non-Revenue Receipts	2,514,283	-2,437,759		7,400	7,400
<b>Total Restricted Funds</b>	10,565,060	4,332,864	11,912,700	12,151,800	12,050,200
<b>Federal Fund</b>					
Current Receipts	4,414				
<b>Total Federal Fund</b>	4,414				
<b>TOTAL SOURCE OF FUNDS</b>	12,277,574	13,661,864	13,650,200	14,016,000	13,937,900
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	7,262,237	6,359,403	7,742,500	7,998,500	8,039,600
Operating Expenses	4,863,865	4,394,070	4,986,600	5,448,800	5,458,800
Grants Loans Benefits	11,600	678			
Capital Outlay	63,673				
<b>TOTAL EXPENDITURES</b>	12,201,375	10,754,151	12,729,100	13,447,300	13,498,400
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,708,100	9,329,000	1,737,500	1,864,200	1,887,700
Restricted Funds	10,488,861	1,425,151	10,991,600	11,583,100	11,610,700
Federal Fund	4,414				
<b>TOTAL EXPENDITURES</b>	12,201,375	10,754,151	12,729,100	13,447,300	13,498,400
<b>EXPENDITURES BY UNIT</b>					
Kentucky Horse Park	12,201,375	10,754,151	12,729,100	13,447,300	13,498,400
<b>TOTAL EXPENDITURES</b>	12,201,375	10,754,151	12,729,100	13,447,300	13,498,400

The Kentucky Horse Park (KRS 148.260) is comprised of 1,224 acres on which are situated over 111 structures, 40 miles of fencing and 260 campsites. Horse Park programs consist primarily of four main functions:

**Equine Theme Park**-The central area of the park contains tourist activities that include the Visitor Information Center, International Museum of the Horse, gift shop, restaurant, Parade of Breeds and Hall of Champions shows, Kids Barn, Mounted Police Barn, horseback riding, horse drawn tours, and other activities. Equine Theme Park activities generate \$2.3 million in annual revenue.

**Events**-The Horse Park is the host venue for both equine and non-equine special events. Horse shows are central to the mission of the park and comprise the majority of special event activities. More than 100 annual equine events utilize 24 barns (2,000 nearly 1,400 permanent stalls), a climate-controlled 5,500 seat Alltech Arena, the 7,338 seat Rolex Stadium, an 1,100 seat covered arena, show office complex, five hunter-jumper rings, five dressage rings, a 205 acre cross country course, steeplechase course, and other ancillary structures. The park also hosts over 100 non-equine events that include weddings, high school wrestling, cheerleading high school cross-country, dog shows, "Old Kentucky Nights" evening programs, "Southern Lights" holiday lights show, and many other events. These equine and non-equine events generate over \$4.8 million in revenue annually.

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

**National Horse Center**-The National Horse Center is a collection of the nations and the state's leading equestrian organizations. The National Horse Center now includes over 30 distinct organizations contained in 15 office buildings on the property. The National Horse Center has solidified the Park's role in establishing Kentucky as truly the "Horse Capital of the World".

## Policy

The budget includes \$500,000 Restricted Funds in each fiscal year for additional operating expenses.

The Governor's capital budget includes five significant projects that will revitalize and enhance the Horse Park's functionality and visitor experience for many years to come.

- In fiscal year 2023, \$12 million in General Fund is appropriated to replace existing competition barns and stalls to improve structural and safety measures.
- \$5,000,000 General Fund dollars in fiscal year 2023 will be used to make significant renovations to the Horse Park Campground, including the 260 campground sites.
- The Breeds Barn, which is the venue for the Kentucky Horse Park's popular "Breeds Barn Show", will be expanded and renovated with a fiscal year 2023 General Fund amount of \$2,500,000. This project will provide an all-weather viewing environment by adding a fourth wing to the Barn.
- \$2,000,000 in General Fund will be used to replace the roofs at the Horse Park Museum, the Gatehouse, and the Visitor Information Center and Restaurant
- In fiscal year 2023, \$1,700,000 in General Fund is provided for the construction of a new Equine Competition Complex. The complex will host world-class equine events, and will also have the capabilities to host non-equine, revenue-generating events.

The Governor's budget includes Restricted funds for a \$600 increase, to \$4,600, for the training incentive stipend in each fiscal year for the Horse Park Commission mounted patrol officers. The stipend payments are provided from the Kentucky Law Enforcement Foundation Fund.



**Tourism, Arts and Heritage  
State Fair Board**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	4,730,900	4,416,400	4,113,900	4,414,700	4,543,800
Current Year Appropriation		15,200,000	52,300		
<b>Total General Fund</b>	4,730,900	19,616,400	4,166,200	4,414,700	4,543,800
<b>Restricted Funds</b>					
Balance Forward	554,224	312,596	11,900		
Current Receipts	45,110,365	13,411,706	39,524,100	52,345,600	53,869,100
Non-Revenue Receipts	1,837,984	7,318,591	-9,842,800		
<b>Total Restricted Funds</b>	47,502,573	21,042,894	29,693,200	52,345,600	53,869,100
<b>Federal Fund</b>					
Current Receipts	49,470				
<b>Total Federal Fund</b>	49,470				
<b>TOTAL SOURCE OF FUNDS</b>	52,282,943	40,659,294	33,859,400	56,760,300	58,412,900
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	29,759,994	21,003,560	21,563,500	32,815,900	33,655,600
Operating Expenses	16,025,768	11,871,283	12,295,900	18,769,500	19,966,600
Grants Loans Benefits	1,546,020	1,336,934		1,600,000	1,600,000
Debt Service	617,000	302,500			
Capital Outlay	3,924,253	6,393,131		3,574,900	3,190,700
Construction	97,313	-259,991			
<b>TOTAL EXPENDITURES</b>	51,970,347	40,647,416	33,859,400	56,760,300	58,412,900
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	4,730,900	19,616,400	4,166,200	4,414,700	4,543,800
Restricted Funds	47,189,977	21,031,016	29,693,200	52,345,600	53,869,100
Federal Fund	49,470				
<b>TOTAL EXPENDITURES</b>	51,970,347	40,647,416	33,859,400	56,760,300	58,412,900
<b>EXPENDITURES BY UNIT</b>					
Kentucky Fair and Exposition Center	44,524,053	35,530,743	29,336,800	46,606,300	47,911,500
Kentucky International Convention Center	6,829,294	4,814,173	4,522,600	10,154,000	10,501,400
Debt Service	617,000	302,500			
<b>TOTAL EXPENDITURES</b>	51,970,347	40,647,416	33,859,400	56,760,300	58,412,900

During the 2021 Regular Session, The Kentucky General Assembly passed House Bill 518, amending KRS Chapter 247 to allow the Commissioner of Agriculture the authority to appoint a majority of members of the Kentucky State Fair Board. The Kentucky State Fair Board is now composed of 16 voting members and 5 ex officio, non-voting members: the Governor, the Commissioner of Agriculture, The President of the Senate or his or her designee, who shall serve as an ex officio, nonvoting member, The Speaker of the House of Representatives or his or her designee, who shall serve as an ex officio, nonvoting member, the Secretary of the Finance and Administration Cabinet who shall serve as an ex officio, nonvoting member, the Dean of the College of Agriculture at the University of Kentucky, the State president of the Kentucky FFA, who shall serve as an ex officio, nonvoting member, the State President of the Kentucky 4-H Organization who shall serve as an ex officio, nonvoting member, 5 members appointed by the Governor, and 8 members appointed by the Commissioner of Agriculture. The Board manages and administers the funds, buildings, grounds, and equipment of both the Kentucky Exposition Center and the Kentucky International Convention Center in Louisville. A president is appointed by the Board to manage these centers and Fair Board properties.

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

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

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

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

### **Policy**

The Governor's capital budget provides \$15 million from the General Fund for necessary paving and security system.

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

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	181,102,169	186,257,759	190,321,000	161,842,900	126,475,000
Current Receipts	62,595,697	59,501,150	58,134,000	59,501,000	46,501,000
Non-Revenue Receipts	-16,002,047	-15,203,691	-34,084,700	-34,084,700	-34,084,700
<b>Total Restricted Funds</b>	<b>227,695,820</b>	<b>230,555,218</b>	<b>214,370,300</b>	<b>187,259,200</b>	<b>138,891,300</b>
<b>Federal Fund</b>					
Balance Forward	7,472,692	8,524,545	8,334,100	7,621,800	7,164,800
Current Receipts	20,032,318	18,030,125	21,157,700	23,185,400	23,185,500
Non-Revenue Receipts	-2,923,702	-893,989	-915,400	-915,200	-915,300
<b>Total Federal Fund</b>	<b>24,581,309</b>	<b>25,660,682</b>	<b>28,576,400</b>	<b>29,892,000</b>	<b>29,435,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>252,277,129</b>	<b>256,215,900</b>	<b>242,946,700</b>	<b>217,151,200</b>	<b>168,326,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	42,437,778	41,986,532	52,343,100	63,319,700	67,766,700
Operating Expenses	11,903,258	12,264,186	14,674,700	14,452,500	14,402,100
Grants Loans Benefits	1,024,334	784,974	4,063,400	2,868,400	2,893,400
Capital Outlay	2,129,455	2,526,195	2,400,800	2,870,800	2,715,900
Construction		-1,020			
<b>TOTAL EXPENDITURES</b>	<b>57,494,825</b>	<b>57,560,867</b>	<b>73,482,000</b>	<b>83,511,400</b>	<b>87,778,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	41,438,061	40,234,254	52,527,400	60,784,200	64,937,800
Federal Fund	16,056,763	17,326,612	20,954,600	22,727,200	22,840,300
<b>TOTAL EXPENDITURES</b>	<b>57,494,825</b>	<b>57,560,867</b>	<b>73,482,000</b>	<b>83,511,400</b>	<b>87,778,100</b>
<b>EXPENDITURES BY UNIT</b>					
Administration and Support	5,654,154	5,553,281	6,251,500	7,524,100	7,538,000
Wildlife Management	16,392,176	15,980,120	19,988,800	22,527,300	22,493,000
Fisheries Management	11,151,810	11,721,212	19,028,600	24,083,300	28,149,100
Information and Education	7,486,912	6,768,479	8,387,900	8,804,300	8,871,100
Law Enforcement	13,525,312	13,827,284	15,234,800	15,774,000	15,909,600
Marketing	905,805	1,055,164	1,351,400	1,503,800	1,507,500
Engineering, Infrastructure & Technology	2,378,656	2,655,326	3,239,000	3,294,600	3,309,800
<b>TOTAL EXPENDITURES</b>	<b>57,494,825</b>	<b>57,560,867</b>	<b>73,482,000</b>	<b>83,511,400</b>	<b>87,778,100</b>

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

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

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

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

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

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

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

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

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

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

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

## **Policy**

The budget includes funding to increase the law enforcement training incentive stipend by \$600, to \$4,600, for Conservation Officers.

The Governor's budget includes funding from Federal and Restricted Funds in each fiscal year for chronic wasting disease monitoring and mitigation: \$532,200 in each year from Federal Funds and \$1,247,000 and \$870,200 from Restricted Funds respectively in fiscal years 2023 and 2024.

For the Wetland and Stream mitigation fund program, known as the Fee-in-lieu-of program, additional funds are provided from that fund: \$2.6 million in fiscal year 2022, \$9 million in fiscal year 2023, and \$13 million in fiscal year 2024.

The Governor's budget includes \$750,000 additional Federal Funds each fiscal year and \$250,000 additional Restricted Funds each fiscal year for the Wildlife Division's truck and equipment needs, and \$100,000 in fiscal year 2023 and \$125,000 in fiscal year 2024 for the Kentucky Wild Program in the Wildlife Division from Restricted Funds.

**Tourism, Arts and Heritage  
Historical Society**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	5,952,400	6,456,700	6,463,500	7,387,400	7,557,700
Current Year Appropriation			13,400		
<b>Total General Fund</b>	5,952,400	6,456,700	6,476,900	7,387,400	7,557,700
<b>Restricted Funds</b>					
Balance Forward	162,873	115,406	266,800	198,400	253,600
Current Receipts	338,733	169,518	401,200	534,800	551,800
Non-Revenue Receipts		-9,665			
<b>Total Restricted Funds</b>	501,606	275,259	668,000	733,200	805,400
<b>Federal Fund</b>					
Balance Forward	-477,533	-320,184	55,100		
Current Receipts	165,955	401,693	114,900	170,000	170,000
<b>Total Federal Fund</b>	-311,577	81,510	170,000	170,000	170,000
<b>TOTAL SOURCE OF FUNDS</b>	6,142,428	6,813,469	7,314,900	8,290,600	8,533,100
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,999,428	3,758,440	4,329,700	5,048,400	5,034,800
Operating Expenses	2,244,101	2,270,616	2,736,800	2,938,600	3,133,700
Grants Loans Benefits	40,187	38,443	50,000	50,000	50,000
<b>TOTAL EXPENDITURES</b>	6,283,716	6,067,499	7,116,500	8,037,000	8,218,500
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,888,909	6,032,674	6,476,900	7,387,400	7,557,700
Restricted Funds	386,200	8,443	469,600	479,600	490,800
Federal Fund	8,606	26,382	170,000	170,000	170,000
<b>TOTAL EXPENDITURES</b>	6,283,716	6,067,499	7,116,500	8,037,000	8,218,500
<b>EXPENDITURES BY UNIT</b>					
Oral History and Educational Outreach	835,639	855,700	1,434,100	1,605,500	1,614,100
Research and Publications	736,516	1,106,000	730,700	690,600	693,400
Museums	746,636	3,242,174	1,223,800	1,242,800	1,250,200
Administration	3,964,925	863,625	3,727,900	4,498,100	4,660,800
<b>TOTAL EXPENDITURES</b>	6,283,716	6,067,499	7,116,500	8,037,000	8,218,500

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

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

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

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

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

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

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

### **Policy**

The budget includes funding for the preservation of the Old State Capitol and Public Square to rejuvenate the historic tourist attraction so that it is a safe and secure environment for visitors, education groups, and others who utilize the landmark space. The funds will update and stabilize the structure; \$253,700 in fiscal year 2023 and \$280,000 in fiscal year 2024 from the General Fund.

The Governor's budget includes \$365,600 General Fund in fiscal year 2023 and \$477,700 in fiscal year 2024 for the Kentucky Sestercentennial Commission, an unfunded mandate from legislation passed in the 2021 Regular Session.

Additional General Fund is included in the amount of \$150,000 each fiscal year for Kentucky Historic Markers. A recent assessment found 200 damaged/missing markers that need repairs or replacement.

**Tourism, Arts and Heritage  
Arts Council**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,728,900	1,537,900	1,739,600	1,923,000	1,935,200
Current Year Appropriation			2,400		
<b>Total General Fund</b>	<b>1,728,900</b>	<b>1,537,900</b>	<b>1,742,000</b>	<b>1,923,000</b>	<b>1,935,200</b>
<b>Restricted Funds</b>					
Balance Forward	463,230	433,016	259,100	316,700	370,400
Current Receipts	89,447	13,819	155,000	157,000	155,000
Non-Revenue Receipts	-2,500				
<b>Total Restricted Funds</b>	<b>550,177</b>	<b>446,835</b>	<b>414,100</b>	<b>473,700</b>	<b>525,400</b>
<b>Federal Fund</b>					
Balance Forward	-251,028	-291,204	5,200	17,100	6,300
Current Receipts	971,399	1,132,150	1,691,600	791,800	791,800
<b>Total Federal Fund</b>	<b>720,371</b>	<b>840,947</b>	<b>1,696,800</b>	<b>808,900</b>	<b>798,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>2,999,448</b>	<b>2,825,682</b>	<b>3,852,900</b>	<b>3,205,600</b>	<b>3,258,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,033,617	1,114,959	1,222,200	1,409,900	1,429,100
Operating Expenses	262,431	129,651	196,500	205,600	198,600
Grants Loans Benefits	1,540,443	1,316,703	2,100,400	1,213,400	1,213,400
<b>TOTAL EXPENDITURES</b>	<b>2,836,491</b>	<b>2,561,313</b>	<b>3,519,100</b>	<b>2,828,900</b>	<b>2,841,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,707,755	1,537,900	1,742,000	1,923,000	1,935,200
Restricted Funds	117,161	187,668	97,400	103,300	103,300
Federal Fund	1,011,575	835,745	1,679,700	802,600	802,600
<b>TOTAL EXPENDITURES</b>	<b>2,836,491</b>	<b>2,561,313</b>	<b>3,519,100</b>	<b>2,828,900</b>	<b>2,841,100</b>
<b>EXPENDITURES BY UNIT</b>					
Arts Council	1,139,030	864,824	1,321,900	1,540,700	1,552,900
Support Grants	1,588,184	1,509,245	2,105,400	1,196,400	1,196,400
Arts Marketing	109,277	187,244	91,800	91,800	91,800
<b>TOTAL EXPENDITURES</b>	<b>2,836,491</b>	<b>2,561,313</b>	<b>3,519,100</b>	<b>2,828,900</b>	<b>2,841,100</b>

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

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

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

**Policy**

The Governor's budget includes funding for a program administrator position to help the agency to meet its legislated purpose, as the agency has experienced a major reduction in programming and grant dollars. Additional General Fund in the amount of \$164,300 in fiscal year 2023 and \$170,000 in fiscal year 2024 is provided.

**Tourism, Arts and Heritage  
Heritage Council**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	719,000	738,400	739,400	1,685,400	1,695,100
Special Appropriation			50,000		
Current Year Appropriation			7,000		
<b>Total General Fund</b>	<b>719,000</b>	<b>738,400</b>	<b>796,400</b>	<b>1,685,400</b>	<b>1,695,100</b>
<b>Restricted Funds</b>					
Balance Forward	533,548	467,291	352,500	160,400	
Current Receipts	165,884	508,824	100,000	135,000	135,000
Non-Revenue Receipts			383,000	535,000	537,600
<b>Total Restricted Funds</b>	<b>699,432</b>	<b>976,116</b>	<b>835,500</b>	<b>830,400</b>	<b>672,600</b>
<b>Federal Fund</b>					
Balance Forward	-343,893	345	400		
Current Receipts	1,252,430	771,859	983,400	984,100	975,300
<b>Total Federal Fund</b>	<b>908,537</b>	<b>772,205</b>	<b>983,800</b>	<b>984,100</b>	<b>975,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>2,326,969</b>	<b>2,486,720</b>	<b>2,615,700</b>	<b>3,499,900</b>	<b>3,343,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,571,941	1,895,085	1,962,800	3,034,300	3,048,700
Operating Expenses	191,307	213,400	390,100	307,200	195,300
Grants Loans Benefits	88,884	25,378	102,400	158,400	99,000
<b>TOTAL EXPENDITURES</b>	<b>1,852,132</b>	<b>2,133,863</b>	<b>2,455,300</b>	<b>3,499,900</b>	<b>3,343,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	711,800	738,400	796,400	1,685,400	1,695,100
Restricted Funds	232,140	623,604	675,100	830,400	672,600
Federal Fund	908,192	771,859	983,800	984,100	975,300
<b>TOTAL EXPENDITURES</b>	<b>1,852,132</b>	<b>2,133,863</b>	<b>2,455,300</b>	<b>3,499,900</b>	<b>3,343,000</b>
<b>EXPENDITURES BY UNIT</b>					
Kentucky Heritage Council	1,852,132	2,133,863	2,455,300	3,499,900	3,343,000
<b>TOTAL EXPENDITURES</b>	<b>1,852,132</b>	<b>2,133,863</b>	<b>2,455,300</b>	<b>3,499,900</b>	<b>3,343,000</b>

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

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

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

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



## **Policy**

The Governor's budget includes funding to meet the unfunded mandate enacted in the 2021 Regular Session of implementing the historic preservation tax credit program, the cap for which was raised from \$5 million to \$100 million per year. Additional staff is necessary to meet this new requirement and \$715,700 in fiscal year 2023 and \$713,100 in fiscal year 2024 from the General Fund is provided. The Council needs a manager for the Site Identification program, a core mission of the Council, \$162,000 in fiscal year 2023 and \$161,300 in fiscal year 2024.

Additional Restricted Funds are included in the amount of \$121,300 in fiscal year 2023 and \$122,800 in fiscal year 2024 for one additional Kentucky Transportation Cabinet Easement Liaison position.

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

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	558,300	558,300	2,084,300	597,200	597,200
<b>Total General Fund</b>	<b>558,300</b>	<b>558,300</b>	<b>2,084,300</b>	<b>597,200</b>	<b>597,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>558,300</b>	<b>558,300</b>	<b>2,084,300</b>	<b>597,200</b>	<b>597,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs			350,800	16,600	16,600
Operating Expenses			1,175,200		
Grants Loans Benefits	558,300	558,300	558,300	580,600	580,600
<b>TOTAL EXPENDITURES</b>	<b>558,300</b>	<b>558,300</b>	<b>2,084,300</b>	<b>597,200</b>	<b>597,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	558,300	558,300	2,084,300	597,200	597,200
<b>TOTAL EXPENDITURES</b>	<b>558,300</b>	<b>558,300</b>	<b>2,084,300</b>	<b>597,200</b>	<b>597,200</b>
<b>EXPENDITURES BY UNIT</b>					
Kentucky Center for the Arts			1,526,000		
Governor's School for the Arts	558,300	558,300	558,300	597,200	597,200
<b>TOTAL EXPENDITURES</b>	<b>558,300</b>	<b>558,300</b>	<b>2,084,300</b>	<b>597,200</b>	<b>597,200</b>

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

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

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

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

**Policy**

The Governor’s budget includes additional General Fund in the amount of \$22,300 in each fiscal year for the Governor’s School for the Arts.

# Transportation

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**Transportation  
Transportation**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	6,089,000	6,089,000	14,489,000	296,509,000	71,053,000
Continuing Approp-General Fund	1,957,414	1,213,043	940,900		
<b>Total General Fund</b>	<b>8,046,414</b>	<b>7,302,043</b>	<b>15,429,900</b>	<b>296,509,000</b>	<b>71,053,000</b>
<b>Restricted Funds</b>					
Balance Forward	112,517,244	96,193,194	97,679,300	16,718,300	16,993,800
Current Receipts	126,382,834	135,182,464	193,080,300	184,801,500	184,855,600
Non-Revenue Receipts	5,874,193	11,376,910	66,048,000	16,056,900	16,065,800
Fund Transfers	-6,424,000	-4,838,400	-3,828,800	-421,100	-453,000
<b>Total Restricted Funds</b>	<b>238,350,272</b>	<b>237,914,168</b>	<b>352,978,800</b>	<b>217,155,600</b>	<b>217,462,200</b>
<b>Federal Fund</b>					
Balance Forward	1,071,034	-77,517,707	-151,581,300	51,300	51,300
Current Receipts	988,838,531	924,339,984	1,454,411,100	1,380,269,800	1,327,917,100
Non-Revenue Receipts	-84,621,784				
<b>Total Federal Fund</b>	<b>905,287,781</b>	<b>846,822,278</b>	<b>1,302,829,800</b>	<b>1,380,321,100</b>	<b>1,327,968,400</b>
<b>Road Fund</b>					
Regular Appropriation	1,401,612,100	1,472,546,300	1,549,049,300	1,672,683,700	1,623,108,000
Surplus Expenditure Plan	75,238,050	139,829	97,267,300		
Current Year Appropriation	5,065,500	64,067,100	61,262,200		
Continuing Approp-Road Fund	397,544,504	416,116,216			
Other	-8,212,532	-3,350,999	9,137,500		
<b>Total Road Fund</b>	<b>1,871,247,622</b>	<b>1,949,518,446</b>	<b>1,716,716,300</b>	<b>1,672,683,700</b>	<b>1,623,108,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>3,022,932,088</b>	<b>3,041,556,934</b>	<b>3,387,954,800</b>	<b>3,566,669,400</b>	<b>3,239,591,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	594,526,486	581,324,185	671,171,000	686,830,700	695,390,900
Operating Expenses	304,371,189	315,844,568	341,643,900	391,766,000	381,894,900
Grants Loans Benefits	265,689,293	254,433,127	378,706,600	453,028,700	398,364,700
Debt Service	246,475,592	229,885,691	219,290,400	212,460,800	207,096,200
Capital Outlay	8,234,616	14,534,281	5,275,900	15,199,400	9,430,200
Construction	1,138,502,365	1,051,944,570	1,746,374,600	1,787,510,100	1,524,307,300
<b>TOTAL EXPENDITURES</b>	<b>2,557,799,540</b>	<b>2,447,966,421</b>	<b>3,362,462,400</b>	<b>3,546,795,700</b>	<b>3,216,484,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	6,774,970	6,359,613	15,429,900	296,509,000	71,053,000
Restricted Funds	142,157,077	140,234,868	336,260,500	200,161,800	196,959,100
Federal Fund	982,805,487	998,403,645	1,302,778,500	1,380,269,800	1,327,917,100
Road Fund	1,426,062,005	1,302,968,295	1,707,993,500	1,669,855,100	1,620,555,000
<b>TOTAL EXPENDITURES</b>	<b>2,557,799,540</b>	<b>2,447,966,421</b>	<b>3,362,462,400</b>	<b>3,546,795,700</b>	<b>3,216,484,200</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration and Support	76,583,104	78,730,795	88,772,200	152,295,700	113,802,100
Aviation	17,984,766	18,189,782	42,641,000	56,980,200	47,434,200
Debt Service	142,492,346	142,480,244	130,416,800	132,123,500	134,302,100
Highways	1,898,314,707	1,818,467,063	2,555,019,200	2,655,783,000	2,385,874,300
Public Transportation	40,676,836	42,146,532	119,763,300	97,260,300	95,212,300
Revenue Sharing	337,047,576	286,922,231	350,617,800	372,580,800	364,617,700
Vehicle Regulation	37,760,205	47,089,775	72,232,100	66,853,200	68,051,500
Transfer to Capital Projects	6,940,000	13,940,000	3,000,000	12,919,000	7,190,000
<b>TOTAL EXPENDITURES</b>	<b>2,557,799,540</b>	<b>2,447,966,421</b>	<b>3,362,462,400</b>	<b>3,546,795,700</b>	<b>3,216,484,200</b>

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

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

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

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

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

**Transportation**  
**General Administration and Support**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	500,000	500,000	500,000	500,000	31,044,000
<b>Total General Fund</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>31,044,000</b>
<b>Restricted Funds</b>					
Balance Forward	206,333	206,227	206,200	123,900	41,600
Current Receipts	1,219,294	767,273	2,597,500	2,638,600	2,689,200
Non-Revenue Receipts	8,492	368,014			
<b>Total Restricted Funds</b>	<b>1,434,119</b>	<b>1,341,515</b>	<b>2,803,700</b>	<b>2,762,500</b>	<b>2,730,800</b>
<b>Federal Fund</b>					
Current Receipts	18,355			69,456,000	
<b>Total Federal Fund</b>	<b>18,355</b>			<b>69,456,000</b>	
<b>Road Fund</b>					
Regular Appropriation	81,193,100	85,112,100	85,493,100	79,618,800	80,028,300
Current Year Appropriation			99,300		
<b>Total Road Fund</b>	<b>81,193,100</b>	<b>85,112,100</b>	<b>85,592,400</b>	<b>79,618,800</b>	<b>80,028,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>83,145,574</b>	<b>86,953,615</b>	<b>88,896,100</b>	<b>152,337,300</b>	<b>113,803,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	33,711,301	33,941,062	39,592,700	40,105,200	40,536,800
Operating Expenses	35,224,035	37,023,000	39,590,600	39,904,300	39,920,100
Grants Loans Benefits	510,137	499,701	501,000	69,957,000	31,045,000
Debt Service	7,112,207	7,110,102	7,107,000	343,800	345,000
Capital Outlay	9,700	45,427	1,865,900	1,870,400	1,840,200
Construction	15,723	111,503	115,000	115,000	115,000
<b>TOTAL EXPENDITURES</b>	<b>76,583,104</b>	<b>78,730,795</b>	<b>88,772,200</b>	<b>152,295,700</b>	<b>113,802,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	500,000	498,415	500,000	500,000	31,044,000
Restricted Funds	1,227,892	1,135,288	2,679,800	2,720,900	2,729,800
Federal Fund	18,355			69,456,000	
Road Fund	74,836,856	77,097,092	85,592,400	79,618,800	80,028,300
<b>TOTAL EXPENDITURES</b>	<b>76,583,104</b>	<b>78,730,795</b>	<b>88,772,200</b>	<b>152,295,700</b>	<b>113,802,100</b>
<b>EXPENDITURES BY UNIT</b>					
Office of the Secretary	7,729,023	7,759,091	9,951,300	79,620,400	40,828,200
Legal Services	4,433,839	4,087,566	5,551,700	5,649,800	5,705,500
Office of Human Resource Management	3,729,335	3,666,477	4,511,600	4,610,500	4,651,100
Office of Support Services	20,440,704	22,288,723	25,056,000	17,502,400	17,595,800
Technology	35,324,260	35,772,884	37,832,800	38,934,600	38,983,400
Office of Audits	4,925,943	5,156,054	5,868,800	5,978,000	6,038,100
<b>TOTAL EXPENDITURES</b>	<b>76,583,104</b>	<b>78,730,795</b>	<b>88,772,200</b>	<b>152,295,700</b>	<b>113,802,100</b>

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

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

The Office of the Secretary is the central point of contact with the general public and external organizations and serves as the main policymaking arm of the Cabinet. The Office of Budget and Fiscal Management and the Office of Audits manage the planning and use of the Cabinet's financial resources. The Office for Civil Rights and Small Business Development conducts programs to provide women and minorities an equal opportunity for employment and to compete for highway construction contracts. The Office of Legal Services provides the agency with the required legal representation before administrative boards and all levels of the court system. The Office of Public Affairs is responsible for the Cabinet's communications with employees, the news media, and the general public. The Office of Inspector General exists to provide the Cabinet a mechanism for both employees and Kentuckians to report incidences of wrongdoing regarding the Cabinet's service. The Office of Human Resource Management is responsible for the Cabinet's human resources policies and personnel utilization and development programs. The Office of Support Services provides oversight and management of the Cabinet's statewide facilities, including all ongoing capital projects not associated with highway construction. Beginning in April 2013, the Office of Support Services began providing production print services for the Executive Branch through its Division of Graphic Design and Printing, a function previously performed by the Commonwealth Office of Technology. The Office of Information Technology is responsible for the technological application development and system support functions for the Cabinet.

## **Policy**

The new Infrastructure Investment and Jobs Act authorizes a nationwide network of electric vehicle charging stations and sets aside \$5 billion for states to build them, including \$69,456,000 for Kentucky. The Governor's budget adds \$30,544,000 from the General Fund, to be used as required match for the federal funds and to expand the Commonwealth's fleet of vehicles to include additional electric vehicles. The Transportation Cabinet will work with the Division of Fleet Management within the Finance and Administration Cabinet to utilize a portion of the above General Fund to expand the Commonwealth's fleet of electric vehicles. This brings the total investment to \$100 million.

The General Fund appropriation of \$500,000 each year provides funding for the improvement of public river ports in the Commonwealth. The Secretary of Transportation, in conjunction with the Kentucky Water Transportation Advisory Board, shall determine how to distribute the funds.

**Transportation  
Aviation**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation				32,010,000	26,010,000
Continuing Approp-General Fund	1,706,334	756,842	57,700		
<b>Total General Fund</b>	1,706,334	756,842	57,700	32,010,000	26,010,000
<b>Restricted Funds</b>					
Balance Forward	21,614,516	26,312,967	24,932,200	3,808,200	237,900
Current Receipts	21,071,271	15,144,415	20,177,600	20,331,700	20,306,600
Non-Revenue Receipts	-1,821,694	-1,808,748	-837,400	-836,100	-835,300
Fund Transfers	-424,000	-438,400	-428,800	-421,100	-453,000
<b>Total Restricted Funds</b>	40,440,093	39,210,234	43,843,600	22,882,700	19,256,200
<b>Federal Fund</b>					
Balance Forward		-160,309	-59,100		
Current Receipts	86,356	541,664	799,000	500,000	500,000
Non-Revenue Receipts	-44,614				
<b>Total Federal Fund</b>	41,742	381,355	739,900	500,000	500,000
<b>Road Fund</b>					
Regular Appropriation	2,789,000	2,797,700	1,805,600	1,825,400	1,839,900
Current Year Appropriation			2,400		
<b>Total Road Fund</b>	2,789,000	2,797,700	1,808,000	1,825,400	1,839,900
<b>TOTAL SOURCE OF FUNDS</b>	44,977,169	43,146,131	46,449,200	57,218,100	47,606,100
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,633,179	2,756,922	3,488,400	3,298,200	3,328,500
Operating Expenses	632,827	647,676	949,900	897,500	896,400
Grants Loans Benefits	10,114,668	12,032,671	36,815,300	51,398,400	41,824,000
Debt Service	1,829,731	1,831,094	837,400	836,100	835,300
Construction	1,774,361	921,419	550,000	550,000	550,000
<b>TOTAL EXPENDITURES</b>	17,984,766	18,189,782	42,641,000	56,980,200	47,434,200
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	949,492	699,161	57,700	32,010,000	26,010,000
Restricted Funds	14,127,125	14,278,061	40,035,400	22,644,800	19,084,300
Federal Fund	202,051	440,455	739,900	500,000	500,000
Road Fund	2,706,098	2,772,105	1,808,000	1,825,400	1,839,900
<b>TOTAL EXPENDITURES</b>	17,984,766	18,189,782	42,641,000	56,980,200	47,434,200
<b>EXPENDITURES BY UNIT</b>					
Commonwealth Aviation	13,725,466	13,915,329	39,070,500	53,472,000	43,909,800
Capital City Airport	2,429,569	2,443,359	2,733,100	2,672,100	2,689,100
Aviation Administration	1,829,731	1,831,094	837,400	836,100	835,300
<b>TOTAL EXPENDITURES</b>	17,984,766	18,189,782	42,641,000	56,980,200	47,434,200

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



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

## **Policy**

The Governor's budget includes \$50 million from the General Fund, \$25 million each year, for grants to General Aviation to meet general aviation airport maintenance needs.

The Governor's Budget adds an additional \$6,000,000 in General Fund in fiscal year 2023 for the Paducah Airport Terminal construction project.

An additional \$500,000 from the General Fund has been added in each fiscal year to provide support to Flight/Mechanic Schools statewide, and an additional \$500,000 in each fiscal year from the General Fund to support an Unmanned Aircraft System (UAS) Drone Program. This program will standardize and monitor all UAS operations at the state level.

The budget transfers \$421,100 in fiscal year 2022-2023 and \$453,000 in fiscal year 2023-2024 from the Kentucky Aviation Economic Development Fund to the General Fund to support General Fund supported aviation bonds authorized by the 2005 General Assembly, and the budget transfers \$836,100 in fiscal year 2022-2023 and \$835,300 in fiscal year 2023-2024 from the Kentucky Aviation Economic Development Fund to the Road Fund to support Road Fund supported aviation bonds authorized by the 2010 General Assembly.

**Transportation  
Debt Service**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>Road Fund</b>					
Regular Appropriation	150,097,400	147,991,400	139,139,600	134,952,100	136,855,100
<b>Total Road Fund</b>	<b>150,097,400</b>	<b>147,991,400</b>	<b>139,139,600</b>	<b>134,952,100</b>	<b>136,855,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>150,097,400</b>	<b>147,991,400</b>	<b>139,139,600</b>	<b>134,952,100</b>	<b>136,855,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	100,000	100,000		250,000	250,000
Debt Service	142,392,346	142,380,244	130,416,800	131,873,500	134,052,100
<b>TOTAL EXPENDITURES</b>	<b>142,492,346</b>	<b>142,480,244</b>	<b>130,416,800</b>	<b>132,123,500</b>	<b>134,302,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Road Fund	142,492,346	142,480,244	130,416,800	132,123,500	134,302,100
<b>TOTAL EXPENDITURES</b>	<b>142,492,346</b>	<b>142,480,244</b>	<b>130,416,800</b>	<b>132,123,500</b>	<b>134,302,100</b>
<b>EXPENDITURES BY UNIT</b>					
Economic Development Lease Rental	142,492,346	142,480,244	130,416,800	132,123,500	134,302,100
<b>TOTAL EXPENDITURES</b>	<b>142,492,346</b>	<b>142,480,244</b>	<b>130,416,800</b>	<b>132,123,500</b>	<b>134,302,100</b>

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

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

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

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

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

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

## **Policy**

The American Recovery and Reinvestment Act of 2009 created a new debt instrument for tax-exempt municipal bond issuers, called Build America Bonds. Municipal bond issuers could issue Build America Bonds for eligible tax-exempt purposes on a permanent basis only. The Commonwealth was eligible for a subsidy for bonds issued as Build America Bonds prior to December 31, 2010. Subsidies from the Build America Bonds shall lapse to the Road Fund. The amount of the Road Fund lapse is \$2,828,600 in fiscal year 2023 and \$2,553,000 in fiscal year 2024.

An additional lapse of \$5,540,600 Road Fund is budgeted for fiscal year 2021-2022, this lapse is due to \$50 million in authorized but unissued Turnpike Authority of Kentucky bonds.

**Transportation  
Highways**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation				250,000,000	
<b>Total General Fund</b>				250,000,000	
<b>Restricted Funds</b>					
Balance Forward	79,491,792	58,157,324	56,617,300	1,995,000	1,835,000
Current Receipts	86,346,583	98,973,497	139,258,800	140,209,000	140,420,000
Non-Revenue Receipts	7,687,395	12,817,643	66,888,900	16,894,000	16,902,100
<b>Total Restricted Funds</b>	173,525,771	169,948,464	262,765,000	159,098,000	159,157,100
<b>Federal Fund</b>					
Balance Forward		-77,439,377	-151,320,100		
Current Receipts	953,062,777	885,316,953	1,354,544,900	1,223,636,700	1,242,287,900
Non-Revenue Receipts	-84,403,365				
<b>Total Federal Fund</b>	868,659,413	807,877,576	1,203,224,800	1,223,636,700	1,242,287,900
<b>Road Fund</b>					
Regular Appropriation	796,751,000	826,464,900	935,647,200	1,024,883,300	986,104,300
Surplus Expenditure Plan	75,238,050	139,829	97,267,300		
Current Year Appropriation		78,806,900	58,109,900		
Continuing Approp-Road Fund	273,220,823	300,406,361			
<b>Total Road Fund</b>	1,145,209,873	1,205,817,990	1,091,024,400	1,024,883,300	986,104,300
<b>TOTAL SOURCE OF FUNDS</b>	2,187,395,057	2,183,644,030	2,557,014,200	2,657,618,000	2,387,549,300
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	530,000,554	513,572,075	584,840,600	598,403,200	605,375,800
Operating Expenses	243,076,646	251,954,205	263,468,500	321,017,300	311,159,800
Grants Loans Benefits	28,185,375	26,001,148	31,740,100	31,740,100	31,740,100
Debt Service	95,141,308	78,564,251	79,388,200	77,900,400	70,356,800
Capital Outlay	1,094,586	320,770	410,000	410,000	400,000
Construction	1,000,816,237	948,054,614	1,595,171,800	1,626,312,000	1,366,841,800
<b>TOTAL EXPENDITURES</b>	1,898,314,707	1,818,467,063	2,555,019,200	2,655,783,000	2,385,874,300
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund				250,000,000	
Restricted Funds	115,368,447	113,331,228	260,770,000	157,263,000	157,482,100
Federal Fund	946,098,790	959,197,751	1,203,224,800	1,223,636,700	1,242,287,900
Road Fund	836,847,469	745,938,085	1,091,024,400	1,024,883,300	986,104,300
<b>TOTAL EXPENDITURES</b>	1,898,314,707	1,818,467,063	2,555,019,200	2,655,783,000	2,385,874,300
<b>EXPENDITURES BY UNIT</b>					
Research	3,218,824	4,894,565	4,527,500	4,528,600	4,528,800
Construction	1,357,074,808	1,269,966,456	1,928,252,800	1,988,562,500	1,716,402,500
Maintenance	385,553,171	388,087,923	398,125,600	444,959,600	445,880,200
Engineering Administration	15,528,207	14,683,897	18,233,200	19,467,200	19,876,500
Planning	14,983,569	17,480,081	17,411,200	19,898,800	19,998,800
Highway Operations	45,518,344	48,616,841	84,668,000	85,492,100	86,054,300
Equipment Services	65,523,867	64,806,413	83,617,600	72,503,500	72,710,800
Highway Safety	10,913,917	9,930,888	20,183,300	20,370,700	20,422,400
<b>TOTAL EXPENDITURES</b>	1,898,314,707	1,818,467,063	2,555,019,200	2,655,783,000	2,385,874,300

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

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

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

**Transportation  
Highways  
Research**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>Federal Fund</b>					
Balance Forward		335,662	335,700		
Current Receipts	1,917,690	3,016,171	3,047,700	3,383,400	3,383,400
Non-Revenue Receipts	335,662				
<b>Total Federal Fund</b>	<b>2,253,352</b>	<b>3,351,832</b>	<b>3,383,400</b>	<b>3,383,400</b>	<b>3,383,400</b>
<b>Road Fund</b>					
Regular Appropriation	1,144,000	1,144,000	1,144,000	1,145,200	1,145,400
Current Year Appropriation			100		
Continuing Approp-Road Fund	2,727,276	2,570,142			
<b>Total Road Fund</b>	<b>3,871,276</b>	<b>3,714,142</b>	<b>1,144,100</b>	<b>1,145,200</b>	<b>1,145,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>6,124,628</b>	<b>7,065,974</b>	<b>4,527,500</b>	<b>4,528,600</b>	<b>4,528,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,218,824	4,894,565	4,237,500	4,238,600	4,238,800
Operating Expenses			290,000	290,000	290,000
<b>TOTAL EXPENDITURES</b>	<b>3,218,824</b>	<b>4,894,565</b>	<b>4,527,500</b>	<b>4,528,600</b>	<b>4,528,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Federal Fund	1,917,690	3,016,171	3,383,400	3,383,400	3,383,400
Road Fund	1,301,134	1,878,394	1,144,100	1,145,200	1,145,400
<b>TOTAL EXPENDITURES</b>	<b>3,218,824</b>	<b>4,894,565</b>	<b>4,527,500</b>	<b>4,528,600</b>	<b>4,528,800</b>

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

**Transportation  
Highways  
Construction**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation				250,000,000	
<b>Total General Fund</b>				250,000,000	
<b>Restricted Funds</b>					
Balance Forward	67,381,618	48,385,371	42,416,200		
Current Receipts	6,748,295	6,338,788	16,391,500	16,391,500	16,391,500
Non-Revenue Receipts	7,542,627	16,108,932	66,888,900	16,894,000	16,902,100
<b>Total Restricted Funds</b>	81,672,540	70,833,090	125,696,600	33,285,500	33,293,600
<b>Federal Fund</b>					
Balance Forward		-77,669,671	-150,946,800		
Current Receipts	932,888,640	863,257,057	1,327,148,300	1,194,060,700	1,212,634,100
Non-Revenue Receipts	-84,270,930				
<b>Total Federal Fund</b>	848,617,710	785,587,386	1,176,201,500	1,194,060,700	1,212,634,100
<b>Road Fund</b>					
Regular Appropriation	350,831,200	388,811,000	471,812,900	511,216,300	470,474,800
Surplus Expenditure Plan	75,238,050	139,829	97,267,300		
Current Year Appropriation		78,806,900	57,274,500		
Continuing Approp-Road Fund	237,058,667	265,627,659			
Other		-16,500,000			
<b>Total Road Fund</b>	663,127,917	716,885,388	626,354,700	511,216,300	470,474,800
<b>TOTAL SOURCE OF FUNDS</b>	1,593,418,167	1,573,305,864	1,928,252,800	1,988,562,500	1,716,402,500
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	219,569,754	197,424,037	219,380,800	219,349,400	220,629,200
Operating Expenses	54,023,641	58,658,402	57,981,200	77,176,100	70,176,100
Grants Loans Benefits	25,197,795	22,425,382	25,821,100	25,821,100	25,821,100
Debt Service	95,141,308	78,564,251	79,388,200	77,900,400	70,356,800
Capital Outlay	307,120				
Construction	962,835,190	912,894,383	1,545,681,500	1,588,315,500	1,329,419,300
<b>TOTAL EXPENDITURES</b>	1,357,074,808	1,269,966,456	1,928,252,800	1,988,562,500	1,716,402,500
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund				250,000,000	
Restricted Funds	33,287,169	28,416,873	125,696,600	33,285,500	33,293,600
Federal Fund	926,287,381	936,534,207	1,176,201,500	1,194,060,700	1,212,634,100
Road Fund	397,500,258	305,015,376	626,354,700	511,216,300	470,474,800
<b>TOTAL EXPENDITURES</b>	1,357,074,808	1,269,966,456	1,928,252,800	1,988,562,500	1,716,402,500
<b>EXPENDITURES BY UNIT</b>					
Bond Funded Construction	20,763,646	7,796,389	90,109,900		
State Funded Construction	348,951,988	217,348,380	454,008,500	583,748,000	288,327,700
Federal Funded Construction	987,359,174	1,044,821,687	1,384,134,400	1,404,814,500	1,428,074,800
<b>TOTAL EXPENDITURES</b>	1,357,074,808	1,269,966,456	1,928,252,800	1,988,562,500	1,716,402,500

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

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

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

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

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

## **Policy**

The Governor's Budget includes an historic investment of \$250,000,000 from the General Fund for Major Transportation Infrastructure Projects. The intention of these one-time funds is to lock in an ability for Kentucky to meet an expected state share of potential federal competitive grants for major transportation infrastructure projects in combination with other resources. The three major projects targeted are the replacement of the Brent Spence bridge, the I-69 Ohio River crossing in Hendersonville in concert with the state of Indiana, and the completion of the Mountain Parkway project. These funds give Kentucky an improved prospect at leveraging new federal funding from the Infrastructure Investment and Jobs Act.

The new Infrastructure Investment and Jobs Act provided states with a 22 percent increase in funding from the federal Highway Trust Fund in federal fiscal year 2022 and an additional two percent increase in the subsequent four years. The Highway Trust Fund provides approximately an 80 percent share and states must provide the other 20 percent. Additional Road Fund in the amount of \$57,216,100 in fiscal year 2022, \$61,617,600 in fiscal year 2023, and \$66,107,100 in fiscal year 2024 is included in the budget to provide Kentucky's share of the increased federal funding. This additional state match of \$184.9 million will leverage around \$774.7 million of additional federal dollars over federal fiscal years 2022-2024 from the Highway Trust Fund and a new bridge program, yielding an additional \$959.6 million in combined road and bridge funding over the three-year span.

The budget includes Road Fund in the amount of \$125,000,000 in each year to support resurfacing, and \$30,000,000 each year for the Highway Construction Contingency Account.

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



**Transportation  
Highways  
Maintenance**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Current Receipts	4,113,545	2,427,197	3,687,900	3,687,900	3,687,900
Non-Revenue Receipts	-236,737	1,214,229			
<b>Total Restricted Funds</b>	<b>3,876,809</b>	<b>3,641,426</b>	<b>3,687,900</b>	<b>3,687,900</b>	<b>3,687,900</b>
<b>Federal Fund</b>					
Current Receipts	139,042				
<b>Total Federal Fund</b>	<b>139,042</b>				
<b>Road Fund</b>					
Regular Appropriation	380,311,000	375,958,600	393,769,000	441,271,700	442,192,300
Current Year Appropriation			668,700		
Continuing Approp-Road Fund	33,434,880	32,208,560			
Other		16,000,000			
<b>Total Road Fund</b>	<b>413,745,880</b>	<b>424,167,160</b>	<b>394,437,700</b>	<b>441,271,700</b>	<b>442,192,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>417,761,731</b>	<b>427,808,586</b>	<b>398,125,600</b>	<b>444,959,600</b>	<b>445,880,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	212,196,528	216,294,087	225,933,100	233,651,500	237,806,800
Operating Expenses	165,995,812	169,501,574	169,408,500	209,181,400	206,520,700
Grants Loans Benefits	2,370	881			
Capital Outlay	442,510				
Construction	6,915,950	2,291,382	2,784,000	2,126,700	1,552,700
<b>TOTAL EXPENDITURES</b>	<b>385,553,171</b>	<b>388,087,923</b>	<b>398,125,600</b>	<b>444,959,600</b>	<b>445,880,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	3,876,809	3,641,426	3,687,900	3,687,900	3,687,900
Federal Fund	139,042				
Road Fund	381,537,320	384,446,497	394,437,700	441,271,700	442,192,300
<b>TOTAL EXPENDITURES</b>	<b>385,553,171</b>	<b>388,087,923</b>	<b>398,125,600</b>	<b>444,959,600</b>	<b>445,880,200</b>

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

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

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

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

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

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

## **Policy**

The Governor's budget request includes additional Road Fund of \$33 million each year for road and bridge maintenance, a 12 percent increase. The Maintenance budget funds over 2,600 staff and includes all the tasks to keep traffic moving safely. Over the last ten years, the buying power of the maintenance operations budget has declined 52 percent based on the Kentucky Construction Cost index, or about \$100 million. This additional funding will recover one third of that lost purchasing power.

Road Fund in the amount of \$4,898,000 in fiscal year 2023 and \$2,160,700 is included to assist with snow and ice removal in District 10 and District 12 by bringing in-house previously contracted services. Capacity and performance by outside vendors is the basis for this operational change. These funds will provide for an additional 34 employees and equipment. The additional staff will also be utilized for mowing, ditching, roadside maintenance, emergency repair work, such as rains and slid repairs throughout the year.

Additional \$1 million in Road Fund is included in the recommended budget to cover the increase cost of traffic signal related materials. The cost of these materials has increased by 60 percent.

**Transportation  
Highways  
Engineering Administration**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>Federal Fund</b>					
Current Receipts	17				
<b>Total Federal Fund</b>	17				
<b>Road Fund</b>					
Regular Appropriation	18,368,200	17,875,500	18,183,800	19,467,200	19,876,500
Current Year Appropriation			49,400		
<b>Total Road Fund</b>	18,368,200	17,875,500	18,233,200	19,467,200	19,876,500
<b>TOTAL SOURCE OF FUNDS</b>	18,368,217	17,875,500	18,233,200	19,467,200	19,876,500
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	14,063,738	13,134,666	15,513,600	16,652,600	17,109,400
Operating Expenses	1,134,711	1,256,264	2,299,600	2,394,600	2,357,100
Grants Loans Benefits		122			
Capital Outlay	325,320	282,321	410,000	410,000	400,000
Construction	4,438	10,524	10,000	10,000	10,000
<b>TOTAL EXPENDITURES</b>	15,528,207	14,683,897	18,233,200	19,467,200	19,876,500
<b>EXPENDITURES BY FUND SOURCE</b>					
Federal Fund	17				
Road Fund	15,528,191	14,683,897	18,233,200	19,467,200	19,876,500
<b>TOTAL EXPENDITURES</b>	15,528,207	14,683,897	18,233,200	19,467,200	19,876,500

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

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

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

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

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

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

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

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

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

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

### **Policy**

Additional Road Fund in the amount of \$750,000 in fiscal year 2022-2023 and \$905,000 in fiscal year 2023-2024 has been added to invest in a multi-year effort to better use the digital data created during the design phase to record "as-built" information during the construction project to create future usability for operations, maintenance, and asset management. The Transportation Cabinet will work with the Kentucky Transportation Center at the University of Kentucky and the Cabinet's current design software company, Bentley, on this project.

**Transportation  
Highways  
Planning**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>Federal Fund</b>					
Balance Forward		95,385	348,500		
Current Receipts	12,465,224	13,375,623	12,363,700	15,137,500	15,208,400
Non-Revenue Receipts	-64,669				
<b>Total Federal Fund</b>	12,400,555	13,471,009	12,712,200	15,137,500	15,208,400
<b>Road Fund</b>					
Regular Appropriation	3,613,200	3,262,000	4,693,500	4,761,300	4,790,400
Current Year Appropriation			5,500		
Other		1,500,000			
<b>Total Road Fund</b>	3,613,200	4,762,000	4,699,000	4,761,300	4,790,400
<b>TOTAL SOURCE OF FUNDS</b>	16,013,755	18,233,009	17,411,200	19,898,800	19,998,800
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	14,515,427	16,777,651	16,827,700	19,404,100	19,526,700
Operating Expenses	468,142	696,500	583,500	494,700	472,100
Construction		5,930			
<b>TOTAL EXPENDITURES</b>	14,983,569	17,480,081	17,411,200	19,898,800	19,998,800
<b>EXPENDITURES BY FUND SOURCE</b>					
Federal Fund	12,305,169	13,122,478	12,712,200	15,137,500	15,208,400
Road Fund	2,678,400	4,357,604	4,699,000	4,761,300	4,790,400
<b>TOTAL EXPENDITURES</b>	14,983,569	17,480,081	17,411,200	19,898,800	19,998,800

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

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

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

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

**Transportation  
Highways  
Highway Operations**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward			149,900		
Current Receipts	11,952,782	20,456,198	46,808,000	46,976,100	46,979,800
Non-Revenue Receipts	381,505	-4,505,518			
<b>Total Restricted Funds</b>	12,334,287	15,950,681	46,957,900	46,976,100	46,979,800
<b>Federal Fund</b>					
Current Receipts	5,004				
<b>Total Federal Fund</b>	5,004				
<b>Road Fund</b>					
Regular Appropriation	36,613,800	36,333,900	37,605,100	38,516,000	39,074,500
Current Year Appropriation			105,000		
Other		-1,000,000			
<b>Total Road Fund</b>	36,613,800	35,333,900	37,710,100	38,516,000	39,074,500
<b>TOTAL SOURCE OF FUNDS</b>	48,953,091	51,284,581	84,668,000	85,492,100	86,054,300
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	42,461,328	41,702,733	71,022,000	72,028,200	72,699,600
Operating Expenses	2,082,488	1,956,371	11,258,300	11,238,300	11,129,100
Capital Outlay	19,636	23,854			
Construction	954,892	4,933,883	2,387,700	2,225,600	2,225,600
<b>TOTAL EXPENDITURES</b>	45,518,344	48,616,841	84,668,000	85,492,100	86,054,300
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	12,334,287	15,800,814	46,957,900	46,976,100	46,979,800
Federal Fund	5,004				
Road Fund	33,179,053	32,816,026	37,710,100	38,516,000	39,074,500
<b>TOTAL EXPENDITURES</b>	45,518,344	48,616,841	84,668,000	85,492,100	86,054,300

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

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

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

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

**Transportation  
Highways  
Equipment Services**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	10,499,087	7,965,151	12,046,200		
Current Receipts	62,868,868	68,887,415	71,571,400	72,503,500	72,710,800
<b>Total Restricted Funds</b>	<b>73,367,956</b>	<b>76,852,567</b>	<b>83,617,600</b>	<b>72,503,500</b>	<b>72,710,800</b>
<b>Federal Fund</b>					
Current Receipts	121,063				
<b>Total Federal Fund</b>	<b>121,063</b>				
<b>TOTAL SOURCE OF FUNDS</b>	<b>73,489,018</b>	<b>76,852,567</b>	<b>83,617,600</b>	<b>72,503,500</b>	<b>72,710,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	17,447,048	17,206,805	18,587,100	19,538,900	19,755,000
Operating Expenses	18,018,379	19,676,436	20,721,900	19,330,400	19,321,600
Grants Loans Benefits	5,057	4,659			
Construction	30,053,383	27,918,514	44,308,600	33,634,200	33,634,200
<b>TOTAL EXPENDITURES</b>	<b>65,523,867</b>	<b>64,806,413</b>	<b>83,617,600</b>	<b>72,503,500</b>	<b>72,710,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	65,402,804	64,806,413	83,617,600	72,503,500	72,710,800
Federal Fund	121,063				
<b>TOTAL EXPENDITURES</b>	<b>65,523,867</b>	<b>64,806,413</b>	<b>83,617,600</b>	<b>72,503,500</b>	<b>72,710,800</b>

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

**Transportation  
Highways  
Highway Safety**

	<b>Actual FY 2020</b>	<b>Actual FY 2021</b>	<b>Revised FY 2022</b>	<b>Recommended FY 2023</b>	<b>Recommended FY 2024</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	1,611,087	1,806,802	2,005,000	1,995,000	1,835,000
Current Receipts	663,092	863,899	800,000	650,000	650,000
<b>Total Restricted Funds</b>	<b>2,274,180</b>	<b>2,670,700</b>	<b>2,805,000</b>	<b>2,645,000</b>	<b>2,485,000</b>
<b>Federal Fund</b>					
Balance Forward		-200,754	-1,057,500		
Current Receipts	5,526,098	5,668,103	11,985,200	11,055,100	11,062,000
Non-Revenue Receipts	-403,428				
<b>Total Federal Fund</b>	<b>5,122,670</b>	<b>5,467,349</b>	<b>10,927,700</b>	<b>11,055,100</b>	<b>11,062,000</b>
<b>Road Fund</b>					
Regular Appropriation	5,869,600	3,079,900	8,438,900	8,505,600	8,550,400
Current Year Appropriation			6,700		
<b>Total Road Fund</b>	<b>5,869,600</b>	<b>3,079,900</b>	<b>8,445,600</b>	<b>8,505,600</b>	<b>8,550,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>13,266,450</b>	<b>11,217,949</b>	<b>22,178,300</b>	<b>22,205,700</b>	<b>22,097,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	6,527,907	6,137,531	13,338,800	13,539,900	13,610,300
Operating Expenses	1,353,472	208,658	925,500	911,800	893,100
Grants Loans Benefits	2,980,153	3,570,104	5,919,000	5,919,000	5,919,000
Capital Outlay		14,595			
Construction	52,385				
<b>TOTAL EXPENDITURES</b>	<b>10,913,917</b>	<b>9,930,888</b>	<b>20,183,300</b>	<b>20,370,700</b>	<b>20,422,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	467,378	665,701	810,000	810,000	810,000
Federal Fund	5,323,424	6,524,896	10,927,700	11,055,100	11,062,000
Road Fund	5,123,115	2,740,292	8,445,600	8,505,600	8,550,400
<b>TOTAL EXPENDITURES</b>	<b>10,913,917</b>	<b>9,930,888</b>	<b>20,183,300</b>	<b>20,370,700</b>	<b>20,422,400</b>

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

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

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



**Transportation**  
**Public Transportation**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	5,589,000	5,589,000	13,989,000	13,999,000	13,999,000
Continuing Approp-General Fund	251,080	456,201	883,200		
<b>Total General Fund</b>	<b>5,840,080</b>	<b>6,045,201</b>	<b>14,872,200</b>	<b>13,999,000</b>	<b>13,999,000</b>
<b>Restricted Funds</b>					
Current Receipts	560,000	680,000	9,204,400	711,300	711,200
<b>Total Restricted Funds</b>	<b>560,000</b>	<b>680,000</b>	<b>9,204,400</b>	<b>711,300</b>	<b>711,200</b>
<b>Federal Fund</b>					
Balance Forward	1,071,034	521,463	220,000		
Current Receipts	34,241,787	36,003,069	95,466,700	82,550,000	80,502,100
<b>Total Federal Fund</b>	<b>35,312,821</b>	<b>36,524,532</b>	<b>95,686,700</b>	<b>82,550,000</b>	<b>80,502,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>41,712,901</b>	<b>43,249,733</b>	<b>119,763,300</b>	<b>97,260,300</b>	<b>95,212,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,905,200	2,106,759	2,702,700	2,789,700	2,818,900
Operating Expenses	89,735	76,152	99,400	109,400	109,400
Grants Loans Benefits	38,681,902	39,963,621	116,961,200	94,361,200	92,284,000
<b>TOTAL EXPENDITURES</b>	<b>40,676,836</b>	<b>42,146,532</b>	<b>119,763,300</b>	<b>97,260,300</b>	<b>95,212,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,325,479	5,162,037	14,872,200	13,999,000	13,999,000
Restricted Funds	560,000	680,000	9,204,400	711,300	711,200
Federal Fund	34,791,358	36,304,494	95,686,700	82,550,000	80,502,100
<b>TOTAL EXPENDITURES</b>	<b>40,676,836</b>	<b>42,146,532</b>	<b>119,763,300</b>	<b>97,260,300</b>	<b>95,212,300</b>
<b>EXPENDITURES BY UNIT</b>					
Public Transportation	39,718,636	41,069,203	118,682,400	96,140,800	94,092,900
Multi-Modal Transportation	398,200	397,328	398,200	408,200	408,200
Human Services Delivery	560,000	680,000	682,700	711,300	711,200
<b>TOTAL EXPENDITURES</b>	<b>40,676,836</b>	<b>42,146,532</b>	<b>119,763,300</b>	<b>97,260,300</b>	<b>95,212,300</b>

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

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

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

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

**Policy**

The budget includes General Fund in the amount of \$3,500,000 in both fiscal years for nonpublic school transportation.

**Transportation  
Revenue Sharing**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>Road Fund</b>					
Regular Appropriation	337,318,200	350,007,300	341,480,300	372,580,800	364,617,700
Current Year Appropriation		-14,739,800			
Continuing Approp-Road Fund	124,323,681	115,709,855			
Other	-8,212,532	-3,350,999	9,137,500		
<b>Total Road Fund</b>	<b>453,429,349</b>	<b>447,626,356</b>	<b>350,617,800</b>	<b>372,580,800</b>	<b>364,617,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>453,429,349</b>	<b>447,626,356</b>	<b>350,617,800</b>	<b>372,580,800</b>	<b>364,617,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,576,375	2,574,897	2,285,200	2,277,700	2,315,200
Operating Expenses	13,750,349	9,905,728	9,455,800	9,614,000	9,649,000
Grants Loans Benefits	183,841,422	171,664,202	188,339,000	200,156,000	195,853,000
Construction	135,879,431	102,777,403	150,537,800	160,533,100	156,800,500
<b>TOTAL EXPENDITURES</b>	<b>337,047,576</b>	<b>286,922,231</b>	<b>350,617,800</b>	<b>372,580,800</b>	<b>364,617,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Road Fund	337,047,576	286,922,231	350,617,800	372,580,800	364,617,700
<b>TOTAL EXPENDITURES</b>	<b>337,047,576</b>	<b>286,922,231</b>	<b>350,617,800</b>	<b>372,580,800</b>	<b>364,617,700</b>
<b>EXPENDITURES BY UNIT</b>					
County Road Aid	129,610,678	120,389,453	132,521,700	140,839,100	137,810,400
Rural Secondary	152,174,316	113,982,073	160,764,100	170,854,000	167,179,900
Municipal Aid	54,261,019	51,097,089	55,760,500	59,260,100	57,985,800
Energy Recovery	291,880	672,598	141,700	141,800	141,900
Rural and Municipal Aid	709,683	781,017	1,429,800	1,485,800	1,499,700
<b>TOTAL EXPENDITURES</b>	<b>337,047,576</b>	<b>286,922,231</b>	<b>350,617,800</b>	<b>372,580,800</b>	<b>364,617,700</b>

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

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

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

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

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

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

### **Policy**

The Motor Fuels revenue estimate upon which the Road Fund appropriations in the Revenue Sharing program are based, is \$833,750,000 in fiscal year 2023 and \$817,200,000 in fiscal year 2024. The Motor Fuels estimate is then reduced by the amount of truck trip permits, \$930,000 in fiscal year 2023 and \$930,000 in fiscal year 2024.

The higher Motor Fuels revenue estimate results in an addition \$9.1 million in fiscal year 2022, and rising to \$372.6 million in fiscal year 2023, and \$364.6 million in fiscal year 2024.

**Transportation  
Vehicle Regulation**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	11,204,603	11,516,676	15,923,600	10,791,200	14,879,300
Current Receipts	17,185,686	19,617,279	21,842,000	20,910,900	20,728,600
Non-Revenue Receipts			-3,500	-1,000	-1,000
Fund Transfers	-6,000,000	-4,400,000	-3,400,000		
<b>Total Restricted Funds</b>	<b>22,390,289</b>	<b>26,733,955</b>	<b>34,362,100</b>	<b>31,701,100</b>	<b>35,606,900</b>
<b>Federal Fund</b>					
Balance Forward		-439,483	-422,100	51,300	51,300
Current Receipts	1,429,256	2,478,298	3,600,500	4,127,100	4,627,100
Non-Revenue Receipts	-173,806				
<b>Total Federal Fund</b>	<b>1,255,450</b>	<b>2,038,815</b>	<b>3,178,400</b>	<b>4,178,400</b>	<b>4,678,400</b>
<b>Road Fund</b>					
Regular Appropriation	27,323,400	46,232,900	45,483,500	45,904,300	46,472,700
Current Year Appropriation	4,265,500		50,600		
<b>Total Road Fund</b>	<b>31,588,900</b>	<b>46,232,900</b>	<b>45,534,100</b>	<b>45,904,300</b>	<b>46,472,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>55,234,639</b>	<b>75,005,670</b>	<b>83,074,600</b>	<b>81,783,800</b>	<b>86,758,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	21,599,877	26,272,469	38,261,400	39,706,700	40,765,700
Operating Expenses	11,597,597	16,237,807	28,079,700	20,223,500	20,160,200
Grants Loans Benefits	4,355,789	4,271,784	4,350,000	5,416,000	5,618,600
Debt Service			1,541,000	1,507,000	1,507,000
Capital Outlay	190,329	228,084			
Construction	16,612	79,631			
<b>TOTAL EXPENDITURES</b>	<b>37,760,205</b>	<b>47,089,775</b>	<b>72,232,100</b>	<b>66,853,200</b>	<b>68,051,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	10,873,613	10,810,292	23,570,900	16,821,800	16,951,700
Federal Fund	1,694,933	2,460,945	3,127,100	4,127,100	4,627,100
Road Fund	25,191,659	33,818,538	45,534,100	45,904,300	46,472,700
<b>TOTAL EXPENDITURES</b>	<b>37,760,205</b>	<b>47,089,775</b>	<b>72,232,100</b>	<b>66,853,200</b>	<b>68,051,500</b>
<b>EXPENDITURES BY UNIT</b>					
Commissioner	1,428,241	1,994,909	1,445,600	1,469,600	1,503,300
Drivers Licensing	13,001,648	20,236,600	33,758,200	33,602,600	34,916,500
Motor Carriers	6,391,472	6,800,071	7,857,100	8,627,900	8,405,600
Motor Vehicle Licensing	15,115,232	16,139,259	26,397,000	20,340,100	20,387,600
Customer Service	858,088	1,062,222	1,664,200	1,704,000	1,722,000
Motor Vehicle Commission	965,523	856,715	1,110,000	1,109,000	1,116,500
<b>TOTAL EXPENDITURES</b>	<b>37,760,205</b>	<b>47,089,775</b>	<b>72,232,100</b>	<b>66,853,200</b>	<b>68,051,500</b>

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

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

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

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

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

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

**Policy**

An additional \$1,000,000 Restricted Fund appropriation is added each year to support County Clerk IT Improvements and planning.

# Statewide

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**Statewide  
Budget Reserve Trust Fund**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	195,064,500	134,346,300	154,907,100	250,000,000	
Surplus Expenditure Plan		162,469,000	1,162,652,200		
Special Appropriation	-18,051,500				
Continuing Approp-General Fund	129,077,800	303,184,700	600,000,000	1,506,919,700	1,756,919,700
Other	-2,906,100		-410,639,600		
<b>Total General Fund</b>	<b>303,184,700</b>	<b>600,000,000</b>	<b>1,506,919,700</b>	<b>1,756,919,700</b>	<b>1,756,919,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>303,184,700</b>	<b>600,000,000</b>	<b>1,506,919,700</b>	<b>1,756,919,700</b>	<b>1,756,919,700</b>
<b>EXPENDITURES BY CLASS</b>					
<b>TOTAL EXPENDITURES</b>					
<b>EXPENDITURES BY FUND SOURCE</b>					
<b>TOTAL EXPENDITURES</b>					

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

**Policy**

A significant General Fund surplus at the end of fiscal year 2021 resulted in the largest deposit ever made to Kentucky’s “Rainy Day Fund”, in the amount of \$1,162,652,172. Subsequently, in the First Extraordinary Session of 2021, the General Assembly appropriated the use of \$410,639,600 from the Fund for major economic development initiatives which included the announcement of two electric battery plants by the Ford company to be located in Hardin County. The current balance of the Fund is a little over \$1.5 billion, the largest dollar amount ever and the highest ratio of balance to the enacted fiscal year 2022 revenue estimate, at 12.5 percent.

To further build the Budget Reserve Trust Fund and maintain a similar share of the General Fund that currently exists, the Governor’s budget recommendation provides \$250 million in a direct appropriation in fiscal year 2023. This will bring the balance to \$1,756,919,700, 12.5 percent of the fiscal year 2023 estimated revenues.

**Statewide  
Pension Liability Payment**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation				250,000,000	500,000,000
<b>Total General Fund</b>				250,000,000	500,000,000
<b>TOTAL SOURCE OF FUNDS</b>					
				250,000,000	500,000,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs				250,000,000	500,000,000
<b>TOTAL EXPENDITURES</b>				250,000,000	500,000,000
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund				250,000,000	500,000,000
<b>TOTAL EXPENDITURES</b>				250,000,000	500,000,000

**Policy**

The Governor’s budget recommendation includes an appropriation from the General Fund of \$250 million in fiscal year 2023 and \$500 million in fiscal year 2024 to be transferred to the Kentucky Employees Retirement System’s nonhazardous pension plan. This plan has an accrued liability of over \$19 billion as of the June 30, 2021 valuation.

In 2020, the General Assembly extended the amortization period from 24 to 30 years of the Commonwealth’s least funded pension plan for General Fund budgetary savings of about \$74 million annually. The actuarial analysis of that action stated that it, “decreases the financial stability of the System and increases the risk of plan assets being exhausted”. It further stated, “this establishes a pattern of the General Assembly re-setting the amortization period every five to seven years. When an amortization period is continually re-set in this pattern, the unfunded liability and the financial condition of the System will not ever materially improve.”

These additional appropriations will be directed to cover any underpayments, due to routine fluctuations in covered payroll, for the required actuarially accrued liability employer contribution as required in KRS 61.565(1)(d) as modified by HB8 of the 2021 Regular Session and to reduce the unfunded liability amortization base established as of June 30, 2019. It is estimated that it will shorten the amortization period by two years.