

Justice and Public Safety

Justice and Public Safety

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
General Fund					
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			
Total General Fund	939,948,389	808,618,953	1,022,061,800	1,122,088,900	1,146,558,300
Tobacco Fund					
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				
Total Tobacco Fund	11,519,053	9,244,155	8,762,200	3,593,800	3,593,800
Restricted Funds					
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		
Total Restricted Funds	213,434,603	215,027,605	255,052,200	256,737,700	221,978,900
Federal Fund					
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			
Total Federal Fund	90,612,047	187,995,718	116,846,700	72,517,300	73,056,600
Road Fund					
Regular Appropriation	106,762,100	108,100,200	56,980,300	56,980,300	56,980,300
Other		-30,000,000			
Total Road Fund	106,762,100	78,100,200	56,980,300	56,980,300	56,980,300
TOTAL SOURCE OF FUNDS	1,362,276,191	1,298,986,631	1,459,703,200	1,511,918,000	1,502,167,900
EXPENDITURES BY CLASS					
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			
TOTAL EXPENDITURES	1,256,881,990	1,202,220,252	1,379,539,700	1,469,293,300	1,464,740,800
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	1,256,881,990	1,202,220,252	1,379,539,700	1,469,293,300	1,464,740,800

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
TOTAL EXPENDITURES	1,256,881,990	1,202,220,252	1,379,539,700	1,469,293,300	1,464,740,800

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

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
General Fund					
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			
Total General Fund	34,117,600	34,937,200	39,179,600	38,309,100	38,985,000
Tobacco Fund					
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				
Total Tobacco Fund	11,519,053	9,244,155	8,762,200	3,593,800	3,593,800
Restricted Funds					
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
Total Restricted Funds	7,740,339	9,093,488	7,008,800	6,900,800	6,123,300
Federal Fund					
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
Total Federal Fund	31,399,851	36,058,591	45,129,800	45,152,300	45,156,700
TOTAL SOURCE OF FUNDS	84,776,842	89,333,435	100,080,400	93,956,000	93,858,800
EXPENDITURES BY CLASS					
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		
TOTAL EXPENDITURES	81,878,943	86,932,087	97,595,200	92,292,500	93,300,300
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	81,878,943	86,932,087	97,595,200	92,292,500	93,300,300
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	81,878,943	86,932,087	97,595,200	92,292,500	93,300,300

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**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
Restricted Funds					
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
Total Restricted Funds	107,495,637	114,226,939	133,442,800	152,064,900	129,712,800
Federal Fund					
Balance Forward	7,028	38,429	38,400	38,400	38,400
Current Receipts	31,863		2,000	2,000	2,000
Total Federal Fund	38,891	38,429	40,400	40,400	40,400
TOTAL SOURCE OF FUNDS	107,534,528	114,265,368	133,483,200	152,105,300	129,753,200
EXPENDITURES BY CLASS					
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				
TOTAL EXPENDITURES	85,866,057	77,228,581	81,713,800	125,568,600	97,103,800
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	85,866,057	77,228,581	81,713,800	125,568,600	97,103,800
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	85,866,057	77,228,581	81,713,800	125,568,600	97,103,800

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

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
General Fund					
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			
Total General Fund	104,300,200	80,948,400	98,908,600	105,024,300	105,913,800
Restricted Funds					
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		
Total Restricted Funds	23,450,213	23,240,515	26,560,800	20,598,300	14,635,800
Federal Fund					
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			
Total Federal Fund	7,971,190	20,517,607	10,616,800	9,754,200	9,836,900
TOTAL SOURCE OF FUNDS	135,721,604	124,706,522	136,086,200	135,376,800	130,386,500
EXPENDITURES BY CLASS					
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				
TOTAL EXPENDITURES	112,481,135	103,219,390	123,486,900	128,740,000	129,712,200
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	112,481,135	103,219,390	123,486,900	128,740,000	129,712,200
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	112,481,135	103,219,390	123,486,900	128,740,000	129,712,200

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.

Group Home Facilities	County	Beds
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.

Residential Facilities	City	County	Beds
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.

State-operated Detention Centers	County	Beds
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
SOURCE OF FUNDS					
General Fund					
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			
Total General Fund	120,612,000	94,247,000	191,194,400	242,139,000	244,700,900
Restricted Funds					
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
Total Restricted Funds	40,026,010	38,150,915	46,029,900	41,000,900	39,375,300
Federal Fund					
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
Total Federal Fund	45,304,891	72,446,077	13,713,100	14,315,200	14,862,700
Road Fund					
Regular Appropriation	106,762,100	108,100,200	56,980,300	56,980,300	56,980,300
Other		-30,000,000			
Total Road Fund		78,100,200	56,980,300	56,980,300	56,980,300
TOTAL SOURCE OF FUNDS	312,705,001	282,944,192	307,917,700	354,435,400	355,919,200
EXPENDITURES BY CLASS					
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			
TOTAL EXPENDITURES	270,076,388	272,494,905	302,549,600	350,317,200	353,077,900
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	270,076,388	272,494,905	302,549,600	350,317,200	353,077,900
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	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

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
General Fund					
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			
Total General Fund	614,747,789	531,909,553	625,897,400	667,399,900	687,354,800
Restricted Funds					
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
Total Restricted Funds	27,587,225	23,727,691	36,217,900	31,668,500	27,627,400
Federal Fund					
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
Total Federal Fund	4,017,048	56,880,521	44,539,100	1,117,200	1,071,900
TOTAL SOURCE OF FUNDS	646,352,062	612,517,765	706,654,400	700,185,600	716,054,100
EXPENDITURES BY CLASS					
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				
TOTAL EXPENDITURES	634,624,875	588,333,972	698,762,900	696,516,100	715,350,500
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	634,624,875	588,333,972	698,762,900	696,516,100	715,350,500
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	634,624,875	588,333,972	698,762,900	696,516,100	715,350,500

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
Total	20,440	21,042	21,495

* 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
SOURCE OF FUNDS					
General Fund					
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			
Total General Fund	13,584,400	13,875,600	13,941,300	15,118,000	15,528,800
Restricted Funds					
Balance Forward	149,409	194,309	220,600	145,600	70,600
Current Receipts	47,051	26,549	75,000	75,000	79,400
Total Restricted Funds	196,460	220,858	295,600	220,600	150,000
Federal Fund					
Balance Forward	96,814	281,684	-485,500	48,700	
Current Receipts	259,874	24,711	2,712,200	124,800	124,800
Total Federal Fund	356,688	306,395	2,226,700	173,500	124,800
TOTAL SOURCE OF FUNDS	14,137,548	14,402,853	16,463,600	15,512,100	15,803,600
EXPENDITURES BY CLASS					
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			
TOTAL EXPENDITURES	13,432,257	14,666,971	16,269,300	15,441,500	15,803,600
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	13,432,257	14,666,971	16,269,300	15,441,500	15,803,600
EXPENDITURES BY UNIT					
Corrections Management	13,432,257	14,666,971	16,269,300	15,441,500	15,803,600
TOTAL EXPENDITURES	13,432,257	14,666,971	16,269,300	15,441,500	15,803,600

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
SOURCE OF FUNDS					
General Fund					
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			
Total General Fund	339,130,500	298,527,100	358,677,400	390,487,500	406,814,300
Restricted Funds					
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			
Total Restricted Funds	18,270,623	13,568,352	21,108,300	19,293,800	17,978,200
Federal Fund					
Balance Forward	-246,861	-260,513	-223,600		
Current Receipts	3,728,675	56,473,434	35,783,600	98,000	98,000
Total Federal Fund	3,481,814	56,212,921	35,560,000	98,000	98,000
TOTAL SOURCE OF FUNDS	360,882,936	368,308,373	415,345,700	409,879,300	424,890,500
EXPENDITURES BY CLASS					
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				
TOTAL EXPENDITURES	356,515,186	352,224,361	411,960,700	407,933,200	424,320,400
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	356,515,186	352,224,361	411,960,700	407,933,200	424,320,400
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	356,515,186	352,224,361	411,960,700	407,933,200	424,320,400

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 Luckett 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
SOURCE OF FUNDS					
General Fund					
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			
Total General Fund	245,376,500	202,873,100	236,498,800	245,005,800	248,223,100
Restricted Funds					
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
Total Restricted Funds	9,120,142	9,938,481	14,814,000	12,154,100	9,499,200
Federal Fund					
Balance Forward	-2,537	-468,028	-225,400		
Current Receipts	181,084	829,233	6,977,800	845,700	849,100
Total Federal Fund	178,546	361,204	6,752,400	845,700	849,100
TOTAL SOURCE OF FUNDS	254,675,189	213,172,786	258,065,200	258,005,600	258,571,400
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	248,193,754	204,967,796	253,753,000	256,352,800	258,437,900
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	248,193,754	204,967,796	253,753,000	256,352,800	258,437,900
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	248,193,754	204,967,796	253,753,000	256,352,800	258,437,900

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.

Fiscal Year	Probation and Parole Population
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

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
General Fund					
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		
Total General Fund	16,656,389	16,633,753	16,779,900	16,788,600	16,788,600
TOTAL SOURCE OF FUNDS	16,656,389	16,633,753	16,779,900	16,788,600	16,788,600
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	16,483,679	16,474,843	16,779,900	16,788,600	16,788,600
EXPENDITURES BY FUND SOURCE					
General Fund	16,483,679	16,474,843	16,779,900	16,788,600	16,788,600
TOTAL EXPENDITURES	16,483,679	16,474,843	16,779,900	16,788,600	16,788,600
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	16,483,679	16,474,843	16,779,900	16,788,600	16,788,600

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

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	66,170,800	66,576,800	66,663,700	69,216,600	69,603,800
Current Year Appropriation			218,100		
Total General Fund	66,170,800	66,576,800	66,881,800	69,216,600	69,603,800
Restricted Funds					
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
Total Restricted Funds	7,135,179	6,588,056	5,792,000	4,504,300	4,504,300
Federal Fund					
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
Total Federal Fund	1,880,175	2,054,493	2,807,500	2,138,000	2,088,000
TOTAL SOURCE OF FUNDS	75,186,154	75,219,349	75,481,300	75,858,900	76,196,100
EXPENDITURES BY CLASS					
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				
TOTAL EXPENDITURES	71,954,592	74,011,317	75,431,300	75,858,900	76,196,100
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	71,954,592	74,011,317	75,431,300	75,858,900	76,196,100
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	71,954,592	74,011,317	75,431,300	75,858,900	76,196,100

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

	Personnel				
	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
General Fund					
Regular Appropriation			102,064,000		
Total General Fund			102,064,000		
Restricted Funds					
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			
Total Restricted Funds	79,881,708	83,848,051	90,293,300	85,832,400	83,180,100
Federal Fund					
Current Receipts	100,125	468,075			
Total Federal Fund	100,125	468,075			
TOTAL SOURCE OF FUNDS	79,981,833	84,316,126	192,357,300	85,832,400	83,180,100
EXPENDITURES BY CLASS					
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		
TOTAL EXPENDITURES	50,805,419	50,598,044	165,845,400	64,491,800	64,591,400
EXPENDITURES BY FUND SOURCE					
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			
TOTAL EXPENDITURES	50,805,419	50,598,044	165,845,400	64,491,800	64,591,400
EXPENDITURES BY UNIT					
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		
TOTAL EXPENDITURES	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
SOURCE OF FUNDS					
Restricted Funds					
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			
Total Restricted Funds	29,616,206	29,471,909	33,016,200	33,189,800	32,833,600
Federal Fund					
Current Receipts	100,125	468,075			
Total Federal Fund	100,125	468,075			
TOTAL SOURCE OF FUNDS	29,716,331	29,939,984	33,016,200	33,189,800	32,833,600
EXPENDITURES BY CLASS					
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		
TOTAL EXPENDITURES	25,843,263	25,970,208	31,262,900	31,926,800	32,012,000
EXPENDITURES BY FUND SOURCE					
Restricted Funds	25,743,138	25,502,133	31,262,900	31,926,800	32,012,000
Federal Fund	100,125	468,075			
TOTAL EXPENDITURES	25,843,263	25,970,208	31,262,900	31,926,800	32,012,000
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	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
SOURCE OF FUNDS					
Restricted Funds					
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
Total Restricted Funds	17,948,964	19,622,637	20,135,300	18,159,900	18,538,000
TOTAL SOURCE OF FUNDS	17,948,964	19,622,637	20,135,300	18,159,900	18,538,000
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	6,743,320	6,958,694	8,249,400	8,283,300	8,292,700
EXPENDITURES BY FUND SOURCE					
Restricted Funds	6,743,320	6,958,694	8,249,400	8,283,300	8,292,700
TOTAL EXPENDITURES	6,743,320	6,958,694	8,249,400	8,283,300	8,292,700
EXPENDITURES BY UNIT					
Public Employees Deferred Compensation Authority	6,743,320	6,958,694	8,249,400	8,283,300	8,292,700
TOTAL EXPENDITURES	6,743,320	6,958,694	8,249,400	8,283,300	8,292,700

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

Personnel

Workers' Compensation Benefits and Reserve

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
Restricted Funds					
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
Total Restricted Funds	32,316,538	34,753,506	37,141,800	34,482,700	31,808,500
TOTAL SOURCE OF FUNDS	32,316,538	34,753,506	37,141,800	34,482,700	31,808,500
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	18,218,836	17,669,141	24,269,100	24,281,700	24,286,700
EXPENDITURES BY FUND SOURCE					
Restricted Funds	18,218,836	17,669,141	24,269,100	24,281,700	24,286,700
TOTAL EXPENDITURES	18,218,836	17,669,141	24,269,100	24,281,700	24,286,700
EXPENDITURES BY UNIT					
Workers' Compensation Benefits and Reserve	18,218,836	17,669,141	24,269,100	24,281,700	24,286,700
TOTAL EXPENDITURES	18,218,836	17,669,141	24,269,100	24,281,700	24,286,700

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.

Personnel					
Fixed Allocation Non-Hazardous Pension Fund					
	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
General Fund					
Regular Appropriation			102,064,000		
Total General Fund			102,064,000		
TOTAL SOURCE OF FUNDS					
			102,064,000		
EXPENDITURES BY CLASS					
Grants Loans Benefits			102,064,000		
TOTAL EXPENDITURES			102,064,000		
EXPENDITURES BY FUND SOURCE					
General Fund			102,064,000		
TOTAL EXPENDITURES			102,064,000		
EXPENDITURES BY UNIT					
Fixed Allocation Non-Hazardous Pension Fund			102,064,000		
TOTAL EXPENDITURES			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

Postsecondary Education

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
General Fund					
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			
Total General Fund	1,175,038,652	1,183,826,863	1,323,088,000	1,374,136,300	1,460,621,900
Tobacco Fund					
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			
Total Tobacco Fund	6,910,462	7,980,544	7,996,100	7,993,800	7,993,800
Restricted Funds					
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		
Total Restricted Funds	5,410,747,192	5,541,676,761	6,937,186,300	9,300,548,500	13,467,494,400
Federal Fund					
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			
Total Federal Fund	873,206,764	1,124,437,204	1,236,748,400	1,321,466,700	1,351,043,600
TOTAL SOURCE OF FUNDS	7,465,903,070	7,857,921,373	9,505,018,800	12,004,145,300	16,287,153,700
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	6,979,489,846	7,353,475,923	9,500,803,200	12,002,229,200	16,285,701,700
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	6,979,489,846	7,353,475,923	9,500,803,200	12,002,229,200	16,285,701,700
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	6,979,489,846	7,353,475,923	9,500,803,200	12,002,229,200	16,285,701,700

Postsecondary Education
Council on Postsecondary Education

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
General Fund					
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				
Total General Fund	17,296,300	8,086,400	11,615,900	16,675,300	21,525,100
Tobacco Fund					
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			
Total Tobacco Fund	6,268,173	7,826,100	7,993,800	7,993,800	7,993,800
Restricted Funds					
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
Total Restricted Funds	6,436,921	6,466,068	5,991,000	5,732,100	5,499,800
Federal Fund					
Balance Forward	-864				
Current Receipts	3,358,241	13,088,305	8,497,100	6,800,000	5,486,200
Total Federal Fund	3,357,376	13,088,305	8,497,100	6,800,000	5,486,200
TOTAL SOURCE OF FUNDS	33,358,771	35,466,873	34,097,800	37,201,200	40,504,900
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	30,638,255	34,139,080	33,035,800	36,428,100	39,973,100
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	30,638,255	34,139,080	33,035,800	36,428,100	39,973,100
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	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
SOURCE OF FUNDS					
General Fund					
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				
Total General Fund	5,830,700	4,341,200	5,864,500	7,142,500	7,516,400
Restricted Funds					
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			
Total Restricted Funds	813,178	2,460,000	1,487,100	1,275,100	1,042,900
TOTAL SOURCE OF FUNDS	6,643,878	6,801,200	7,351,600	8,417,600	8,559,300
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	5,651,522	5,567,734	6,368,100	7,666,200	8,046,700
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	5,651,522	5,567,734	6,368,100	7,666,200	8,046,700

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**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
Restricted Funds					
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			
Total Restricted Funds	1,949,104	433,314	396,200	431,900	431,800
TOTAL SOURCE OF FUNDS	1,949,104	433,314	396,200	431,900	431,800
EXPENDITURES BY CLASS					
Personnel Costs	342,507	351,503	303,700	398,500	400,900
Operating Expenses	72,482	2,929	14,000	11,700	11,700
TOTAL EXPENDITURES	414,989	354,433	317,700	410,200	412,600
EXPENDITURES BY FUND SOURCE					
Restricted Funds	414,989	354,433	317,700	410,200	412,600
TOTAL EXPENDITURES	414,989	354,433	317,700	410,200	412,600

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
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,482,000	761,600	764,800	814,800	864,800
Total General Fund	6,482,000	761,600	764,800	814,800	864,800
Tobacco Fund					
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			
Total Tobacco Fund	6,268,173	7,826,100	7,993,800	7,993,800	7,993,800
Restricted Funds					
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
Total Restricted Funds	3,674,640	3,572,754	4,107,700	4,025,100	4,025,100
TOTAL SOURCE OF FUNDS	16,424,813	12,160,454	12,866,300	12,833,700	12,883,700
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	16,232,842	12,145,008	12,866,300	12,833,700	12,883,700
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	16,232,842	12,145,008	12,866,300	12,833,700	12,883,700
EXPENDITURES BY UNIT					
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 Instns 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
TOTAL EXPENDITURES	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**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
Federal Fund					
Balance Forward	-864				
Current Receipts	3,358,241	13,088,305	8,497,100	6,800,000	5,486,200
Total Federal Fund	3,357,376	13,088,305	8,497,100	6,800,000	5,486,200
TOTAL SOURCE OF FUNDS	3,357,376	13,088,305	8,497,100	6,800,000	5,486,200
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	3,357,376	13,088,305	8,497,100	6,800,000	5,486,200
EXPENDITURES BY FUND SOURCE					
Federal Fund	3,357,376	13,088,305	8,497,100	6,800,000	5,486,200
TOTAL EXPENDITURES	3,357,376	13,088,305	8,497,100	6,800,000	5,486,200

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
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,983,600	2,983,600	4,983,600	8,718,000	13,143,900
Current Year Appropriation			3,000		
Total General Fund	4,983,600	2,983,600	4,986,600	8,718,000	13,143,900
TOTAL SOURCE OF FUNDS	4,983,600	2,983,600	4,986,600	8,718,000	13,143,900
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	4,981,526	2,983,600	4,986,600	8,718,000	13,143,900
EXPENDITURES BY FUND SOURCE					
General Fund	4,981,526	2,983,600	4,986,600	8,718,000	13,143,900
TOTAL EXPENDITURES	4,981,526	2,983,600	4,986,600	8,718,000	13,143,900
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	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
SOURCE OF FUNDS					
General Fund					
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			
Total General Fund	296,889,652	329,323,463	376,598,300	344,850,200	366,249,000
Tobacco Fund					
Continuing Approp-Tob Settlement	642,289	154,444	2,300		
Total Tobacco Fund	642,289	154,444	2,300		
Restricted Funds					
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		
Total Restricted Funds	36,270,747	31,396,556	29,168,400	56,708,100	56,497,900
Federal Fund					
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		
Total Federal Fund	2,175	40,805	11,102,900	13,040,000	13,040,000
TOTAL SOURCE OF FUNDS	333,804,862	360,915,268	416,871,900	414,598,300	435,786,900
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	289,923,354	295,441,312	413,718,300	413,455,300	434,866,900
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	289,923,354	295,441,312	413,718,300	413,455,300	434,866,900
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	289,923,354	295,441,312	413,718,300	413,455,300	434,866,900

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
SOURCE OF FUNDS					
General Fund					
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			
Total General Fund	860,852,700	846,417,000	934,873,800	1,012,610,800	1,072,847,800
Restricted Funds					
Current Receipts	5,368,039,524	5,503,814,137	6,902,026,900	9,238,108,300	13,405,496,700
Total Restricted Funds	5,368,039,524	5,503,814,137	6,902,026,900	9,238,108,300	13,405,496,700
Federal Fund					
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			
Total Federal Fund	869,847,213	1,111,308,094	1,217,148,400	1,301,626,700	1,332,517,400
TOTAL SOURCE OF FUNDS	7,098,739,437	7,461,539,231	9,054,049,100	11,552,345,800	15,810,861,900
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	6,658,928,237	7,023,895,531	9,054,049,100	11,552,345,800	15,810,861,700
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	6,658,928,237	7,023,895,531	9,054,049,100	11,552,345,800	15,810,861,700
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	6,658,928,237	7,023,895,531	9,054,049,100	11,552,345,800	15,810,861,700

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
SOURCE OF FUNDS					
General Fund					
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			
Total General Fund	63,753,600	63,902,300	74,444,100	84,380,800	90,541,000
Restricted Funds					
Current Receipts	155,767,941	134,242,247	210,611,400	210,611,400	210,611,400
Total Restricted Funds	155,767,941	134,242,247	210,611,400	210,611,400	210,611,400
Federal Fund					
Current Receipts	133,852,770	130,905,838	135,500,000	135,500,000	135,500,000
CRF Receipts		1,666,853			
Total Federal Fund	133,852,770	132,572,691	135,500,000	135,500,000	135,500,000
TOTAL SOURCE OF FUNDS	353,374,311	330,717,238	420,555,500	430,492,200	436,652,400
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	353,374,311	330,717,238	420,555,500	430,492,200	436,652,400
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	353,374,311	330,717,238	420,555,500	430,492,200	436,652,400
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	353,374,311	330,717,238	420,555,500	430,492,200	436,652,400

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
SOURCE OF FUNDS					
General Fund					
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			
Total General Fund	25,756,500	25,859,200	50,875,600	31,682,300	34,419,200
Restricted Funds					
Current Receipts	19,825,283	31,343,790	25,210,000	20,624,400	23,791,300
Total Restricted Funds	19,825,283	31,343,790	25,210,000	20,624,400	23,791,300
Federal Fund					
Current Receipts	22,942,743	27,180,603	32,443,900	29,451,900	26,451,900
CRF Receipts		1,173,400			
Total Federal Fund	22,942,743	28,354,003	32,443,900	29,451,900	26,451,900
TOTAL SOURCE OF FUNDS	68,524,526	85,556,993	108,529,500	81,758,600	84,662,400
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	68,524,526	85,556,993	108,529,500	81,758,600	84,662,400
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	68,524,526	85,556,993	108,529,500	81,758,600	84,662,400
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	68,524,526	85,556,993	108,529,500	81,758,600	84,662,400

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
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	38,466,800	38,332,900	43,324,900	51,060,900	56,747,500
Other		-885,900			
Total General Fund	38,466,800	37,447,000	43,324,900	51,060,900	56,747,500
Restricted Funds					
Current Receipts	104,094,600	99,081,100	117,936,200	121,153,900	124,536,700
Total Restricted Funds	104,094,600	99,081,100	117,936,200	121,153,900	124,536,700
Federal Fund					
Current Receipts	27,915,200	42,555,600	49,745,800	36,805,800	36,805,800
CRF Receipts		1,771,800			
Total Federal Fund	27,915,200	44,327,400	49,745,800	36,805,800	36,805,800
TOTAL SOURCE OF FUNDS	170,476,600	180,855,500	211,006,900	209,020,600	218,090,000
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	164,243,200	164,052,800	211,006,900	209,020,600	218,090,000
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	164,243,200	164,052,800	211,006,900	209,020,600	218,090,000
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	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
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	44,581,400	43,753,800	47,024,700	51,501,400	53,599,000
Other		-1,011,200			
Total General Fund	44,581,400	42,742,600	47,024,700	51,501,400	53,599,000
Restricted Funds					
Current Receipts	90,207,500	53,256,600	103,640,000	103,967,100	104,294,200
Total Restricted Funds	90,207,500	53,256,600	103,640,000	103,967,100	104,294,200
Federal Fund					
Current Receipts	22,708,100	36,613,400	34,812,400	34,812,400	34,812,400
CRF Receipts		2,022,400			
Total Federal Fund	22,708,100	38,635,800	34,812,400	34,812,400	34,812,400
TOTAL SOURCE OF FUNDS	157,497,000	134,635,000	185,477,100	190,280,900	192,705,600
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	157,497,000	134,635,000	185,477,100	190,280,900	192,705,600
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	157,497,000	134,635,000	185,477,100	190,280,900	192,705,600
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	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
SOURCE OF FUNDS					
General Fund					
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			
Total General Fund	52,300,000	51,040,000	55,150,200	64,386,900	70,465,800
Restricted Funds					
Current Receipts	189,381,700	199,178,300	199,178,300	199,178,300	199,178,300
Total Restricted Funds	189,381,700	199,178,300	199,178,300	199,178,300	199,178,300
Federal Fund					
Current Receipts	13,075,600	10,660,600	13,075,600	13,075,600	13,075,600
CRF Receipts		2,415,000			
Total Federal Fund	13,075,600	13,075,600	13,075,600	13,075,600	13,075,600
TOTAL SOURCE OF FUNDS	254,757,300	263,293,900	267,404,100	276,640,800	282,719,700
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	254,757,300	263,293,900	267,404,100	276,640,800	282,719,700
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	254,757,300	263,293,900	267,404,100	276,640,800	282,719,700
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	254,757,300	263,293,900	267,404,100	276,640,800	282,719,700

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
SOURCE OF FUNDS					
General Fund					
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			
Total General Fund	261,056,400	259,100,800	271,317,200	300,351,500	318,195,200
Restricted Funds					
Current Receipts	3,438,487,800	3,703,229,000	4,483,925,500	6,770,959,000	10,891,355,400
Total Restricted Funds	3,438,487,800	3,703,229,000	4,483,925,500	6,770,959,000	10,891,355,400
Federal Fund					
Current Receipts	283,850,700	364,035,500	323,260,000	422,800,000	450,037,700
CRF Receipts		12,260,000			
Total Federal Fund	283,850,700	376,295,500	323,260,000	422,800,000	450,037,700
TOTAL SOURCE OF FUNDS	3,983,394,900	4,338,625,300	5,078,502,700	7,494,110,500	11,659,588,300
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	3,549,817,100	3,917,784,300	5,078,502,700	7,494,110,500	11,659,588,300
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	3,549,817,100	3,917,784,300	5,078,502,700	7,494,110,500	11,659,588,300
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	3,549,817,100	3,917,784,300	5,078,502,700	7,494,110,500	11,659,588,300

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
SOURCE OF FUNDS					
General Fund					
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			
Total General Fund	126,633,700	124,120,300	130,129,300	145,400,500	152,792,900
Restricted Funds					
Current Receipts	930,814,800	945,525,800	1,000,934,100	1,042,682,700	1,077,738,100
Total Restricted Funds	930,814,800	945,525,800	1,000,934,100	1,042,682,700	1,077,738,100
Federal Fund					
Current Receipts	134,971,900	156,605,000	204,190,000	205,060,300	211,713,300
CRF Receipts		5,873,000			
Total Federal Fund	134,971,900	162,478,000	204,190,000	205,060,300	211,713,300
TOTAL SOURCE OF FUNDS	1,192,420,400	1,232,124,100	1,335,253,400	1,393,143,500	1,442,244,300
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	1,192,420,400	1,232,124,100	1,335,253,400	1,393,143,500	1,442,244,300
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	1,192,420,400	1,232,124,100	1,335,253,400	1,393,143,500	1,442,244,300
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	1,192,420,400	1,232,124,100	1,335,253,400	1,393,143,500	1,442,244,300

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
SOURCE OF FUNDS					
General Fund					
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			
Total General Fund	73,723,300	71,658,700	78,345,400	88,259,900	94,125,500
Restricted Funds					
Current Receipts	168,028,000	143,704,800	264,991,900	268,683,500	268,683,500
Total Restricted Funds	168,028,000	143,704,800	264,991,900	268,683,500	268,683,500
Federal Fund					
Current Receipts	34,574,400	29,998,300	32,340,000	32,340,000	32,340,000
CRF Receipts		3,390,800			
Total Federal Fund	34,574,400	33,389,100	32,340,000	32,340,000	32,340,000
TOTAL SOURCE OF FUNDS	276,325,700	248,752,600	375,677,300	389,283,400	395,149,000
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	276,325,700	248,752,600	375,677,300	389,283,400	395,149,000
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	276,325,700	248,752,600	375,677,300	389,283,400	395,149,000
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	276,325,700	248,752,600	375,677,300	389,283,400	395,149,000

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
SOURCE OF FUNDS					
General Fund					
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			
Total General Fund	174,581,000	170,546,100	184,262,400	195,586,600	201,961,700
Restricted Funds					
Current Receipts	271,431,900	194,252,500	495,599,500	500,248,000	505,307,800
Total Restricted Funds	271,431,900	194,252,500	495,599,500	500,248,000	505,307,800
Federal Fund					
Current Receipts	195,955,800	274,110,200	391,780,700	391,780,700	391,780,700
CRF Receipts		8,069,800			
Total Federal Fund	195,955,800	282,180,000	391,780,700	391,780,700	391,780,700
TOTAL SOURCE OF FUNDS	641,968,700	646,978,600	1,071,642,600	1,087,615,300	1,099,050,200
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	641,968,700	646,978,600	1,071,642,600	1,087,615,300	1,099,050,000
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	641,968,700	646,978,600	1,071,642,600	1,087,615,300	1,099,050,000
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	641,968,700	646,978,600	1,071,642,600	1,087,615,300	1,099,050,000

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

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	38,665,800	14,994,800	17,307,100		
Postsecondary Ed Performance	-38,665,800	-14,994,800	-17,307,100		
Total General Fund					
TOTAL SOURCE OF FUNDS					
EXPENDITURES BY CLASS					
TOTAL EXPENDITURES					
EXPENDITURES BY FUND SOURCE					
TOTAL EXPENDITURES					

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

	Public Protection				
	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
General Fund					
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				
Total General Fund	7,830,800	5,312,900	7,340,900	8,701,900	9,135,600
Restricted Funds					
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		
Total Restricted Funds	247,407,948	273,292,228	292,666,500	324,200,500	372,778,900
Federal Fund					
Balance Forward	-37,399	-2,273	-14,500		
Current Receipts	723,500	36,040,627	23,510,800	479,496,200	996,200
Total Federal Fund	686,101	36,038,355	23,496,300	479,496,200	996,200
TOTAL SOURCE OF FUNDS	255,924,849	314,643,483	323,503,700	812,398,600	382,910,700
EXPENDITURES BY CLASS					
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			
TOTAL EXPENDITURES	121,053,213	155,961,635	148,393,000	613,390,000	135,338,300
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	121,053,213	155,961,635	148,393,000	613,390,000	135,338,300
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	121,053,213	155,961,635	148,393,000	613,390,000	135,338,300

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
SOURCE OF FUNDS					
General Fund					
Reorganization Adjustment	652,700				
Total General Fund	652,700				
Restricted Funds					
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
Total Restricted Funds	9,992,752	10,077,486	10,176,000	9,984,100	9,616,100
Federal Fund					
Current Receipts		35,476,701	22,500,000	476,500,000	
Total Federal Fund		35,476,701	22,500,000	476,500,000	
TOTAL SOURCE OF FUNDS	10,645,452	45,554,187	32,676,000	486,484,100	9,616,100
EXPENDITURES BY CLASS					
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				
TOTAL EXPENDITURES	8,743,669	44,767,975	31,824,100	486,049,700	9,584,800
EXPENDITURES BY FUND SOURCE					
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	
TOTAL EXPENDITURES	8,743,669	44,767,975	31,824,100	486,049,700	9,584,800
EXPENDITURES BY UNIT					
Office of the Secretary - Comm - Legal	8,743,669	44,767,975	31,824,100	486,049,700	9,584,800
TOTAL EXPENDITURES	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
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,390,000	1,005,400	1,006,000	1,039,500	1,045,900
Current Year Appropriation			3,700		
Total General Fund	1,390,000	1,005,400	1,009,700	1,039,500	1,045,900
Restricted Funds					
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
Total Restricted Funds	2,004,674	1,692,613	1,702,400	1,521,200	1,371,600
Federal Fund					
Balance Forward	-22,773	-5			
Current Receipts	208,036	142,926	357,200	357,200	357,200
Total Federal Fund	185,263	142,921	357,200	357,200	357,200
TOTAL SOURCE OF FUNDS	3,579,937	2,840,933	3,069,300	2,917,900	2,774,700
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	2,108,740	1,803,591	2,278,100	2,311,300	2,316,700
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	2,108,740	1,803,591	2,278,100	2,311,300	2,316,700
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	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
SOURCE OF FUNDS					
Restricted Funds					
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
Total Restricted Funds	13,404,597	13,857,843	14,789,800	13,242,600	12,451,200
Federal Fund					
Current Receipts		198,466	200,000	2,200,000	200,000
Total Federal Fund		198,466	200,000	2,200,000	200,000
TOTAL SOURCE OF FUNDS	13,404,597	14,056,308	14,989,800	15,442,600	12,651,200
EXPENDITURES BY CLASS					
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				
TOTAL EXPENDITURES	3,321,673	3,545,675	5,255,600	7,317,500	5,337,700
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	3,321,673	3,545,675	5,255,600	7,317,500	5,337,700
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	3,321,673	3,545,675	5,255,600	7,317,500	5,337,700

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**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	311,997	242,474	155,700	113,900	68,100
Current Receipts	92,157	52,658	136,000	136,000	136,000
Total Restricted Funds	404,154	295,133	291,700	249,900	204,100
TOTAL SOURCE OF FUNDS	404,154	295,133	291,700	249,900	204,100
EXPENDITURES BY CLASS					
Personnel Costs	140,296	128,766	139,100	163,700	165,000
Operating Expenses	21,384	10,644	38,700	18,100	17,400
TOTAL EXPENDITURES	161,680	139,410	177,800	181,800	182,400
EXPENDITURES BY FUND SOURCE					
Restricted Funds	161,680	139,410	177,800	181,800	182,400
TOTAL EXPENDITURES	161,680	139,410	177,800	181,800	182,400
EXPENDITURES BY UNIT					
Boxing and Wrestling Commission	161,680	139,410	177,800	181,800	182,400
TOTAL EXPENDITURES	161,680	139,410	177,800	181,800	182,400

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
SOURCE OF FUNDS					
Restricted Funds					
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
Total Restricted Funds	13,732,472	10,810,349	10,876,800	10,876,700	10,204,800
Federal Fund					
Balance Forward	-14,626		-14,500		
Current Receipts	513,694	218,746	453,600	439,000	439,000
Total Federal Fund	499,068	218,746	439,100	439,000	439,000
TOTAL SOURCE OF FUNDS	14,231,540	11,029,095	11,315,900	11,315,700	10,643,800
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	8,573,520	6,287,306	6,843,200	7,519,900	7,469,800
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	8,573,520	6,287,306	6,843,200	7,519,900	7,469,800
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	8,573,520	6,287,306	6,843,200	7,519,900	7,469,800

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**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
Restricted Funds					
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
Total Restricted Funds	10,325,911	10,053,313	10,100,100	10,240,700	10,265,400
TOTAL SOURCE OF FUNDS	10,325,911	10,053,313	10,100,100	10,240,700	10,265,400
EXPENDITURES BY CLASS					
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		
TOTAL EXPENDITURES	3,443,382	3,787,551	3,815,500	3,928,700	3,921,300
EXPENDITURES BY FUND SOURCE					
Restricted Funds	3,443,382	3,787,551	3,815,500	3,928,700	3,921,300
TOTAL EXPENDITURES	3,443,382	3,787,551	3,815,500	3,928,700	3,921,300
EXPENDITURES BY UNIT					
Charitable Gaming	3,443,382	3,787,551	3,815,500	3,928,700	3,921,300
TOTAL EXPENDITURES	3,443,382	3,787,551	3,815,500	3,928,700	3,921,300

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**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
Restricted Funds					
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		
Total Restricted Funds	20,700,668	19,621,857	17,878,900	20,973,600	22,540,000
TOTAL SOURCE OF FUNDS	20,700,668	19,621,857	17,878,900	20,973,600	22,540,000
EXPENDITURES BY CLASS					
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				
TOTAL EXPENDITURES	12,607,551	12,312,308	12,817,600	14,566,200	14,618,600
EXPENDITURES BY FUND SOURCE					
Restricted Funds	12,607,551	12,312,308	12,817,600	14,566,200	14,618,600
TOTAL EXPENDITURES	12,607,551	12,312,308	12,817,600	14,566,200	14,618,600
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	12,607,551	12,312,308	12,817,600	14,566,200	14,618,600

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
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,147,700	1,677,700	3,686,100	3,794,900	3,802,900
Current Year Appropriation			5,700		
Total General Fund	3,147,700	1,677,700	3,691,800	3,794,900	3,802,900
Restricted Funds					
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
Total Restricted Funds	86,496,879	103,342,642	114,396,600	126,123,400	136,318,500
TOTAL SOURCE OF FUNDS	89,644,579	105,020,342	118,088,400	129,918,300	140,121,400
EXPENDITURES BY CLASS					
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			
TOTAL EXPENDITURES	45,259,245	46,092,946	45,761,000	47,647,500	47,675,300
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	45,259,245	46,092,946	45,761,000	47,647,500	47,675,300
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	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
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,640,400	2,629,800	2,632,100	3,867,500	4,286,800
Current Year Appropriation			7,300		
Total General Fund	2,640,400	2,629,800	2,639,400	3,867,500	4,286,800
Restricted Funds					
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			
Total Restricted Funds	33,234,773	30,481,969	30,621,900	31,720,100	31,262,900
TOTAL SOURCE OF FUNDS	35,875,173	33,111,769	33,261,300	35,587,600	35,549,700
EXPENDITURES BY CLASS					
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			
TOTAL EXPENDITURES	23,209,599	23,775,256	23,965,600	27,294,600	27,601,900
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	23,209,599	23,775,256	23,965,600	27,294,600	27,601,900
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	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
SOURCE OF FUNDS					
Restricted Funds					
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		
Total Restricted Funds	57,111,067	73,059,025	81,832,300	99,268,200	138,544,300
Federal Fund					
Balance Forward		-2,268			
Current Receipts	1,770	3,788			
Total Federal Fund	1,770	1,521			
TOTAL SOURCE OF FUNDS	57,112,837	73,060,546	81,832,300	99,268,200	138,544,300
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	13,624,154	13,449,618	15,654,500	16,572,800	16,629,800
EXPENDITURES BY FUND SOURCE					
Restricted Funds	13,620,116	13,448,097	15,654,500	16,572,800	16,629,800
Federal Fund	4,038	1,521			
TOTAL EXPENDITURES	13,624,154	13,449,618	15,654,500	16,572,800	16,629,800
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	13,624,154	13,449,618	15,654,500	16,572,800	16,629,800

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

Tourism, Arts and Heritage
Tourism, Arts and Heritage

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
General Fund					
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		
Total General Fund	75,188,600	103,496,200	71,991,900	82,627,300	78,566,400
Restricted Funds					
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			
Total Restricted Funds	354,682,615	305,974,424	333,167,985	326,989,485	278,346,285
Federal Fund					
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
Total Federal Fund	27,112,243	27,355,343	44,520,400	41,855,000	31,378,400
Road Fund					
Regular Appropriation	553,000	573,800			
Total Road Fund	553,000	573,800			
TOTAL SOURCE OF FUNDS	457,536,458	437,399,766	449,680,285	451,471,785	388,291,085
EXPENDITURES BY CLASS					
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			
TOTAL EXPENDITURES	253,777,276	223,868,214	274,724,800	315,119,300	306,239,000
EXPENDITURES BY FUND SOURCE					
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	
TOTAL EXPENDITURES	253,777,276	223,868,214	274,724,800	315,119,300	306,239,000

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
TOTAL EXPENDITURES	253,777,276	223,868,214	274,724,800	315,119,300	306,239,000

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

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

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

**Tourism, Arts and Heritage
Secretary**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,213,700	3,276,300	3,279,400	8,282,400	3,290,900
Current Year Appropriation			11,300		
Total General Fund	3,213,700	3,276,300	3,290,700	8,282,400	3,290,900
Restricted Funds					
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			
Total Restricted Funds	17,983,405	14,025,638	19,414,800	18,114,800	17,514,800
Federal Fund					
Balance Forward			-100,000		
Current Receipts			7,847,100	10,000,000	
Total Federal Fund			7,747,100	10,000,000	
TOTAL SOURCE OF FUNDS	21,197,105	17,301,938	30,452,600	36,397,200	20,805,700
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	15,351,825	11,945,340	28,537,800	35,782,400	20,790,900
EXPENDITURES BY FUND SOURCE					
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	
TOTAL EXPENDITURES	15,351,825	11,945,340	28,537,800	35,782,400	20,790,900
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	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
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	486,900	290,300	1,066,300	1,086,100	1,097,100
Current Year Appropriation			3,200		
Total General Fund	486,900	290,300	1,069,500	1,086,100	1,097,100
Restricted Funds					
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
Total Restricted Funds	1,610,479	1,477,051	1,945,385	1,944,485	1,930,985
Road Fund					
Regular Appropriation	553,000	573,800			
Total Road Fund	553,000	573,800			
TOTAL SOURCE OF FUNDS	2,650,379	2,341,151	3,014,885	3,030,585	3,028,085
EXPENDITURES BY CLASS					
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				
TOTAL EXPENDITURES	2,336,255	1,997,066	2,671,700	2,700,900	2,715,300
EXPENDITURES BY FUND SOURCE					
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			
TOTAL EXPENDITURES	2,336,255	1,997,066	2,671,700	2,700,900	2,715,300
EXPENDITURES BY UNIT					
Berea Artisans Center	2,336,255	1,997,066	2,671,700	2,700,900	2,715,300
TOTAL EXPENDITURES	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**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,157,900	3,145,000	3,209,100	3,283,500	3,301,700
Current Year Appropriation			9,800		
Total General Fund	3,157,900	3,145,000	3,218,900	3,283,500	3,301,700
Restricted Funds					
Balance Forward	60,528	61,888	60,700	42,000	23,300
Current Receipts	13,440	662	4,000	4,000	4,000
Total Restricted Funds	73,968	62,550	64,700	46,000	27,300
TOTAL SOURCE OF FUNDS	3,231,868	3,207,550	3,283,600	3,329,500	3,329,000
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	2,896,366	2,805,563	3,241,600	3,306,200	3,324,400
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	2,896,366	2,805,563	3,241,600	3,306,200	3,324,400
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	2,896,366	2,805,563	3,241,600	3,306,200	3,324,400

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

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
General Fund					
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		
Total General Fund	52,932,500	58,547,900	47,409,500	52,103,400	52,660,000
Restricted Funds					
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
Total Restricted Funds	47,500,094	32,780,000	53,849,300	53,090,300	52,059,200
Federal Fund					
Current Receipts	1,159,719				
Total Federal Fund	1,159,719				
TOTAL SOURCE OF FUNDS	101,592,314	91,327,900	101,258,800	105,193,700	104,719,200
EXPENDITURES BY CLASS					
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				
TOTAL EXPENDITURES	99,995,644	86,836,837	99,681,700	104,647,800	104,719,200
EXPENDITURES BY FUND SOURCE					
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				
TOTAL EXPENDITURES	99,995,644	86,836,837	99,681,700	104,647,800	104,719,200
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	99,995,644	86,836,837	99,681,700	104,647,800	104,719,200

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
SOURCE OF FUNDS					
General Fund					
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		
Total General Fund	1,708,100	9,329,000	1,737,500	1,864,200	1,887,700
Restricted Funds					
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
Total Restricted Funds	10,565,060	4,332,864	11,912,700	12,151,800	12,050,200
Federal Fund					
Current Receipts	4,414				
Total Federal Fund	4,414				
TOTAL SOURCE OF FUNDS	12,277,574	13,661,864	13,650,200	14,016,000	13,937,900
EXPENDITURES BY CLASS					
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				
TOTAL EXPENDITURES	12,201,375	10,754,151	12,729,100	13,447,300	13,498,400
EXPENDITURES BY FUND SOURCE					
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				
TOTAL EXPENDITURES	12,201,375	10,754,151	12,729,100	13,447,300	13,498,400
EXPENDITURES BY UNIT					
Kentucky Horse Park	12,201,375	10,754,151	12,729,100	13,447,300	13,498,400
TOTAL EXPENDITURES	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
SOURCE OF FUNDS					
General Fund					
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		
Total General Fund	4,730,900	19,616,400	4,166,200	4,414,700	4,543,800
Restricted Funds					
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		
Total Restricted Funds	47,502,573	21,042,894	29,693,200	52,345,600	53,869,100
Federal Fund					
Current Receipts	49,470				
Total Federal Fund	49,470				
TOTAL SOURCE OF FUNDS	52,282,943	40,659,294	33,859,400	56,760,300	58,412,900
EXPENDITURES BY CLASS					
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			
TOTAL EXPENDITURES	51,970,347	40,647,416	33,859,400	56,760,300	58,412,900
EXPENDITURES BY FUND SOURCE					
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				
TOTAL EXPENDITURES	51,970,347	40,647,416	33,859,400	56,760,300	58,412,900
EXPENDITURES BY UNIT					
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			
TOTAL EXPENDITURES	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
SOURCE OF FUNDS					
Restricted Funds					
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
Total Restricted Funds	227,695,820	230,555,218	214,370,300	187,259,200	138,891,300
Federal Fund					
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
Total Federal Fund	24,581,309	25,660,682	28,576,400	29,892,000	29,435,000
TOTAL SOURCE OF FUNDS	252,277,129	256,215,900	242,946,700	217,151,200	168,326,300
EXPENDITURES BY CLASS					
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			
TOTAL EXPENDITURES	57,494,825	57,560,867	73,482,000	83,511,400	87,778,100
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	57,494,825	57,560,867	73,482,000	83,511,400	87,778,100
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	57,494,825	57,560,867	73,482,000	83,511,400	87,778,100

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
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,952,400	6,456,700	6,463,500	7,387,400	7,557,700
Current Year Appropriation			13,400		
Total General Fund	5,952,400	6,456,700	6,476,900	7,387,400	7,557,700
Restricted Funds					
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			
Total Restricted Funds	501,606	275,259	668,000	733,200	805,400
Federal Fund					
Balance Forward	-477,533	-320,184	55,100		
Current Receipts	165,955	401,693	114,900	170,000	170,000
Total Federal Fund	-311,577	81,510	170,000	170,000	170,000
TOTAL SOURCE OF FUNDS	6,142,428	6,813,469	7,314,900	8,290,600	8,533,100
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	6,283,716	6,067,499	7,116,500	8,037,000	8,218,500
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	6,283,716	6,067,499	7,116,500	8,037,000	8,218,500
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	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
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,728,900	1,537,900	1,739,600	1,923,000	1,935,200
Current Year Appropriation			2,400		
Total General Fund	1,728,900	1,537,900	1,742,000	1,923,000	1,935,200
Restricted Funds					
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				
Total Restricted Funds	550,177	446,835	414,100	473,700	525,400
Federal Fund					
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
Total Federal Fund	720,371	840,947	1,696,800	808,900	798,100
TOTAL SOURCE OF FUNDS	2,999,448	2,825,682	3,852,900	3,205,600	3,258,700
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	2,836,491	2,561,313	3,519,100	2,828,900	2,841,100
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	2,836,491	2,561,313	3,519,100	2,828,900	2,841,100
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	2,836,491	2,561,313	3,519,100	2,828,900	2,841,100

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
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	719,000	738,400	739,400	1,685,400	1,695,100
Special Appropriation			50,000		
Current Year Appropriation			7,000		
Total General Fund	719,000	738,400	796,400	1,685,400	1,695,100
Restricted Funds					
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
Total Restricted Funds	699,432	976,116	835,500	830,400	672,600
Federal Fund					
Balance Forward	-343,893	345	400		
Current Receipts	1,252,430	771,859	983,400	984,100	975,300
Total Federal Fund	908,537	772,205	983,800	984,100	975,300
TOTAL SOURCE OF FUNDS	2,326,969	2,486,720	2,615,700	3,499,900	3,343,000
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	1,852,132	2,133,863	2,455,300	3,499,900	3,343,000
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	1,852,132	2,133,863	2,455,300	3,499,900	3,343,000
EXPENDITURES BY UNIT					
Kentucky Heritage Council	1,852,132	2,133,863	2,455,300	3,499,900	3,343,000
TOTAL EXPENDITURES	1,852,132	2,133,863	2,455,300	3,499,900	3,343,000

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
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	558,300	558,300	2,084,300	597,200	597,200
Total General Fund	558,300	558,300	2,084,300	597,200	597,200
TOTAL SOURCE OF FUNDS	558,300	558,300	2,084,300	597,200	597,200
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	558,300	558,300	2,084,300	597,200	597,200
EXPENDITURES BY FUND SOURCE					
General Fund	558,300	558,300	2,084,300	597,200	597,200
TOTAL EXPENDITURES	558,300	558,300	2,084,300	597,200	597,200
EXPENDITURES BY UNIT					
Kentucky Center for the Arts			1,526,000		
Governor's School for the Arts	558,300	558,300	558,300	597,200	597,200
TOTAL EXPENDITURES	558,300	558,300	2,084,300	597,200	597,200

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

**Transportation
Transportation**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
General Fund					
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		
Total General Fund	8,046,414	7,302,043	15,429,900	296,509,000	71,053,000
Restricted Funds					
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
Total Restricted Funds	238,350,272	237,914,168	352,978,800	217,155,600	217,462,200
Federal Fund					
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				
Total Federal Fund	905,287,781	846,822,278	1,302,829,800	1,380,321,100	1,327,968,400
Road Fund					
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		
Total Road Fund	1,871,247,622	1,949,518,446	1,716,716,300	1,672,683,700	1,623,108,000
TOTAL SOURCE OF FUNDS	3,022,932,088	3,041,556,934	3,387,954,800	3,566,669,400	3,239,591,600
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	2,557,799,540	2,447,966,421	3,362,462,400	3,546,795,700	3,216,484,200
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	2,557,799,540	2,447,966,421	3,362,462,400	3,546,795,700	3,216,484,200
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	2,557,799,540	2,447,966,421	3,362,462,400	3,546,795,700	3,216,484,200

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
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	500,000	500,000	500,000	500,000	31,044,000
Total General Fund	500,000	500,000	500,000	500,000	31,044,000
Restricted Funds					
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			
Total Restricted Funds	1,434,119	1,341,515	2,803,700	2,762,500	2,730,800
Federal Fund					
Current Receipts	18,355			69,456,000	
Total Federal Fund	18,355			69,456,000	
Road Fund					
Regular Appropriation	81,193,100	85,112,100	85,493,100	79,618,800	80,028,300
Current Year Appropriation			99,300		
Total Road Fund	81,193,100	85,112,100	85,592,400	79,618,800	80,028,300
TOTAL SOURCE OF FUNDS	83,145,574	86,953,615	88,896,100	152,337,300	113,803,100
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	76,583,104	78,730,795	88,772,200	152,295,700	113,802,100
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	76,583,104	78,730,795	88,772,200	152,295,700	113,802,100
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	76,583,104	78,730,795	88,772,200	152,295,700	113,802,100

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
SOURCE OF FUNDS					
General Fund					
Regular Appropriation				32,010,000	26,010,000
Continuing Approp-General Fund	1,706,334	756,842	57,700		
Total General Fund	1,706,334	756,842	57,700	32,010,000	26,010,000
Restricted Funds					
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
Total Restricted Funds	40,440,093	39,210,234	43,843,600	22,882,700	19,256,200
Federal Fund					
Balance Forward		-160,309	-59,100		
Current Receipts	86,356	541,664	799,000	500,000	500,000
Non-Revenue Receipts	-44,614				
Total Federal Fund	41,742	381,355	739,900	500,000	500,000
Road Fund					
Regular Appropriation	2,789,000	2,797,700	1,805,600	1,825,400	1,839,900
Current Year Appropriation			2,400		
Total Road Fund	2,789,000	2,797,700	1,808,000	1,825,400	1,839,900
TOTAL SOURCE OF FUNDS	44,977,169	43,146,131	46,449,200	57,218,100	47,606,100
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	17,984,766	18,189,782	42,641,000	56,980,200	47,434,200
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	17,984,766	18,189,782	42,641,000	56,980,200	47,434,200
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	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
SOURCE OF FUNDS					
Road Fund					
Regular Appropriation	150,097,400	147,991,400	139,139,600	134,952,100	136,855,100
Total Road Fund	150,097,400	147,991,400	139,139,600	134,952,100	136,855,100
TOTAL SOURCE OF FUNDS	150,097,400	147,991,400	139,139,600	134,952,100	136,855,100
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	142,492,346	142,480,244	130,416,800	132,123,500	134,302,100
EXPENDITURES BY FUND SOURCE					
Road Fund	142,492,346	142,480,244	130,416,800	132,123,500	134,302,100
TOTAL EXPENDITURES	142,492,346	142,480,244	130,416,800	132,123,500	134,302,100
EXPENDITURES BY UNIT					
Economic Development Lease Rental	142,492,346	142,480,244	130,416,800	132,123,500	134,302,100
TOTAL EXPENDITURES	142,492,346	142,480,244	130,416,800	132,123,500	134,302,100

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
SOURCE OF FUNDS					
General Fund					
Regular Appropriation				250,000,000	
Total General Fund				250,000,000	
Restricted Funds					
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
Total Restricted Funds	173,525,771	169,948,464	262,765,000	159,098,000	159,157,100
Federal Fund					
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				
Total Federal Fund	868,659,413	807,877,576	1,203,224,800	1,223,636,700	1,242,287,900
Road Fund					
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			
Total Road Fund	1,145,209,873	1,205,817,990	1,091,024,400	1,024,883,300	986,104,300
TOTAL SOURCE OF FUNDS	2,187,395,057	2,183,644,030	2,557,014,200	2,657,618,000	2,387,549,300
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	1,898,314,707	1,818,467,063	2,555,019,200	2,655,783,000	2,385,874,300
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	1,898,314,707	1,818,467,063	2,555,019,200	2,655,783,000	2,385,874,300
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	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**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
Federal Fund					
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				
Total Federal Fund	2,253,352	3,351,832	3,383,400	3,383,400	3,383,400
Road Fund					
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			
Total Road Fund	3,871,276	3,714,142	1,144,100	1,145,200	1,145,400
TOTAL SOURCE OF FUNDS	6,124,628	7,065,974	4,527,500	4,528,600	4,528,800
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	3,218,824	4,894,565	4,527,500	4,528,600	4,528,800
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	3,218,824	4,894,565	4,527,500	4,528,600	4,528,800

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
SOURCE OF FUNDS					
General Fund					
Regular Appropriation				250,000,000	
Total General Fund				250,000,000	
Restricted Funds					
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
Total Restricted Funds	81,672,540	70,833,090	125,696,600	33,285,500	33,293,600
Federal Fund					
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				
Total Federal Fund	848,617,710	785,587,386	1,176,201,500	1,194,060,700	1,212,634,100
Road Fund					
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			
Total Road Fund	663,127,917	716,885,388	626,354,700	511,216,300	470,474,800
TOTAL SOURCE OF FUNDS	1,593,418,167	1,573,305,864	1,928,252,800	1,988,562,500	1,716,402,500
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	1,357,074,808	1,269,966,456	1,928,252,800	1,988,562,500	1,716,402,500
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	1,357,074,808	1,269,966,456	1,928,252,800	1,988,562,500	1,716,402,500
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	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
SOURCE OF FUNDS					
Restricted Funds					
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			
Total Restricted Funds	3,876,809	3,641,426	3,687,900	3,687,900	3,687,900
Federal Fund					
Current Receipts	139,042				
Total Federal Fund	139,042				
Road Fund					
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			
Total Road Fund	413,745,880	424,167,160	394,437,700	441,271,700	442,192,300
TOTAL SOURCE OF FUNDS	417,761,731	427,808,586	398,125,600	444,959,600	445,880,200
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	385,553,171	388,087,923	398,125,600	444,959,600	445,880,200
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	385,553,171	388,087,923	398,125,600	444,959,600	445,880,200

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

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

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

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

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

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

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**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
Federal Fund					
Current Receipts	17				
Total Federal Fund	17				
Road Fund					
Regular Appropriation	18,368,200	17,875,500	18,183,800	19,467,200	19,876,500
Current Year Appropriation			49,400		
Total Road Fund	18,368,200	17,875,500	18,233,200	19,467,200	19,876,500
TOTAL SOURCE OF FUNDS	18,368,217	17,875,500	18,233,200	19,467,200	19,876,500
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	15,528,207	14,683,897	18,233,200	19,467,200	19,876,500
EXPENDITURES BY FUND SOURCE					
Federal Fund	17				
Road Fund	15,528,191	14,683,897	18,233,200	19,467,200	19,876,500
TOTAL EXPENDITURES	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
SOURCE OF FUNDS					
Federal Fund					
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				
Total Federal Fund	12,400,555	13,471,009	12,712,200	15,137,500	15,208,400
Road Fund					
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			
Total Road Fund	3,613,200	4,762,000	4,699,000	4,761,300	4,790,400
TOTAL SOURCE OF FUNDS	16,013,755	18,233,009	17,411,200	19,898,800	19,998,800
EXPENDITURES BY CLASS					
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			
TOTAL EXPENDITURES	14,983,569	17,480,081	17,411,200	19,898,800	19,998,800
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	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
SOURCE OF FUNDS					
Restricted Funds					
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			
Total Restricted Funds	12,334,287	15,950,681	46,957,900	46,976,100	46,979,800
Federal Fund					
Current Receipts	5,004				
Total Federal Fund	5,004				
Road Fund					
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			
Total Road Fund	36,613,800	35,333,900	37,710,100	38,516,000	39,074,500
TOTAL SOURCE OF FUNDS	48,953,091	51,284,581	84,668,000	85,492,100	86,054,300
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	45,518,344	48,616,841	84,668,000	85,492,100	86,054,300
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	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**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
Restricted Funds					
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
Total Restricted Funds	73,367,956	76,852,567	83,617,600	72,503,500	72,710,800
Federal Fund					
Current Receipts	121,063				
Total Federal Fund	121,063				
TOTAL SOURCE OF FUNDS	73,489,018	76,852,567	83,617,600	72,503,500	72,710,800
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	65,523,867	64,806,413	83,617,600	72,503,500	72,710,800
EXPENDITURES BY FUND SOURCE					
Restricted Funds	65,402,804	64,806,413	83,617,600	72,503,500	72,710,800
Federal Fund	121,063				
TOTAL EXPENDITURES	65,523,867	64,806,413	83,617,600	72,503,500	72,710,800

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

**Transportation
Highways
Highway Safety**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
Restricted Funds					
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
Total Restricted Funds	2,274,180	2,670,700	2,805,000	2,645,000	2,485,000
Federal Fund					
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				
Total Federal Fund	5,122,670	5,467,349	10,927,700	11,055,100	11,062,000
Road Fund					
Regular Appropriation	5,869,600	3,079,900	8,438,900	8,505,600	8,550,400
Current Year Appropriation			6,700		
Total Road Fund	5,869,600	3,079,900	8,445,600	8,505,600	8,550,400
TOTAL SOURCE OF FUNDS	13,266,450	11,217,949	22,178,300	22,205,700	22,097,400
EXPENDITURES BY CLASS					
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				
TOTAL EXPENDITURES	10,913,917	9,930,888	20,183,300	20,370,700	20,422,400
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	10,913,917	9,930,888	20,183,300	20,370,700	20,422,400

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

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

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

Transportation
Public Transportation

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
General Fund					
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		
Total General Fund	5,840,080	6,045,201	14,872,200	13,999,000	13,999,000
Restricted Funds					
Current Receipts	560,000	680,000	9,204,400	711,300	711,200
Total Restricted Funds	560,000	680,000	9,204,400	711,300	711,200
Federal Fund					
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
Total Federal Fund	35,312,821	36,524,532	95,686,700	82,550,000	80,502,100
TOTAL SOURCE OF FUNDS	41,712,901	43,249,733	119,763,300	97,260,300	95,212,300
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	40,676,836	42,146,532	119,763,300	97,260,300	95,212,300
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	40,676,836	42,146,532	119,763,300	97,260,300	95,212,300
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	40,676,836	42,146,532	119,763,300	97,260,300	95,212,300

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
SOURCE OF FUNDS					
Road Fund					
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		
Total Road Fund	453,429,349	447,626,356	350,617,800	372,580,800	364,617,700
TOTAL SOURCE OF FUNDS	453,429,349	447,626,356	350,617,800	372,580,800	364,617,700
EXPENDITURES BY CLASS					
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
TOTAL EXPENDITURES	337,047,576	286,922,231	350,617,800	372,580,800	364,617,700
EXPENDITURES BY FUND SOURCE					
Road Fund	337,047,576	286,922,231	350,617,800	372,580,800	364,617,700
TOTAL EXPENDITURES	337,047,576	286,922,231	350,617,800	372,580,800	364,617,700
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	337,047,576	286,922,231	350,617,800	372,580,800	364,617,700

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
SOURCE OF FUNDS					
Restricted Funds					
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		
Total Restricted Funds	22,390,289	26,733,955	34,362,100	31,701,100	35,606,900
Federal Fund					
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				
Total Federal Fund	1,255,450	2,038,815	3,178,400	4,178,400	4,678,400
Road Fund					
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		
Total Road Fund	31,588,900	46,232,900	45,534,100	45,904,300	46,472,700
TOTAL SOURCE OF FUNDS	55,234,639	75,005,670	83,074,600	81,783,800	86,758,000
EXPENDITURES BY CLASS					
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			
TOTAL EXPENDITURES	37,760,205	47,089,775	72,232,100	66,853,200	68,051,500
EXPENDITURES BY FUND SOURCE					
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
TOTAL EXPENDITURES	37,760,205	47,089,775	72,232,100	66,853,200	68,051,500
EXPENDITURES BY UNIT					
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
TOTAL EXPENDITURES	37,760,205	47,089,775	72,232,100	66,853,200	68,051,500

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

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

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

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

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

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

Policy

An additional \$1,000,000 Restricted Fund appropriation is added each year to support County Clerk IT Improvements and planning.

Statewide

**Statewide
Budget Reserve Trust Fund**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
General Fund					
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		
Total General Fund	303,184,700	600,000,000	1,506,919,700	1,756,919,700	1,756,919,700
TOTAL SOURCE OF FUNDS	303,184,700	600,000,000	1,506,919,700	1,756,919,700	1,756,919,700
EXPENDITURES BY CLASS					
TOTAL EXPENDITURES					
EXPENDITURES BY FUND SOURCE					
TOTAL EXPENDITURES					

The Budget Reserve Trust Fund is the Commonwealth’s “Rainy Day Fund.” KRS 48.705 provides for deposits to the Budget Reserve Trust Fund from half of each fiscal year’s general fund surplus until the balance reaches five percent of the prior year’s General Fund revenue receipts. The General Assembly has also appropriated amounts directly to the Budget Reserve Trust Fund after years in which withdrawals have reduced the balance to very low levels. The permitted uses of the Budget Reserve Trust Fund are outlined in each biennial Executive branch appropriations act. The most prominent use is when there is a revenue shortfall. The appropriation acts also provide that the Fund can be used for certain necessary government expenses if the General Fund surplus is insufficient to accommodate them. The Fund has not been used 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
SOURCE OF FUNDS					
General Fund					
Regular Appropriation				250,000,000	500,000,000
Total General Fund				250,000,000	500,000,000
TOTAL SOURCE OF FUNDS					
				250,000,000	500,000,000
EXPENDITURES BY CLASS					
Personnel Costs				250,000,000	500,000,000
TOTAL EXPENDITURES				250,000,000	500,000,000
EXPENDITURES BY FUND SOURCE					
General Fund				250,000,000	500,000,000
TOTAL EXPENDITURES				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.