

TEAM KENTUCKY™

\$5.8 billion
Single largest investment in
Kentucky history



2022-2024 EXECUTIVE BUDGET

Andy Beshear
GOVERNOR

John Hicks
STATE BUDGET DIRECTOR

Volume I

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STATEWIDE

| | |
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Executive Branch

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

EXPENDITURES BY FUND SOURCE

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

EXPENDITURES BY UNIT

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

General Government

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

EXPENDITURES BY UNIT

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

**General Government
Office of the Governor**

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

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

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

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

The Military Affairs Commission (KRS 154.12-203) has been a part of the Office of the Governor since 1996. The Commission serves in an advisory capacity to the Governor, the General Assembly, the Kentucky Congressional Delegation, and other appropriate government officials. This commission is designed to support the U.S. military's widespread presence in Kentucky and to recognize its contribution to the economy and well-being of the Commonwealth. Among the installations and operations eligible for support are: Fort Knox, Fort Campbell, Bluegrass Station in Lexington, National Guard and Reserve operations throughout the state, and Bluegrass Army Depot in Richmond.

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

Policy

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

General Government
Office of State Budget Director

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

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

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

The Governor's Office for Policy Research (GOPR) performs research and analysis on public policy issues important to the Commonwealth. In accordance with KRS 154.30-030, the Office provides input into the methodology and assumptions used in the independent consultant's reports for the tax increment financing program and for tourism development projects, pursuant to KRS 148.885, and supports the Office of State Budget Director's certification for each project. The Phase I Tobacco Master Settlement Agreement calculations are monitored and prepared by this Office, and GOPR convenes the state agency participants involved in the enforcement mechanisms necessary to stay in compliance with the Settlement Agreement. Expenditure forecasting for several key areas of state government is led or is contributed to by GOPR, including the incarcerated felon population, Medicaid benefit expenditures, and the elementary and secondary education funding formula inputs.

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

Policy

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

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

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

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

**General Government
Homeland Security**

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

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

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

Policy

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

**General Government
Veterans' Affairs**

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

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

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

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

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

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

Policy

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

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

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

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

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

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

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

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

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

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

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

**General Government
Kentucky Infrastructure Authority**

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

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

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

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

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

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

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

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

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

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

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

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

Policy

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

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

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

**General Government
Military Affairs**

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

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

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

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

The Division of Emergency Management is responsible for all aspects of emergency management including planning, assessment, mitigation, response, and recovery in the Commonwealth. The Division works with local emergency management programs to maintain a coordinated program and operates field offices across the state. The Emergency Operations Center in Frankfort is the hub for coordination during an emergency and is operated by the Division. The Center operates on a twenty-four hour basis and serves as a warning point, communications and command center.

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

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

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

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

Policy

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

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

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

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

**General Government
Commission on Human Rights**

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

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

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

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

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

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

Policy

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

**General Government
Commission on Women**

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

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

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

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

Policy

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

**General Government
Department for Local Government**

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

The Department for Local Government (DLG), pursuant to KRS 147A.002, is an independent agency attached to the Office of the Governor. As the liaison between the Governor and local units of government, DLG coordinates and resolves local government issues and concerns, and administers federal and state grants-in-aid and serves as the cognizant state agency for Kentucky's 15 Area Development Districts (ADD's).

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

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

The Office Field Services supports the Governor's mission to deliver good government to all constituents across the state. Field service representatives travel throughout the Commonwealth of Kentucky and answer citizens' questions, resolve problems, and aid local government officials with their government duties.

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

Within the Office of Financial Management and Administration are the:

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

The Office of State Grants promotes economic development in Kentucky's localities. It is responsible for financial management, accounting, and fund allocation and reporting of the Local Government Economic Development Fund (LGEDF) and the Local Government Economic Assistance Fund (LGEAF). The agency also reviews and approves LGEDF statutory grant applications. The office administers the Regional Development Agency Assistance Program, Flood Control Local Match Participation program, Area Development Funds, and the Joint Funding Administration.

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

Policy

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

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

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

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

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

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

General Government
Local Government Economic Assistance Fund

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

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

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

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

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

- Public safety, including law enforcement, fire protection, ambulance service and other related services,
- Environmental protection, including sewage disposal, sanitation, solid waste and other related programs,
- Public transportation, including mass transit systems, streets and roads,
- Health,

- Recreation,
- Libraries and educational facilities,
- Services for the poor, aged, and handicapped,
- Industrial and economic development,
- Vocational education; and
- Workforce.

Policy

The Governor's budget returns all of the coal severance tax revenues back to coal-producing counties. Previously, amounts related to the debt service of past bond issues have been deducted before returning the remaining portion to coal-producing counties. Thirty percent of these revenues are directed to the Local Government Economic Assistance Fund. This action adds another \$6 million each year to the amounts returned to coal-producing counties from the Local Government Economic Assistance Fund. The budget suspends KRS 42.470(1)(a) and directs 70 percent of moneys in the Local Government Economic Assistance Fund to be distributed to each coal producing county on the basis of the ratio of coal severed in each respective county to the coal severed statewide. It also suspends KRS 42.470(1)(c), so that no allocation shall be distributed to non-coal producing counties, and suspends KRS 42.455(2) so that no funds appropriated to the Local Government Economic Assistance Fund are required to be spent on the coal haul road system.

General Government
Local Government Economic Development Fund

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

The Local Government Economic Development Fund (LGEDF) is a revenue-sharing program that was created by the 1992 General Assembly to provide coal-producing counties with a means to diversify their economies. The Governor's budget provides \$52,150,000 in General Fund in fiscal year 2023 and \$54,040,000 in fiscal year 2024 coal severance tax revenues to the LGEDF. These funds will be transferred to the LGEDF Single-County accounts to be allocated to projects with the concurrence of the respective county judge/executive, state senator(s), and state representative(s) of each county. If concurrence is not achieved, the fiscal court of each county may apply for grants through the Department for Local Government pursuant to KRS 42.4588. Currently, 28 counties receive allocations to their Single-County account.

Policy

The Governor's budget returns all of the coal severance tax revenues back to coal-producing counties. Previously, amounts related to the debt service of past bond issues have been deducted before returning the remaining portion to coal-producing counties. This action adds another \$14 million each year to the amounts returned to coal-producing counties from the Local Government Economic Development Fund. The budget notwithstanding KRS 42.450 to 42.495, so that 70 percent of the severance and processing taxes on coal collected annually is transferred to the Local Government Economic Development Fund and 30 percent of the severance and processing taxes on coal collected annually shall be transferred to the Local Government Economic Assistance Fund.

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

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

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

| | | | |
|---|-------------------|-------------------|-------------------|
| Local Government Economic Development Fund (LGEDF) | | | |
| Coal Severance Tax Revenue | 23,694,200 | 52,150,000 | 54,040,000 |
| Total LGEDF enacted | 23,694,200 | 52,150,000 | 54,040,000 |

General Government
Local Government Regional Development Agency Assistance Fund

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

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

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

The funds will be distributed to Industrial Development Authorities (IDAs) established under KRS 154.50-301 to 154.50-346. In Fiscal Year 2021, and each subsequent fiscal year, there will be a total of \$6,000,000 available for this program to be allocated among the eligible counties.

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

General Government
Executive Branch Ethics Commission

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

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

Policy

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

**General Government
Secretary of State**

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

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

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

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

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

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

Policy

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

**General Government
Board of Elections**

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

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

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

General Administration and Support

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

The State Board of Elections will provide unofficial election results on all candidates who file in the state.

State Share of County Election Expenses

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

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

State Share of Voter Registration Expenses

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

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

Election Fund

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

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

Policy

The Governor's budget includes additional General Fund for the following election needs:

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

**General Government
Registry of Election Finance**

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

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

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

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

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

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

**General Government
Attorney General**

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

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

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

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

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

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

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

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

Policy

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

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

**General Government
Commonwealth's Attorneys**

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

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

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

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

Policy

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

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

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

**General Government
County Attorneys**

| | Actual FY 2020 | Actual FY 2021 | Revised FY 2022 | Recommended FY 2023 | Recommended FY 2024 |
|------------------------------------|---------------------------|---------------------------|----------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 53,058,600 | 53,518,500 | 56,153,400 | 72,294,000 | 72,984,700 |
| Current Year Appropriation | | | 123,600 | | |
| Total General Fund | 53,058,600 | 53,518,500 | 56,277,000 | 72,294,000 | 72,984,700 |
| Restricted Funds | | | | | |
| Balance Forward | 907,198 | 1,139,737 | 1,023,700 | 670,400 | 412,100 |
| Current Receipts | 894,146 | 460,201 | 610,000 | 705,000 | 715,000 |
| Total Restricted Funds | 1,801,343 | 1,599,938 | 1,633,700 | 1,375,400 | 1,127,100 |
| Federal Fund | | | | | |
| Balance Forward | 174,445 | 116,673 | -86,300 | 100 | 100 |
| Current Receipts | 672,804 | 696,393 | 1,171,600 | 1,085,200 | 1,085,200 |
| Total Federal Fund | 847,249 | 813,067 | 1,085,300 | 1,085,300 | 1,085,300 |
| TOTAL SOURCE OF FUNDS | 55,707,192 | 55,931,505 | 58,996,000 | 74,754,700 | 75,197,100 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 52,995,294 | 53,509,883 | 57,276,500 | 72,468,200 | 73,187,900 |
| Operating Expenses | 1,455,460 | 1,484,180 | 1,049,000 | 1,874,300 | 1,845,300 |
| TOTAL EXPENDITURES | 54,450,753 | 54,994,063 | 58,325,500 | 74,342,500 | 75,033,200 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 53,058,571 | 53,518,482 | 56,277,000 | 72,294,000 | 72,984,700 |
| Restricted Funds | 661,606 | 576,250 | 963,300 | 963,300 | 963,300 |
| Federal Fund | 730,576 | 899,332 | 1,085,200 | 1,085,200 | 1,085,200 |
| TOTAL EXPENDITURES | 54,450,753 | 54,994,063 | 58,325,500 | 74,342,500 | 75,033,200 |
| EXPENDITURES BY UNIT | | | | | |
| County Attorneys | 54,450,753 | 54,994,063 | 58,325,500 | 74,342,500 | 75,033,200 |
| TOTAL EXPENDITURES | 54,450,753 | 54,994,063 | 58,325,500 | 74,342,500 | 75,033,200 |

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

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

Policy

The Governor's budget includes additional General Fund in the amount of \$2,945,300 in fiscal year 2023 and \$3,011,900 in fiscal year 2024 to fund additional positions to help address case backlogs and additional workload as a result of recent legislative changes.

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

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

General Government

Treasury

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

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

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

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

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

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

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

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

Policy

Restricted Funds are provided in accordance with KRS 393.250 for the administration of the Unclaimed Property program in the amount of \$1,860,900 in fiscal year 2023 and \$1,869,800 in fiscal year 2024. This action reflects the movement of available off-budget Restricted Funds to on-budget status to support ongoing activities of the program.

General Government

Agriculture

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

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

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

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

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

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

Senate Bill 3 from the 2021 Regular Session of the General Assembly abolished the Governor's Office of Agriculture Policy and established the Kentucky Office of Agricultural Policy within the Department of Agriculture. The office is comprised of two boards, The Kentucky Agricultural Development Board and the Kentucky Agricultural Finance Corporation, which are staffed by the employees in this Office. The Kentucky Agricultural Development Board hires an Executive Director to carry out the duties of the board, while also serving as the Executive Director of the Kentucky Agricultural Finance Corporation.

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

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

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

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

Policy

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

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

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

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

**General Government
Auditor of Public Accounts**

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

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

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

The Auditor of Public Accounts has three program areas: Administration, Technology and Financial Audits, and Special Examinations.

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

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

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

**General Government
Personnel Board**

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

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

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

Policy

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

General Government
Kentucky Public Pensions Authority

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

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

Kentucky Public Pensions Authority is administered by a 9-member Board of Trustees that is composed of six trustees appointed by the governor and three elected by KERS and SPRS members and retired members - two to represent Kentucky Employees Retirement System and one to represent State Police Retirement System. The Board is responsible for the collection and investment of contributions. Members of the Board are considered fiduciaries and are required to administer the funds in the sole interest of the members and beneficiaries of the systems. The Board is required to invest the funds under the "prudent person" rule. Investments are diversified among common stocks, government and private bonds, real estate and cash equivalents. An actuarial valuation is conducted each year to determine the funding status of the three systems, and an annual independent audit is performed as well.

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

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

General Government
Occupational & Professional Boards & Commissions

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

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

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

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

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

Policy

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

**General Government
Kentucky River Authority**

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

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

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

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

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

General Government
School Facilities Construction Commission

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

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

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

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

Policy

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

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

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

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

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

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

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

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

**General Government
Teachers' Retirement System**

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

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

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

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

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

HB 540 enacted by the 2010 Regular Session of the General Assembly required additional contributions to ensure the solvency and stability of the retirement system's medical insurance fund. Members hired prior to July 1, 2008, contribute an additional 3.0% and members hired July 1, 2008 or later contribute an additional 2.0% to the medical insurance fund. This brings the total member contributions for the medical insurance to 3.75% for all members.

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

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

Policy

The Governor's budget fully funds the teachers' pension and medical benefits. An additional \$145,234,200 from the General Fund is provided over the current budget in fiscal year 2023 and an additional \$137,312,900 in fiscal year 2024.

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

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

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

**General Government
Judgments**

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

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

Policy

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

General Government
Appropriations Not Otherwise Classified

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

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

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

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

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

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

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

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

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

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

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

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

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

Policy

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

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

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

General Government
KY Communications Network Authority

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

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

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

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

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

Policy

During the 2020-2022 biennium, the Kentucky Communications Network Authority was actively engaged in transitioning state agencies to the new KentuckyWired network, providing network speeds up to five times current speeds across all regions of the Commonwealth and improving the business capabilities of the Commonwealth's agencies. Beginning in fiscal year 2023, it is anticipated that all planned sites will be migrated to the KentuckyWired network.

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

Economic Development

**Economic Development
Economic Development**

| | Actual FY 2020 | Actual FY 2021 | Revised FY 2022 | Recommended FY 2023 | Recommended FY 2024 |
|------------------------------------|---------------------------|---------------------------|----------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 25,606,300 | 26,054,000 | 26,757,300 | 374,018,500 | 29,053,700 |
| Special Appropriation | 1,060,500 | 3,069,000 | 400,639,600 | | |
| Current Year Appropriation | | | 24,000 | | |
| Continuing Approp-General Fund | 8,200,027 | 8,042,798 | 10,984,300 | | |
| Total General Fund | 34,866,827 | 37,165,798 | 438,405,200 | 374,018,500 | 29,053,700 |
| Restricted Funds | | | | | |
| Balance Forward | 2,549,244 | 1,482,397 | 1,492,100 | 1,234,400 | 1,300,800 |
| Current Receipts | 2,350,060 | 2,789,045 | 2,866,200 | 3,005,700 | 3,005,400 |
| Total Restricted Funds | 4,899,304 | 4,271,442 | 4,358,300 | 4,240,100 | 4,306,200 |
| Federal Fund | | | | | |
| Balance Forward | -127,941 | -70,499 | -21,100 | | |
| Current Receipts | 557,534 | 255,879 | 337,300 | 301,000 | 301,000 |
| Total Federal Fund | 429,593 | 185,379 | 316,200 | 301,000 | 301,000 |
| TOTAL SOURCE OF FUNDS | 40,195,724 | 41,622,620 | 443,079,700 | 378,559,600 | 33,660,900 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 11,258,572 | 9,922,923 | 13,490,500 | 13,828,600 | 13,877,300 |
| Operating Expenses | 1,933,055 | 1,537,292 | 2,114,000 | 2,171,900 | 2,172,700 |
| Grants Loans Benefits | 12,920,072 | 13,401,187 | 426,240,800 | 361,258,300 | 16,258,300 |
| Debt Service | 1,060,500 | 3,069,000 | | | |
| TOTAL EXPENDITURES | 27,172,199 | 27,930,403 | 441,845,300 | 377,258,800 | 32,308,300 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 23,255,200 | 24,944,526 | 438,405,200 | 374,018,500 | 29,053,700 |
| Restricted Funds | 3,416,907 | 2,779,418 | 3,123,900 | 2,939,300 | 2,953,600 |
| Federal Fund | 500,092 | 206,458 | 316,200 | 301,000 | 301,000 |
| TOTAL EXPENDITURES | 27,172,199 | 27,930,403 | 441,845,300 | 377,258,800 | 32,308,300 |
| EXPENDITURES BY UNIT | | | | | |
| Economic Development | 27,172,199 | 27,930,403 | 441,845,300 | 377,258,800 | 32,308,300 |
| TOTAL EXPENDITURES | 27,172,199 | 27,930,403 | 441,845,300 | 377,258,800 | 32,308,300 |

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

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

Policy

The Governor's budget includes \$250 million in one-time funds for Kentucky's Site Identification and Development program. When companies are making decisions on where to expand or locate their operation, Kentucky's ability to provide location options which are "build-ready" is critical. The types of funding uses include land acquisition, site assembly, site preparation and improvement, infrastructure-water, wastewater, utilities, broadband; construction or improvement of buildings, environmental remediation, and architectural/engineering/surveying professional services.

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

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

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

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

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

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

Department of Education

Department of Education
Department of Education

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

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

Department of Education
Support Education Excellence in Kentucky (SEEK)

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

Policy

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

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

Teacher and other School Employee Salary Increases

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

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

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

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

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

**Department of Education
Operations and Support Services**

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

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

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

| | Actual FY 2020 | Actual FY 2021 | Revised FY 2022 | Recommended FY 2023 | Recommended FY 2024 |
|------------------------------------|---------------------------|---------------------------|----------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 2,629,100 | 2,431,700 | 2,662,800 | 2,762,000 | 2,778,900 |
| Current Year Appropriation | | | 8,900 | | |
| Total General Fund | 2,629,100 | 2,431,700 | 2,671,700 | 2,762,000 | 2,778,900 |
| Restricted Funds | | | | | |
| Balance Forward | 103,501 | 105,602 | | | |
| Non-Revenue Receipts | 53,543 | | | | |
| Total Restricted Funds | 157,044 | 105,602 | | | |
| TOTAL SOURCE OF FUNDS | 2,786,144 | 2,537,302 | 2,671,700 | 2,762,000 | 2,778,900 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 2,435,395 | 2,277,830 | 2,512,900 | 2,603,200 | 2,620,100 |
| Operating Expenses | 207,277 | 159,000 | 158,800 | 158,800 | 158,800 |
| TOTAL EXPENDITURES | 2,642,672 | 2,436,830 | 2,671,700 | 2,762,000 | 2,778,900 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 2,591,230 | 2,436,830 | 2,671,700 | 2,762,000 | 2,778,900 |
| Restricted Funds | 51,442 | | | | |
| TOTAL EXPENDITURES | 2,642,672 | 2,436,830 | 2,671,700 | 2,762,000 | 2,778,900 |

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

The Kentucky Board of Education consists of 15 members. The governor appoints 11 voting members – four represent the state at large and seven represent the Supreme Court districts. The remaining four members, the Secretary of the Education and Workforce Development Cabinet, the President of the Council on Postsecondary Education (CPE), an active elementary or secondary school teacher, and a high school student, serve as non-voting members. Each member serves a four-year term and may be reappointed. The Kentucky Board of Education members elect a board chair and vice chair at the beginning of each fiscal year.

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

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

| | Actual FY 2020 | Actual FY 2021 | Revised FY 2022 | Recommended FY 2023 | Recommended FY 2024 |
|------------------------------------|-------------------|-------------------|--------------------|------------------------|------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 14,683,200 | 15,315,100 | 16,954,300 | 17,988,500 | 19,576,500 |
| Current Year Appropriation | | | 31,100 | | |
| Total General Fund | 14,683,200 | 15,315,100 | 16,985,400 | 17,988,500 | 19,576,500 |
| Restricted Funds | | | | | |
| Balance Forward | 3,583,461 | 2,540,945 | 2,693,000 | | |
| Current Receipts | 53,610 | 24,958 | 2,521,800 | 4,016,900 | 4,019,800 |
| Non-Revenue Receipts | 263,055 | 500,720 | 2,831,200 | 4,036,300 | 4,035,300 |
| Fund Transfers | | -200,000 | | | |
| Total Restricted Funds | 3,900,126 | 2,866,623 | 8,046,000 | 8,053,200 | 8,055,100 |
| Federal Fund | | | | | |
| Balance Forward | 170,977 | 241,946 | | | |
| Current Receipts | 423,381,420 | 414,493,749 | 465,137,800 | 465,241,700 | 465,266,700 |
| Total Federal Fund | 423,552,397 | 414,735,695 | 465,137,800 | 465,241,700 | 465,266,700 |
| TOTAL SOURCE OF FUNDS | 442,135,722 | 432,917,419 | 490,169,200 | 491,283,400 | 492,898,300 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 10,982,876 | 10,226,373 | 18,441,600 | 19,066,600 | 20,286,800 |
| Operating Expenses | 3,239,826 | 2,513,544 | 3,981,600 | 4,502,800 | 4,509,500 |
| Grants Loans Benefits | 424,730,458 | 416,269,380 | 467,746,000 | 467,714,000 | 468,102,000 |
| Debt Service | | 959,500 | | | |
| TOTAL EXPENDITURES | 438,953,160 | 429,968,798 | 490,169,200 | 491,283,400 | 492,898,300 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 14,283,529 | 15,315,100 | 16,985,400 | 17,988,500 | 19,576,500 |
| Restricted Funds | 1,359,180 | 158,805 | 8,046,000 | 8,053,200 | 8,055,100 |
| Federal Fund | 423,310,451 | 414,494,892 | 465,137,800 | 465,241,700 | 465,266,700 |
| TOTAL EXPENDITURES | 438,953,160 | 429,968,798 | 490,169,200 | 491,283,400 | 492,898,300 |
| EXPENDITURES BY UNIT | | | | | |
| Finance & Operations | 6,845,532 | 6,474,805 | 15,714,600 | 16,065,900 | 16,104,000 |
| District Support | 5,451,885 | 5,643,422 | 6,329,500 | 6,969,600 | 8,506,200 |
| School & Community Nutrition | 426,655,742 | 417,850,570 | 468,125,100 | 468,247,900 | 468,288,100 |
| TOTAL EXPENDITURES | 438,953,160 | 429,968,798 | 490,169,200 | 491,283,400 | 492,898,300 |

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

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

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

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

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

Policy

The Governor's budget includes General Fund of \$500,000 in fiscal year 2023 and \$2,000,000 in fiscal year 2024 to develop a new education finance application that gathers data and processes the calculations necessary for the Support Education Excellence in Kentucky (SEEK) funding program.

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

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

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

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

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

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

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

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

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

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

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

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

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

Policy

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

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

**Department of Education
Learning and Results Services**

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

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

Policy

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

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

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

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

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

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

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

Policy

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

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

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

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

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

| | Actual FY 2020 | Actual FY 2021 | Revised FY 2022 | Recommended FY 2023 | Recommended FY 2024 |
|------------------------------------|---------------------------|---------------------------|----------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 115,223,700 | 115,067,400 | 115,275,700 | 288,231,400 | 288,238,200 |
| Current Year Appropriation | | | 300 | | |
| Total General Fund | 115,223,700 | 115,067,400 | 115,276,000 | 288,231,400 | 288,238,200 |
| Federal Fund | | | | | |
| Balance Forward | 196,286 | 63,646 | | | |
| Current Receipts | 173,699,071 | 158,640,889 | 185,998,600 | 186,019,500 | 186,043,900 |
| Total Federal Fund | 173,895,357 | 158,704,535 | 185,998,600 | 186,019,500 | 186,043,900 |
| TOTAL SOURCE OF FUNDS | 289,119,057 | 273,771,935 | 301,274,600 | 474,250,900 | 474,282,100 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Costs | 2,796,687 | 3,006,357 | 5,577,900 | 5,606,900 | 5,639,200 |
| Operating Expenses | 400,192 | 654,444 | 654,500 | 654,500 | 654,500 |
| Grants Loans Benefits | 285,383,911 | 270,037,359 | 295,042,200 | 467,989,500 | 467,988,400 |
| TOTAL EXPENDITURES | 288,580,790 | 273,698,160 | 301,274,600 | 474,250,900 | 474,282,100 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 114,749,079 | 115,067,400 | 115,276,000 | 288,231,400 | 288,238,200 |
| Federal Fund | 173,831,711 | 158,630,760 | 185,998,600 | 186,019,500 | 186,043,900 |
| TOTAL EXPENDITURES | 288,580,790 | 273,698,160 | 301,274,600 | 474,250,900 | 474,282,100 |
| EXPENDITURES BY UNIT | | | | | |
| Special Education & Early Learning | 174,357,302 | 159,092,360 | 186,668,800 | 186,694,000 | 186,723,500 |
| Extended School Services | 23,741,088 | 23,916,300 | 23,916,300 | 23,916,300 | 23,916,300 |
| State Preschool | 84,277,748 | 84,481,100 | 84,481,100 | 257,431,100 | 257,431,100 |
| Gifted & Talented | 6,204,652 | 6,208,400 | 6,208,400 | 6,209,500 | 6,211,200 |
| TOTAL EXPENDITURES | 288,580,790 | 273,698,160 | 301,274,600 | 474,250,900 | 474,282,100 |

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

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

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

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

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

Policy

The Governor's budget recommendation includes \$172 million of General Fund in each fiscal year for universal preschool for four-year-olds. Combined with the \$140 million provided in the last budget for all-day kindergarten, Kentucky will have provided school districts with the state resources to fully implement a Preschool to 12th grade system. The Department of Education estimates that over 34,000 four-year-old children are not enrolled in public preschool or Head Start.

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

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

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

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

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

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

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

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

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

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

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

Policy

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

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

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

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

The Office of Assessment and Accountability consists of the Division of Accountability Data and Analysis and the Division of Assessment and Accountability Support and is responsible for developing and implementing Kentucky's system of assessing progress by students, schools, and districts. The Office of Assessment and Accountability also oversees the implementation of testing and data requirements enacted by Senate Bill 1 of the 2017 Regular Session of the General Assembly.

The Division of Assessment and Accountability Support coordinates the logistics of implementing the assessment program at the district level. This involves oversight of contractors during the production of test materials, the coordination and distribution of assessment materials to districts, return of materials to the vendor for scoring as well as online test administration.

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

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

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

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

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

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

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

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

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

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

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

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

Policy

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

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

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

The Office of Career and Technical Education provides occupational-specific education and training for Kentucky's citizens in order to develop a skilled and versatile workforce. The main responsibility is providing education and technical training to youth and incumbent workers that match the needs of Kentucky business and industry. The Office of Career and Technical Education manages 51 area technology centers. These area technology centers prepare students for postsecondary technical training leading to a certificate or an associate's degree, academic pursuits at a four-year college or university, or entry into the labor market with an industry-recognized qualification. The Office of Career and Technical Education is also responsible for programs under the Carl D. Perkins Vocational and Applied Technology Education Act of 1998 (Public Law 105-332).

Policy

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

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

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

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

Local District Health Insurance

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

Local District Life Insurance Fund

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

Policy

The budget includes General Fund in the amount of \$776,581,300 in fiscal year 2023 and \$849,181,300 in fiscal year 2024 for health insurance, and \$1,391,000 in each fiscal year for life insurance benefits to qualified local district employees.

Education and Labor

Education and Labor

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

EXPENDITURES BY UNIT

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

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

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

The following agencies comprise the Education and Labor Cabinet:

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

Education and Labor
General Administration and Program Support

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

General Administration and Program Support provides the central coordination and direction for the overall planning, management and oversight of the agencies within the Cabinet. It is responsible for policy and budget development and personnel transactions; legal services including legislative and regulatory development and oversight; a communications strategy with the public, business, and industry; economic analysis and research; accounting, purchasing, and facilities management; and information technology and other administrative support services. Partial Funding for the Office of the Secretary is provided by the Kentucky Workers' Compensation Funding Commission's special assessments imposed upon workers' compensation premiums paid by employers and group self-insurers, as well as an indirect rate charged to Federal Grants in the Employment Services areas. General Fund in this area is to support the Office of Unemployment Insurance and the Career Development Office.

The program includes the following units:

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

Policy

The budget includes additional General Fund for \$301,300 in each fiscal year to support the Kentucky Center for Statistics. The Kentucky Center for Statistics collects and integrates education and workforce data so that policymakers, practitioners, and the public can make the best informed decisions possible.

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

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

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

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

**Education and Labor
Proprietary Education**

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

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

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

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

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

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

Education and Labor
Kentucky Educational Television

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

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

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

Instructional programming for elementary and secondary schools directly supports the learning goals and outcomes of Kentucky's Common Core Standards, adopted in February 2010. The Broadcasting and Education unit produces interactive and other distance learning courses designed to provide equal access to a variety of learning opportunities for all students. It produces professional development opportunities for educators throughout the state and broadcasts programs designed to help people in the workplace. Acquired and/or locally produced programming services are delivered to under-educated adults, professionals in need of training, and other citizens with various needs related to their jobs and

professions. The unit also produces multiple schedules of nationally- and locally-produced programs for citizens at home and in the workplace. This includes educational and public affairs programming as well as quality arts experiences for all Kentuckians. A full line-up of children's educational programs offers a quality alternative to commercial television viewing.

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

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

**Education and Labor
Environmental Education Council**

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

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

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

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

**Education and Labor
Libraries and Archives**

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

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

The Department is directed by three goals:

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

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

**Education and Labor
Libraries and Archives**

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

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

Administrative Services

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

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

Field Services

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

This division's Public Library Development Branch includes professional and technical staff who provide consultative and technical assistance concerning public library services and programs provided by the Department. The staff is located in regional offices that are mainly housed in local public libraries.

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

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

State Library Services

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

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

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

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

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

Public Records

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

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

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

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

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

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

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

Education and Labor

Direct Local Aid

| | Actual FY 2020 | Actual FY 2021 | Revised FY 2022 | Recommended FY 2023 | Recommended FY 2024 |
|------------------------------------|---------------------------|---------------------------|----------------------------|--------------------------------|--------------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 6,829,600 | 4,329,600 | 4,329,600 | 6,829,600 | 6,829,600 |
| Total General Fund | 6,829,600 | 4,329,600 | 4,329,600 | 6,829,600 | 6,829,600 |
| Restricted Funds | | | | | |
| Balance Forward | 769,838 | 688,279 | 1,505,400 | 1,255,800 | 1,022,400 |
| Current Receipts | 910,245 | 986,377 | 813,500 | 813,500 | 813,500 |
| Total Restricted Funds | 1,680,083 | 1,674,656 | 2,318,900 | 2,069,300 | 1,835,900 |
| TOTAL SOURCE OF FUNDS | 8,509,683 | 6,004,256 | 6,648,500 | 8,898,900 | 8,665,500 |
| EXPENDITURES BY CLASS | | | | | |
| Operating Expenses | 976 | | 16,200 | | |
| Grants Loans Benefits | 7,754,944 | 4,433,359 | 5,376,500 | 7,876,500 | 7,876,500 |
| TOTAL EXPENDITURES | 7,755,920 | 4,433,359 | 5,392,700 | 7,876,500 | 7,876,500 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 6,764,116 | 4,264,116 | 4,329,600 | 6,829,600 | 6,829,600 |
| Restricted Funds | 991,804 | 169,243 | 1,063,100 | 1,046,900 | 1,046,900 |
| TOTAL EXPENDITURES | 7,755,920 | 4,433,359 | 5,392,700 | 7,876,500 | 7,876,500 |
| EXPENDITURES BY UNIT | | | | | |
| Libraries Support | 6,765,092 | 4,264,116 | 4,345,800 | 6,829,600 | 6,829,600 |
| Public Records | 990,828 | 169,243 | 1,046,900 | 1,046,900 | 1,046,900 |
| TOTAL EXPENDITURES | 7,755,920 | 4,433,359 | 5,392,700 | 7,876,500 | 7,876,500 |

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

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

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

Policy

The Governor's recommended budget restores General Fund of \$2,500,000 in each fiscal year for per capita assistance to local libraries, which was eliminated in the 2018-20 budget.

**Education and Labor
Workforce Development**

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

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

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

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

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

Policy

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

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

**Education and Labor
Workforce Development
Vocational Rehabilitation**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Policy

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

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

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

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

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

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

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

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

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

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

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

**Education and Labor
Workforce Development
Unemployment Insurance**

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

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

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

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

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

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

Policy

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

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

**Education and Labor
Workforce Development
Career Development**

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

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

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

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

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

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

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

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

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

**Education and Labor
Workplace Standards**

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

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

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

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

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

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

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

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

Policy

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

Education and Labor

Workers' Claims

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Policy

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

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

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

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