

Energy and Environment

Energy and Environment

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

EXPENDITURES BY UNIT

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

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

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

**Energy and Environment
Secretary**

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

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

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

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

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

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

**Energy and Environment
Administrative Services**

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

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

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

**Energy and Environment
Environmental Protection**

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

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

**Energy and Environment
Environmental Protection
Commissioner**

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

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

**Energy and Environment
Environmental Protection**

Water

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

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

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

Policy

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

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

**Energy and Environment
Environmental Protection
Waste Management**

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

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

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

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

**Energy and Environment
Environmental Protection
Air Quality**

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

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

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

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

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

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

**Energy and Environment
Environmental Protection
Enforcement**

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

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

Policy

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

**Energy and Environment
Environmental Protection
Compliance Assistance**

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

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

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

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

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

Energy and Environment

Natural Resources

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

EXPENDITURES BY UNIT

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

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

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

**Energy and Environment
Natural Resources
Commissioner**

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

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

**Energy and Environment
Natural Resources
Forestry**

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

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

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

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

Policy

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

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

**Energy and Environment
Natural Resources
Conservation**

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

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

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

Policy

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

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

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

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

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

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

Policy

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

**Energy and Environment
Natural Resources
Mine Permits**

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

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

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

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

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

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

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

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

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

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

**Energy and Environment
Natural Resources
Mine Safety**

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

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

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

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

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

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

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

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

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

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

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

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

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

Policy

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

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

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

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

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

**Energy and Environment
Energy Policy**

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

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

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

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

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

Policy

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

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

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

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

**Energy and Environment
Kentucky Nature Preserves**

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

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

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

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

Policy

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

**Energy and Environment
Public Service Commission**

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

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

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

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

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

Policy

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

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

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

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

Finance and Administration

Finance and Administration
Finance and Administration

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

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

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

Finance and Administration

General Administration

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

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

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

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

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

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

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

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

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

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

Policy

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

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

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

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

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

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

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

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

**Finance and Administration
Controller**

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

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

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

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

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

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

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

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

Policy

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

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

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

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

Finance and Administration

Debt Service

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

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

Policy

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

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

**Finance and Administration
Facilities and Support Services**

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

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

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

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

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

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

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

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

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

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

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

Policy

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

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

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

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

**Finance and Administration
County Costs**

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

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

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

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

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

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

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

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

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

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

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

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

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

Policy

Funds required to pay county costs are appropriated, and additional funds may be allotted from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705) by the Secretary of the Finance and Administration Cabinet as a necessary governmental expense, subject to the conditions and procedures provided in the Appropriations Act.

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

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

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

Finance and Administration
Commonwealth Office of Technology

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

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

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

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

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

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

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

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

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

Policy

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

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

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

Finance and Administration

Revenue

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

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

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

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

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

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

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

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

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

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

Policy

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

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

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

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

Finance and Administration
Property Valuation Administrators

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

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

Policy

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

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

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

Health and Family Services

Health and Family Services

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

EXPENDITURES BY UNIT

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

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

Health and Family Services
General Administration and Program Support

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

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

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

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

The OIG has four major functions:

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

Policy

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The programs/services currently operating within OCSHCN are:

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

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

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

Policy

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

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

Health and Family Services

Medicaid Services

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

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

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

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

**Health and Family Services
Medicaid Administration**

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

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

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

Policy

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

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

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

Health and Family Services

Medicaid Benefits

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

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

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

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

Kentucky Medical Assistance Program (KMAP) Recipient Groups

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

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

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

Projecting Benefits Cost

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

Provider Taxes

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

Disproportionate Share Hospital (DSH) Payments

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

Managed Care

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

Benefit Match Rate

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

Kentucky Children's Health Insurance Program (KCHIP)

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

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

Policy

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

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

Medicaid Enrollment

Projections FY 2022 - FY 2024

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

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

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

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

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

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

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

Health and Family Services
Behavioral Health, Developmental & Intellectual Disabilities

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

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

Policy

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

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

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

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

Community Mental Health Services

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

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

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

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

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

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

Community Alcohol and Drug Services

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

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

Policy

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

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

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

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

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

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

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

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

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

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

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

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

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

Policy

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

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

Health and Family Services
Behavioral Health, Developmental & Intellectual Disabilities

Residential

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

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

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

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

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

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

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

Policy

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

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

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

Health and Family Services

Public Health

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

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

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

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

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

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

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

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

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

Policy

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

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

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

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

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

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

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

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

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

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

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

Policy

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Policy

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Policy

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

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

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

Health and Family Services

Public Health

Laboratory Services

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

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

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

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

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

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

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

Policy

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

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

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

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

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

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

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

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

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

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

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

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

Health and Family Services
Family Resource Centers and Volunteer Services

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

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

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

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

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

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

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

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

Policy

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

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

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

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

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

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

Health and Family Services

Income Support

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

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

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

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

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

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

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

Policy

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

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

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

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

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

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

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

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

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

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

Policy

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

**Health and Family Services
Community Based Services**

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

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

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

Policy

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

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

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

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

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

Temporary Assistance for Needy Families (TANF)

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

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

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

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

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

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

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

Medicaid Eligibility and Health Insurance Affordability

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

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

State Supplementation

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

Supplemental Nutrition Assistance Program (SNAP)

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

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

Policy

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Policy

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

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

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

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

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

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

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

Child Protective Services are specialized services aimed at safeguarding the rights and welfare of abused, neglected or dependent children; aiding parents or other responsible for the care, custody or supervision of children in recognizing and remedying conditions detrimental to the welfare of their children; and identifying conditions that contribute to the neglect, abuse, or dependency of children. Child Protective Services are both preventive and corrective in nature. This includes intake/investigation of reports of neglect, abuse, or dependency and the provision of treatment to those families in need. DCBS staff provides direct in-home services as well as serving in a case manager role and networking community resources. DCBS is mandated to receive and investigate reports of the abuse or neglect of children.

Family Preservation programs (FPP) are services providing short-term crisis intervention and intensive in-home services to families who have a child or children at imminent risk of removal from their home in accordance with KRS 200.575 – 200.605 and Title IV-B, subpart 2 of the Family Preservation and Support Act and the Adoption and Safe Families Act (ASFA). FPP services are delivered through contracts with nonprofit agencies and are available for families in all of Kentucky's 120 counties. DCBS child protective services are the primary source of referrals for FPP. All eligible referrals are screened and approved through a regional DCBS staff person. Family Reunification Services follow the same basic service model with less intensive in-home services over longer duration to facilitate the successful return of children from out of home care to their home and decrease the likelihood of repeated placements. Preservation and reunification services, Families and Children Together Safely use the same basic model to serve children at significant risk of removal. Family Preservation and Reunification services provide services responsive to the family's needs, which includes 24 hour availability and flexible or client assistance funds for families needing assistance to meet financial as well as concrete needs that would otherwise add to the risk of out of home placement of the children. These family preservation and reunification programs furnish comprehensive services designed to enable families to solve their own problems by learning new skills, accessing other community resources, and developing a greater support network.

Through implementation of The Family First Prevention Services Act (FFPSA) of 2018, Kentucky is in the process of expanding its Sobriety Treatment and Recovery Teams (START) and Kentucky Strengthening and Empowering Parents (KSTEP) programs. Along with FPP, these programs work with families to mitigate issues when a child is at imminent risk for removal. The advent of FFPSA adds prevention services to Title IV-E of the Social Security Act, which was previously exclusive to adoption and foster care.

Self-Help Groups provide support and education for parents in crisis or at risk of further abuse or neglect of children.

Juvenile Services in the community provide an array of preventive and treatment services for children adjudicated as status offenders under KRS 630. Because status offender behaviors such as running away from home, being beyond parental control and truancy are most often indicative of prior abuse or neglect of the child, services are targeted at prevention of further abuse or neglect and interventions to curb the child's negative behaviors. Community based treatment is most effective with status offenders and may include, but not limited to, family and individual counseling, family preservation, substance abuse prevention, school services, and community mental health services. Out-of-home care and residential treatment services may also be used, but only in cases where community resources have been exhausted or the child is at high risk. Appropriate services may be provided directly by DCBS or arranged through local mental health centers, Family Resource Youth Service Centers, community partnerships, private child care agencies, and/or other private providers in the community. Children's advocacy centers provide services to victims of child sexual abuse and their non-offending caregivers.

Adult Services includes protection and self-support. Adult services are directed toward preserving the vulnerable individual's independence to the maximum degree possible and protecting him/her from abuse, neglect or exploitation pursuant to KRS Chapters 209. The elements of adult services are: Adult protection; Interdisciplinary evaluations to determine an adult's degree of disability and need for guardianship; Services provided by spouse abuse centers and crisis centers; Alternate care (also called placement and movement) which involves assisting individuals with a protective need with appropriate community and institutional placements; Preventive services for adults which entails assessment, planning, and guidance to individuals referred by courts, the Cabinet's Ombudsman, neighbors, state and federal legislators or through a self-referral. The latter often involves securing food, shelter, clothing, and medical treatment; Services provided by rape crisis centers; Certification for batterer intervention program providers; and General Adult Services.

Pursuant to KRS 209.030(2), any person, including but not limited to a physician, law enforcement officer, nurse, social worker, Cabinet personnel, coroner medical examiner, alternate care facility employee, or caretaker, having reasonable cause to suspect that an adult as defined in KRS 209.020 has suffered abuse, neglect or exploitation, shall report or cause reports to be made to the CHFS. Death of the adult does not relieve an individual of the

responsibility for reporting the circumstances surrounding the death. DCBS is required to investigate the reports that meet definitions of adult abuse, neglect, or exploitation in KRS 209, notify local law enforcement officials and other authorized agencies as defined in KRS 209.020(17), offer appropriate protection and support services, and maintain case records.

Alternate Care services, also referred to as Placement and Movement, are essential in providing preventive and protective services. For individuals no longer able to care for themselves or be cared for at home, long-term care facility placement is often the best alternative or only solution. When a protective need has been identified, DCBS is involved in placement and movement of individuals into, between, and out of facilities. Placement and Movement denotes assistance provided to Medicaid eligible individuals. Alternate Care denotes assistance to non-Medicaid eligible individuals.

There are a number of Kentuckians needing alternate care/placement and movement services each year. However, the majority of these individuals have family or friends who are able to assist them in finding appropriate alternate care living arrangements. The DCBS assists those individuals/families who are not able to locate appropriate placements. Alternate Care Services help ensure that persons are not inappropriately placed in a level of care exceeding their need and, thus, promote cost effectiveness. These services also help ensure that persons assisted receive the care they require.

Spouse abuse shelter services are available in each of the 15 Area Development Districts and are provided under a contract between DCBS and the Kentucky Coalition Against Domestic Violence. A portion of the marriage license fee as authorized by KRS 209A.045 provides part of the funding for this element.

Rape crisis centers services are available throughout the state and are provided under a contract with the Kentucky Association of Sexual Assault Programs (KASAP), which is the statewide coalition of Rape Crisis Centers.

Batterer intervention program (BIP) provider's certification is administered by DCBS. This responsibility includes recruiting and training providers, monitoring and oversight, and maintaining a provider list for the Administrative Office of the Courts. The legal basis is KRS 403.7505 and 922 KAR 5:020. Currently there are 123 certified BIP providers working in 33 counties. Each certified provider strives to enhance and promote the safety of victims and their children by offering the following services in response to domestic violence: Court-ordered batterer intervention for offenders; Assessment of offenders for mental health issues, substance abuse problems, and referral to appropriate resources; Service coordination between the criminal justice system, DCBS, and/or victim advocacy groups; and, Collection and submission of data about the offender population.

Alternatives for Children supports the Family Based Services subprogram by providing an essential child welfare service - placement resources for children who must live apart from their family due to the tragedy of physical abuse, sexual abuse, neglect, maltreatment, or special medical circumstances. These services occur through the following elements: family foster care, private childcare, adoption, Intensive Family Based Support Services, and clinical services. The legal authority for Alternatives for Children includes KRS Chapters 199; 600; and 620; Titles IV-B and IV-E of the Social Security Act; and the Social Services Block Grant.

The trauma of childhood abuse or neglect often leads to emotional and behavioral problems that are difficult to manage. In recent years an increasing proportion of children have had more severe problems which require more specialized treatment services (such as mental health, intellectual and/or developmental disabilities, or sexual abuse) and medical care that, in turn, has added to the cost of care. Adoption provides permanent families for children who cannot return home.

Family Foster Care provides a planned, goal-directed service in which the care of children and youth takes place in the home of an agency-approved family. Its' value is the ability to respond to the unique, individual needs of infants, children, youth, and their families through the strength of family living, as well as family and community supports. The goal of family foster care is to provide opportunities for healing, growth, and development leading to healthier children and families with safe and nurturing relationships intended to be permanent. Effective June 27, 2019, DCBS implemented KRS 620.142 to assist relatives and fictive kin caregivers of abused, neglected, or dependent children to reduce barriers to approval and allow for financial assistance to these caregivers. Foster Parent Training, provided by DCBS staff and contractors, is required of all foster parents. Foster parents must complete 15 hours of curricula in addition to web-based training requirements prior to approval and are required to attend annual in-service training. Parents serving Care Plus or medically complex homes are required to complete additional training prior to approval and on an annual basis.

Relative or Fictive Kin Placement is used as an alternative to foster care via a prevention plan or through temporary or permanent custody, given by the court to the relative or CHFS. This placement requires criminal background checks on all adult household members; home evaluations; 1.5 hours training regarding pediatric abusive head trauma (if child is five years of age or younger); monthly home visits to caregiver's home; and guardian ad litem services. At this time, all placements which qualify and meet DCBS guidelines are eligible for monthly stipends paid with general fund. These caregivers may also qualify for those services received by foster parents. The department provides case management activities that seek to utilize a least restrictive placement, assist parent/caretakers in reunifying with their child(ren), providing supportive services to the relative and achieving alternative permanency for the child if reunification is not possible. If CHFS is granted custody of the child, all applicable out of home care standard of practices (SOPs) are utilized. If the child is placed on a prevention plan with a relative or in the custody of the relative, in home SOPs are applicable. Fictive kin are individuals who are not related to a child by birth, marriage, or adoption and may be utilized when a child is removed from their home of origin and when no family members or relatives are identified as an appropriate placement option for a child.

Independent Living services are specialized services designed to enhance the self-sufficiency skills of older children currently or formerly in foster care, private child care, and other state funded living arrangements. Services are provided both directly by staff and by contract agencies. Services include formal classroom and experiential life skills trainings; room and board assistance for aged-out youth 18-21 years of age; educational assistance for post-secondary education; the opportunity to both mentor and be mentored on post-secondary campuses and in the community; transitional planning; and provision of youth conferences. The loss of the Independent Living services would result in children leaving the foster care system unprepared to enter the world as productive, tax-paying adults. Rather is the likelihood they would enter the criminal, homeless, or adult services population increasing the poverty in Kentucky.

Private Child Caring/Child Placing services and emergency shelter services are essential components of a protective service program that provides temporary placement services for children who are unable to remain in their own homes because of severe abuse, neglect, exploitation, abandonment, or because they have specialized treatment needs.

Adoption is the legal process by which a child becomes a child of a person or persons other than his/her biological parents. It is a complex social and emotional experience that ensures permanency and well-being for children. DCBS provides services prior to adoption in order to bring children and families together and services after adoption to provide support to the family structure.

Intensive Family Based Services (IFBSS) are cost-effective, home-based alternatives to institutionalization for children who are dually diagnosed. Services are provided through contracts with local comprehensive care centers or other appropriate contractors including private childcare programs. These services are designed to meet the needs of individual children and his/her families and may include, but are not limited to, in-home services, family therapy, respite care, behavior management and consultation, and individual counseling. DCBS retains case responsibility for clients receiving these services.

Psychiatric services provide 24-hour care to DCBS committed children and youth with behavioral health or mental health issues. Services are provided by various psychiatric hospitals and psychiatric residential treatment facilities throughout Kentucky.

Policy

The Governor's budget includes additional funding to add 350 social workers over the biennium to address high caseloads in Child Protective Services. Funding is provided to hire 100 social workers in fiscal year 2023, and 250 more in fiscal year 2024. The total funding is \$8,489,300 in fiscal year 2023 and \$27,212,500 in fiscal year 2024, \$7,450,200 and \$23,881,700 respectively from the General Fund. Adding 350 more staff will bring the average caseload from 21 to 17 and the average caseload with past due cases from 28 to 22.

The Governor's budget includes additional General Fund of \$2,550,200 for Domestic Violence Shelters, \$1,788,200 for Rape Crisis Centers, and \$1,349,600 for Child Advocacy Centers in each fiscal year.

The Governor's budget in each fiscal year includes additional funding in the amount of \$16,698,500; \$12,500,000 from the General Fund, \$3,087,800 from Restricted Funds, and \$1,110,700 from Federal Funds for a 17 percent

rate increase for residential/congregate care providers that serve children which require the highest quality of care and cannot be placed in a family based setting.

The Governor's budget in each fiscal year includes additional funding of \$10,000,000 from the General Fund and \$9,600,000 from Federal Funds to sustain and expand prevention services that includes Sobriety Treatment and Recovery Teams, Kentucky Strengthening and Empowering Parents programs, and Family Preservation to work with families to mitigate issues when a child is at imminent risk for removal.

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

- \$1,000,000 for Relative Placement Support Benefit
- \$550,000 for dually licensed pediatric facilities
- \$50,000 for family counseling and trauma remediation in Jefferson County and surrounding Kentucky counties
- \$500,000 for the Fostering Success Program

The budget includes a General Fund baseline subsidy in the amount of \$332,100 for several quasi-governmental entities to assist these entities with employer contributions to the KERS non-hazardous pension plan, and \$68,500 to cover the marginal cost associated with the new fixed allocation funding policy for the non-hazardous pension plan, passed in House Bill 8, from the 2021 Regular Session, notwithstanding KRS 61.5991(6)(b).

The Governor's budget includes Phase I Tobacco Settlement Funds in the amount of \$2,561,000 in each fiscal year for the Early Childhood Adoption and Foster Care Supports Program.

**Health and Family Services
Aging and Independent Living**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	43,937,800	45,269,700	45,293,900	50,088,200	50,247,900
Current Year Appropriation			25,100		
Total General Fund	43,937,800	45,269,700	45,319,000	50,088,200	50,247,900
Restricted Funds					
Balance Forward	1,205,283	592,193	2,376,900	1,846,900	1,025,200
Current Receipts	2,363,825	2,006,765	2,257,700	1,998,500	1,777,600
Non-Revenue Receipts	313,721	239,212			
Total Restricted Funds	3,882,829	2,838,170	4,634,600	3,845,400	2,802,800
Federal Fund					
Balance Forward	-22,128	-865,146	-63,900	34,500	
Current Receipts	23,933,111	42,193,483	60,468,800	67,666,200	67,673,600
Total Federal Fund	23,910,983	41,328,337	60,404,900	67,700,700	67,673,600
TOTAL SOURCE OF FUNDS	71,731,613	89,436,208	110,358,500	121,634,300	120,724,300
EXPENDITURES BY CLASS					
Personnel Costs	16,423,108	16,759,923	22,848,900	24,620,400	24,854,400
Operating Expenses	1,424,744	1,451,599	3,900,300	3,907,800	3,833,900
Grants Loans Benefits	53,610,450	68,911,613	81,727,900	92,080,900	92,036,000
TOTAL EXPENDITURES	71,458,303	87,123,134	108,477,100	120,609,100	120,724,300
EXPENDITURES BY FUND SOURCE					
General Fund	43,391,537	45,269,700	45,319,000	50,088,200	50,247,900
Restricted Funds	3,290,636	461,197	2,787,700	2,820,200	2,802,800
Federal Fund	24,776,129	41,392,237	60,370,400	67,700,700	67,673,600
TOTAL EXPENDITURES	71,458,303	87,123,134	108,477,100	120,609,100	120,724,300
EXPENDITURES BY UNIT					
Aging and Independent Living	58,546,217	73,804,571	92,322,100	103,716,300	103,739,700
Guardianship	12,912,085	13,318,563	16,155,000	16,892,800	16,984,600
TOTAL EXPENDITURES	71,458,303	87,123,134	108,477,100	120,609,100	120,724,300

The Department for Aging and Independent Living (DAIL) sets policies and oversees programs and services on behalf of Kentucky's elders and individuals with disabilities. There are two program budget units within DAİL: Aging and Independent Living Services and Guardianship Services. The programs benefit Kentuckians by contributing to building self-sustaining families and improving the quality of life through an array of community-based services designed to help older persons, individuals with disabilities, and individuals under guardianship of the state to be as independent as possible in the least restrictive environment. DAİL programs also provide counseling and support services to family caregivers to enable them to provide quality care to older persons while fulfilling other family and employment responsibilities. In carrying out its programs, DAİL emphasizes successful aging; independent living; planning for an aging society; and continued involvement of older persons, adult individuals under guardianship of the state, and disabled individuals in every aspect of the community.

Policy

The Governor's budget includes General Fund of \$981,700 in fiscal year 2023 and \$979,100 in fiscal year 2024 to support ten percent pay increase for employees in the Social service worker classifications effective December 16, 2021.

**Health and Family Services
Aging and Independent Living
Aging and Independent Living**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	32,705,800	32,740,900	36,763,800	40,862,700	40,929,500
Current Year Appropriation			21,600		
Other		5,445,000			
Total General Fund	32,705,800	38,185,900	36,785,400	40,862,700	40,929,500
Restricted Funds					
Balance Forward	1,061,991	131,735	663,700	456,400	221,200
Current Receipts	742,274	722,788	1,259,200	1,251,900	1,251,900
Non-Revenue Receipts	27,121	-10,264			
Total Restricted Funds	1,831,386	844,259	1,922,900	1,708,300	1,473,100
Federal Fund					
Balance Forward	-33,196	-877,065	-75,400	32,600	
Current Receipts	23,824,506	36,239,771	54,178,200	61,333,900	61,337,100
Total Federal Fund	23,791,310	35,362,706	54,102,800	61,366,500	61,337,100
TOTAL SOURCE OF FUNDS	58,328,496	74,392,865	92,811,100	103,937,500	103,739,700
EXPENDITURES BY CLASS					
Personnel Costs	4,601,860	4,376,383	9,976,200	10,911,800	10,980,100
Operating Expenses	347,532	260,043	718,000	823,600	823,600
Grants Loans Benefits	53,596,826	69,168,145	81,627,900	91,980,900	91,936,000
TOTAL EXPENDITURES	58,546,217	73,804,571	92,322,100	103,716,300	103,739,700
EXPENDITURES BY FUND SOURCE					
General Fund	32,178,192	38,185,900	36,785,400	40,862,700	40,929,500
Restricted Funds	1,699,651	180,532	1,466,500	1,487,100	1,473,100
Federal Fund	24,668,374	35,438,139	54,070,200	61,366,500	61,337,100
TOTAL EXPENDITURES	58,546,217	73,804,571	92,322,100	103,716,300	103,739,700

The Department for Aging and Independent Living is designated as the State Unit on Aging by the Federal Administration on Aging. In accordance with the Older Americans Act Amendments of 1965 as amended through December 2006 and 45 CFR 1321. The Aging and Independent Living program is responsible for aging issues on behalf of all older persons in Kentucky. It is required to carry out a wide range of functions related to service delivery, advocacy, planning, coordination, interagency linkages, information-sharing, community preparedness, brokering, and evaluation. These functions are intended to focus on the development or enhancement of comprehensive and coordinated community-based service systems designed to help elderly and physically disabled adult Kentuckians maintain independence and dignity in their own homes and communities. This focus on community-based alternatives is consistent with Kentucky's plan developed in response to the Supreme Court's Olmstead decision and the State Plan on Aging.

The Aging and Independent Living program administers statewide services; develops the State Plan on Aging; allocates funds to the 15 Area Agencies on Aging and Independent Living (AAA) as well as 14 Community Mental Health Centers (CMHCs) for the Hart Supported Living Program; and approves AAA program plans, amendments, budgets, and contracts for local provision of aging and physical disabilities services. It provides education, training, benefits counseling, information and assistance to respond to the needs of senior citizens and those with physical disabilities.

The services administered to achieve these goals include:

- Title III Older Americans Act Nutritional Services provided through agreements with the AAA's include the Nutritional Services Incentive Program: For persons age 60 years and older, provides congregate meals at senior centers and home-delivered meals to the homebound elderly in each Kentucky county
- Senior Community Service Employment Program (Older Americans Act Title V): Employs persons age 55 years and older who have incomes at or below 125% of the poverty level in part-time non-profit community work, such as senior citizens centers, with the goal of skill development and eventual placement in unsubsidized employment.

- State Health Insurance Assistance Program (SHIP): (Section 4360 OBRA 1990, PL 101-508) provides benefits counseling and application assistance to Medicare eligible persons and those likely to be eligible for the Low-Income subsidy program, Medicare savings program, and Medicare Part D prescription drug program.
- Long-Term Care Ombudsman Program (Older Americans Act Title IIC, 910 KAR 1:210): receives and investigates all complaints from residents of nursing homes and personal care homes in Kentucky. Collects and analyzes data related to complaints and conditions in long-term care facilities to identify and resolve problems, and submits information to appropriate licensing agencies to ensure compliance with regulations.
- Aging and Disability Resource Center (ADRC): (Sec 1110 SS Act and 42 USC 3031-30378) provides a single point of entry to all long term services and supports with the goal to empower individuals to make informed choices and streamline access to services.
- Older Americans Act In-Home Services and Homecare Program (KRS 205.460, 910 KAR 1:170 - 180): Provides in-home services to persons 60 years and older who have functional or physical limitations and are at risk of institutionalization. Services include personal care, home health aide, home-repairs, and respite.
- Homecare Program: This program is offered statewide through the AAA and provides supports and services for daily needs as well as coordination among caregivers and provider agencies to help adults at risk of institutional care remain in their own homes.
- Hart Supported Living (KRS 210.770-795): This program provides grants for a broad category of flexible, individualized services that, when combined with natural unpaid or other eligible paid supports, provide the necessary assistance to: enable a disabled person to live in a home of the person's choice, typical of those living arrangements for persons without disabilities; encourages integrated participation in the community; promotes rights and autonomy; enhances the skills and competencies in living in the community; and enables the acceptance in the community by promoting home ownership or leasing arrangements.
- Personnel Care Attendant Program (PCAP) (KRS 205.900): A state funded program that provides personal care assistant services to adults with severe physical disabilities, who have functional loss of two or more limbs and need services to prevent institutionalization or to leave an institutional setting.
- Adult Day and Alzheimer's Respite (KRS 209): Provides programs for day-long care and supervision for persons 60 years and older who, because of physical, mental, and/or psychological limitations, cannot remain in their own homes alone during the day.
- Kentucky Family Caregiver Program (910 KAR 1:260): Supports grandparents, of any age, who are primary full-time caregivers for a grandchild no older than 18 years of age. Services include information and assistance, counseling, support groups, and training. Provides financial assistance in the form of a voucher to be utilized for the child's safety, stability, and welfare. To the extent funds are available, the maximum total assistance shall be up to \$500 per grandchild in any one fiscal year.
- Family Caregiver Support Program: A federally funded program serving family and informal caregivers who provide care to people 60 years and older or an individual of any age with Alzheimer's or a related diagnosis, as well as grandparents and other relatives 55 years and older who provide care to children up to age 19. Services include information and assistance, counseling, support groups, training, respite, and limited financial assistance.
- Traumatic Brain Injury (TBI) Trust Fund Program (KRS 211.476, KRS 42.320): A state program that provides services to assist children and adults with brain injuries to maintain living in the community. The TBI Trust Fund Program is a funding source of last resort for Kentucky residents. The TBI Trust Fund draws funds primarily from court fees, traffic school fees, and DUI service fees. The fund can also accept contributions and grants. The program is overseen by a board of directors to ensure that individuals with a brain injury and their families are provided services and supports to promote independence and personal productivity.
- Traumatic Brain Injury Behavioral Program (KRS 189A.050 and KRS 42.320): This program is funded through DUI fees and serves individuals who are in need of intense neurobehavioral services that are not available in Kentucky and are placed out-of-state.
- Adult Day Certification (KRS 205.950): The Department for Aging and Independent Living certifies Adult Day Social Model programs to assure quality standards are met for the client.
- Assisted Living Certification (KRS 194A.707): The Department of Aging and Independent Living certifies Social Model Assisted Living Communities to assure compliance with state statutes and regulations. The cost of administering the program is partially covered through fees charged to social assisted living communities.
- Alzheimer's disease and Related Advisory Council (KRS 194.600-609): This governor-appointed council oversees information and resources related to policy and services affecting the sixty thousand (60,000) residents of Kentucky with dementia, and the caregivers and families of the residents.
- Health Promotion/Disease Preventive: Provides disease prevention, education and assistance in training and care of elderly Kentuckians on health related issues.
- Supportive Services: For persons aged 60 years and older, that includes: assessment/case management; transportation; escort to medical facilities, stores and other service delivery points; information assistance and referral; homecare and other in-home services; health promotion; visiting and telephone reassurance; legal assistance; counseling; education; advocacy; respite; preventive health services; elder abuse prevention programs; supportive services for families of elderly victims of Alzheimer's and related disorders.

- Participant Directed Services (PDS): Allows people eligible for services through Medicaid waiver services to choose his/her own providers for nonmedical waiver services. Provider choice gives members greater flexibility in the delivery of services received. Kentucky Medicaid members may participate if he/she currently receive or are eligible for services through the: Home and Community Based Waiver; Supports for Community Living Waiver; Acquired Brain Injury Acute Waiver; Long-Term Care Brain Injury Waiver; or the Michelle P Waiver.

Policy

The Governor's budget includes additional funding of \$7,240,000 in fiscal year 2022 and \$14,480,000 in fiscal years 2023 and 2024 from Federal Funds of the American Rescue Plan Act's State Fiscal Recovery Fund to continue providing nutritional meals for senior citizens in the community without having a waitlist.

The Governor's budget includes additional funding of \$482,500 from the General Fund in both fiscal years for staffing the Office of Dementia Services established in SB 74 of the 2021 Regular Session of the General Assembly.

The Governor's budget includes additional funding of \$1,000,000 from the General Fund in each fiscal year to expand the Kentucky Family Caregiver Program.

The Governor's budget includes additional funding of \$2,000,000 from the General Fund in each fiscal year to expand the Hart-Supported Living program.

The Governor's budget includes additional funding of \$168,000 from the General Fund in both fiscal years for the National Core Indicators experience survey.

**Health and Family Services
Aging and Independent Living
Guardianship**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	11,232,000	12,528,800	8,530,100	9,225,500	9,318,400
Current Year Appropriation			3,500		
Other		-5,445,000			
Total General Fund	11,232,000	7,083,800	8,533,600	9,225,500	9,318,400
Restricted Funds					
Balance Forward	143,292	460,458	1,713,200	1,390,500	804,000
Current Receipts	1,621,551	1,283,978	998,500	746,600	525,700
Non-Revenue Receipts	286,600	249,476			
Total Restricted Funds	2,051,444	1,993,912	2,711,700	2,137,100	1,329,700
Federal Fund					
Balance Forward	11,068	11,919	11,500	1,900	
Current Receipts	108,605	5,953,713	6,290,600	6,332,300	6,336,500
Total Federal Fund	119,674	5,965,631	6,302,100	6,334,200	6,336,500
TOTAL SOURCE OF FUNDS	13,403,117	15,043,343	17,547,400	17,696,800	16,984,600
EXPENDITURES BY CLASS					
Personnel Costs	11,821,248	12,383,540	12,872,700	13,708,600	13,874,300
Operating Expenses	1,077,212	1,191,556	3,182,300	3,084,200	3,010,300
Grants Loans Benefits	13,625	-256,533	100,000	100,000	100,000
TOTAL EXPENDITURES	12,912,085	13,318,563	16,155,000	16,892,800	16,984,600
EXPENDITURES BY FUND SOURCE					
General Fund	11,213,345	7,083,800	8,533,600	9,225,500	9,318,400
Restricted Funds	1,590,986	280,665	1,321,200	1,333,100	1,329,700
Federal Fund	107,755	5,954,098	6,300,200	6,334,200	6,336,500
TOTAL EXPENDITURES	12,912,085	13,318,563	16,155,000	16,892,800	16,984,600

Kentucky's Adult Guardianship Program is administered as authorized in KRS 210.290 and 387.500-387.910. The Department for Aging and Independent Living (DAIL) operates state guardianship from a central office for fiduciary and benefits, as well as direct service staff in nine regions across the state. Guardianship serves individuals in every county. This program provides a legal relationship between a court-appointed adult who assumes the responsibility of being the guardian for an individual under guardianship. An individual under guardianship is a person who has been declared "legally disabled" by the court and is no longer able to care for his/her personal and/or financial needs.

Appointed guardians may be a friend or family member who is willing to care for the disabled individual. If there is no one willing to assume guardianship for the disabled person, the court will appoint the Cabinet for Health and Family Services as the state guardian. The duties of the state guardian include:

- Full Guardianship/Full Conservator – In this category the Cabinet is responsible for both the personal and financial needs of the individual under guardianship. A court has found the individual under guardianship fully disabled and all personal and financial rights are removed except the right to vote. The judge decides whether or not an individual under guardianship retains the right to vote.
- Personal Guardian – A court finds the individual under guardianship fully disabled in his/her personal affairs and appoints a personal guardian who is responsible for only personal affairs of the individual under guardianship.
- Conservator – A court finds the individual under guardianship fully disabled in managing his/her financial affairs and appoints a conservator who is responsible for financial or fiduciary affairs of the individual under guardianship.
- Limited Guardian – A limited guardian may be appointed if the disabled person is declared partially disabled and can manage some personal needs but may need assistance with others. In this case, the court will also decide which civil rights the person can retain and which are given to the guardian. These may include the right to vote, the right to drive a car, the right to make medical decisions and the right to determine where to live.

- Limited Conservator – A limited conservator may be appointed if the disabled person only needs help with managing some financial or fiduciary affairs. In this case, the court will also decide which civil rights the person can retain and which are given to the conservator. They may include the right to sell property and the right to sign legal documents such as checks, marriage licenses, or wills.

**Health and Family Services
Office of Health Data and Analytics**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	476,900	481,400	482,000	485,900	486,700
Current Year Appropriation			700		
Total General Fund	476,900	481,400	482,700	485,900	486,700
Tobacco Fund					
Other		3,696,458			
Total Tobacco Fund		3,696,458			
Restricted Funds					
Balance Forward	379,175	262,969	826,200	131,400	580,300
Current Receipts	1,326,780	368,736	6,955,000	6,925,000	6,925,000
Non-Revenue Receipts	6,962,754	13,289,102	15,659,800	19,450,200	19,550,300
Total Restricted Funds	8,668,709	13,920,807	23,441,000	26,506,600	27,055,600
Federal Fund					
Balance Forward	-1,909,677	77,176	1,341,800	6,500	
Current Receipts	16,898,576	18,301,335	16,727,300	18,062,500	18,073,400
Total Federal Fund	14,988,899	18,378,511	18,069,100	18,069,000	18,073,400
TOTAL SOURCE OF FUNDS	24,134,508	36,477,175	41,992,800	45,061,500	45,615,700
EXPENDITURES BY CLASS					
Personnel Costs	22,251,719	33,301,803	39,682,700	42,276,900	42,294,500
Operating Expenses	1,462,096	968,845	1,863,700	1,895,800	1,895,800
Grants Loans Benefits	74,392	38,546	308,500	308,500	308,500
TOTAL EXPENDITURES	23,788,208	34,309,193	41,854,900	44,481,200	44,498,800
EXPENDITURES BY FUND SOURCE					
General Fund	470,745	481,400	482,700	485,900	486,700
Tobacco Fund		3,696,458			
Restricted Funds	8,405,740	13,094,643	23,309,600	25,926,300	25,938,700
Federal Fund	14,911,723	17,036,693	18,062,600	18,069,000	18,073,400
TOTAL EXPENDITURES	23,788,208	34,309,193	41,854,900	44,481,200	44,498,800
EXPENDITURES BY UNIT					
Division of Health Benefit Exchange	3,789,381	8,675,846	7,595,900	10,202,800	10,215,000
Division of Health Information	19,077,201	24,737,326	33,109,400	33,118,100	33,122,200
Division of Analytics	921,625	896,022	1,149,600	1,160,300	1,161,600
TOTAL EXPENDITURES	23,788,208	34,309,193	41,854,900	44,481,200	44,498,800

The Office of Health Data and Analytics was created by Executive Order 2018-325 on May 16, 2018 and codified by 2019 Kentucky Acts Chapter 90. The Office is comprised of three divisions: the Division of Health Benefit Exchange administers qualified health plans on the state based market using the federal platform; the Division of Health Information oversees the Kentucky Health Information Exchange (KHIE), which is the electronic transmission of clinical records and public health registries among medical providers and health information organizations to improve the cost, safety, timeliness, and effectiveness of health care; the Division of Data Analytics provides enterprise analytic services to inform effective program implementation and provide strategic information to the policy-making process.

**Health and Family Services
Office of Health Data and Analytics
Division of Health Benefit Exchange**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
Tobacco Fund					
Other		3,696,458			
Total Tobacco Fund		3,696,458			
Restricted Funds					
Balance Forward	106,605	87,559	124,600	46,700	37,800
Non-Revenue Receipts	3,324,835	4,986,862	7,092,000	9,767,900	9,791,700
Total Restricted Funds	3,431,440	5,074,420	7,216,600	9,814,600	9,829,500
Federal Fund					
Current Receipts	445,500	29,581	426,000	426,000	426,000
Total Federal Fund	445,500	29,581	426,000	426,000	426,000
TOTAL SOURCE OF FUNDS	3,876,940	8,800,459	7,642,600	10,240,600	10,255,500
EXPENDITURES BY CLASS					
Personnel Costs	2,982,838	7,934,212	6,596,700	9,171,500	9,183,700
Operating Expenses	806,543	741,634	999,200	1,031,300	1,031,300
TOTAL EXPENDITURES	3,789,381	8,675,846	7,595,900	10,202,800	10,215,000
EXPENDITURES BY FUND SOURCE					
Tobacco Fund		3,696,458			
Restricted Funds	3,343,881	4,949,807	7,169,900	9,776,800	9,789,000
Federal Fund	445,500	29,581	426,000	426,000	426,000
TOTAL EXPENDITURES	3,789,381	8,675,846	7,595,900	10,202,800	10,215,000

The Division of Health Benefit Exchange serves as a marketplace to facilitate the purchase and sale of qualified health plans (QHPs) in the individual market. It assists qualified small employers to enroll their employees in qualified health plans offered in the small group market, enables eligible individuals to receive premium tax credits and cost sharing reductions, and enables eligible small businesses to receive tax credits. Health Benefit Exchange is responsible for the certification of qualified health plans and stand-alone dental plans; the processing of consumer appeals and complaints; consumer assistance efforts including outreach, education and training; and oversight of the navigator, in-person assister, and certified application counselor program. Additionally, KHBE is responsible for purchases, budgets, contracts, financial reporting/audits, any questions regarding the Small Business Health Options Program (SHOP) enrollment and invoicing activities, and the close out operations of the Kentucky Access Program (state high risk pool).

Policy

The Governor's recommended budget includes Restricted Fund in the amount of \$2,563,600 in fiscal year 2023 and \$2,570,800 in fiscal year 2024 for additional staff and enhancements to the State Based Marketplace.

**Health and Family Services
Office of Health Data and Analytics
Division of Health Information**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	202,171	169,766	462,900	21,500	19,400
Current Receipts	1,280,400	89,736	6,880,000	6,850,000	6,850,000
Non-Revenue Receipts	3,613,578	8,202,240	8,617,800	9,092,100	9,102,300
Total Restricted Funds	5,096,149	8,461,742	15,960,700	15,963,600	15,971,700
Federal Fund					
Balance Forward	-1,909,540	68,805	1,332,700		
Current Receipts	16,129,164	18,002,329	15,837,500	17,173,900	17,177,800
Total Federal Fund	14,219,623	18,071,134	17,170,200	17,173,900	17,177,800
TOTAL SOURCE OF FUNDS	19,315,772	26,532,876	33,130,900	33,137,500	33,149,500
EXPENDITURES BY CLASS					
Personnel Costs	18,499,926	24,505,335	32,000,500	32,009,200	32,013,300
Operating Expenses	577,175	193,445	800,400	800,400	800,400
Grants Loans Benefits	100	38,546	308,500	308,500	308,500
TOTAL EXPENDITURES	19,077,201	24,737,326	33,109,400	33,118,100	33,122,200
EXPENDITURES BY FUND SOURCE					
Restricted Funds	4,926,382	7,998,892	15,939,200	15,944,200	15,944,400
Federal Fund	14,150,818	16,738,434	17,170,200	17,173,900	17,177,800
TOTAL EXPENDITURES	19,077,201	24,737,326	33,109,400	33,118,100	33,122,200

The Division of Health Information oversees the Kentucky Health Information Exchange (KHIE), which is a statewide exchange that includes a master patient index, record locator service, security, provider/user authentication, logging, and audits. The system includes patient demographics, lab results, immunizations, radiology and other transcribed reports, historical patient diagnoses, encounters, and procedures. KHIE acts as a data intermediary for public health reporting to the state immunization and cancer registries, reporting of syndromic surveillance data, and reportable labs/diseases. KHIE also provides Direct Secure Messaging, a simple, secure, scalable, standards-based way for KHIE participants to send authenticated, encrypted health information directly to known, trusted recipients using an Internet based Healthcare Information Service Provider (HISP).

**Health and Family Services
Office of Health Data and Analytics
Division of Analytics**

	Actual FY 2020	Actual FY 2021	Revised FY 2022	Recommended FY 2023	Recommended FY 2024
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	476,900	481,400	482,000	485,900	486,700
Current Year Appropriation			700		
Total General Fund	476,900	481,400	482,700	485,900	486,700
Restricted Funds					
Balance Forward	70,398	5,644	238,700	63,200	523,100
Current Receipts	46,380	279,000	75,000	75,000	75,000
Non-Revenue Receipts	24,342	100,000	-50,000	590,200	656,300
Total Restricted Funds	141,120	384,644	263,700	728,400	1,254,400
Federal Fund					
Balance Forward	-137	8,371	9,100	6,500	
Current Receipts	323,912	269,425	463,800	462,600	469,600
Total Federal Fund	323,775	277,796	472,900	469,100	469,600
TOTAL SOURCE OF FUNDS	941,795	1,143,840	1,219,300	1,683,400	2,210,700
EXPENDITURES BY CLASS					
Personnel Costs	768,954	862,256	1,085,500	1,096,200	1,097,500
Operating Expenses	78,379	33,766	64,100	64,100	64,100
Grants Loans Benefits	74,292				
TOTAL EXPENDITURES	921,625	896,022	1,149,600	1,160,300	1,161,600
EXPENDITURES BY FUND SOURCE					
General Fund	470,745	481,400	482,700	485,900	486,700
Restricted Funds	135,476	145,944	200,500	205,300	205,300
Federal Fund	315,404	268,678	466,400	469,100	469,600
TOTAL EXPENDITURES	921,625	896,022	1,149,600	1,160,300	1,161,600

The Division of Analytics is responsible for oversight, strategic direction, and coordination of data analysis initiatives for all departments that regulate health care and social services to ensure the consistency, quality, and validity of the analyses prior to its use in operational and policy decisions. Furthermore, KRS 194A.101 provides the authority to review all data requests received by the Cabinet from the public, review the requests for content to determine the Cabinet's response and approve the release of the requested information. Finally, the division facilitates the process of data integration for analysis through inter-agency and cross-cabinet data sharing agreements to improve collaboration and identify best practices.