

## PREFACE

The Budget of the Commonwealth for the 1998-2000 biennium is the financial plan for Kentucky State Government as enacted by the Regular Session of the 1998 General Assembly. It is published by the Governor's Office for Policy and Management pursuant to KRS Chapter 48.

The 1998-2000 budget is presented in six volumes:

- Volume I: state agency program budget detail.
- Volume II: capital projects overview and detail.
- Surplus Expenditure Plan: priority identification of additional statewide infrastructure projects, school technology and state government technology projects, and Budget Reserve Trust Fund.
- Budget in Brief: budget overview, summary data, and copies of the three branch budget bills, House Bill 319, 320 and 321.
- Appendix Volume I and Volume II: statutory budget memorandum as provided by the Legislative Research Commission.

These documents provide the detail to support the budget in legislative form as presented in the budget bill.

The cost of printing the budget was paid for from state funds pursuant to KRS 57.375. These documents are printed entirely on recycled paper.

## ACKNOWLEDGMENTS

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May 18, 1998

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Gentlemen:

Due to unforeseen growth in General Fund and Road Fund collections thus far in the fiscal year, this morning the Consensus Forecasting Group convened to discuss the outlook for the remainder of the year and the upcoming biennium. Based on the results of this discussion, the Consensus Forecasting Group has revised its General Fund and Road Fund estimates for Fiscal Years 1998, 1999, and 2000. The revised estimates are:

<u>Fiscal Year</u>	<u>General Fund</u>	<u>Road Fund</u>
1998	\$5,988,469,000	\$1,002,700,000
1999	\$6,217,356,000	\$1,029,300,000
2000	\$6,493,500,000	\$1,062,000,000

The effects of the revisions, when compared to my transmittal letter of April 30, 1998, are to increase General Fund revenues for FY98 by \$94.2 million, FY99 by \$53.3 million, and FY00 by \$36.8 million. For the Road Fund, the revisions raise FY98 by \$17.5 million, FY99 by \$14.7 million, and FY00 by \$6.1 million.

Detailed estimates for each account and summary tables for the General Fund and Road Fund are attached.

Sincerely,

John P. McCarty  
Secretary

Attachments

## General Fund

### Consensus Forecast for FY98 to FY00

includes EMPOWER Kentucky

(millions of dollars)

May 1998

	FY98		FY99		FY00	
	Estimate	% Chg	Estimate	% Chg	Estimate	% Chg
Sales & Use	1,980.2	5.2	2,071.4	4.6	2,173.5	4.9
Individual Income	2,398.4	8.8	2,505.1	4.4	2,625.4	4.8
Corporation Income	337.0	15.1	345.1	2.4	356.0	3.2
Coal Severance	164.5	0.6	165.0	1.0	170.6	3.4
Property	363.5	-12.4	374.1	2.9	388.9	4.0
Lottery	153.0	1.3	153.8	0.5	154.5	0.5
Other	591.9	6.9	602.9	1.9	624.6	3.6
<b>Total General Fund</b>	<b>5,988.5</b>	<b>5.7</b>	<b>6,217.4</b>	<b>3.8</b>	<b>6,493.5</b>	<b>4.4</b>

### EMPOWER Kentucky Revenue

Sales & Use	2.4	6.1	10.4
Individual Income	6.7	13.4	13.1
Corporation Income	0.7	3.7	2.1
Coal Severance	0.1	0.1	0.2
Property	7.9	8.8	10.1
Lottery	0.0	0.0	0.0
Other	3.6	3.8	4.8
<b>Total</b>	<b>21.5</b>	<b>35.9</b>	<b>40.7</b>

**Road Fund**  
**Consensus Forecast for FY98 to FY00**  
(millions of dollars)  
**May 1998**

	<b>FY97</b>		<b>FY98</b>		<b>FY99</b>		<b>FY00</b>	
	Actual	%Chg	Estimate	%Chg	Estimate	%Chg	Estimate	%Chg
Motor Fuels & MF Use/Surtax	406.0	1.3	416.7	2.6	425.0	2.0	431.4	1.5
Motor Vehicle Usage & Rental	341.5	4.2	361.0	5.7	370.0	2.5	386.3	4.4
License & Privilege (excl. WD)	90.2	-0.8	93.6	3.8	95.9	2.5	98.2	2.4
Weight Distance Tax/Surtax	63.1	5.4	67.0	6.2	69.7	4.0	72.8	4.5
Toll Income	12.6	5.7	13.1	4.2	13.6	3.7	14.1	3.7
Other	46.9	-4.3	51.3	9.5	55.1	7.4	59.2	7.4
<b>Total Road Fund</b>	<b>960.2</b>	<b>2.1</b>	<b>1,002.7</b>	<b>4.4</b>	<b>1,029.3</b>	<b>2.7</b>	<b>1,062.0</b>	<b>3.2</b>

General Fund Revenue (Actual and Estimated)  
 Consensus Forecast – May 1998

<u>Source</u>	<u>Actual</u> <u>1995-96</u>	<u>Actual</u> <u>1996-97</u>	<u>Estimate</u> <u>1997-98</u>	<u>Estimate</u> <u>1998-99</u>	<u>Estimate</u> <u>1999-00</u>
<b><u>Selected Sales and Gross Receipts Taxes</u></b>					
Sales and Use	\$1,783,881,316	\$1,882,681,995	\$1,980,200,000	\$2,071,400,000	\$2,173,500,000
Cigarette	15,680,704	16,044,967	15,000,000	15,500,000	15,900,000
Distilled Spirits Case Sales	80,745	79,931	80,000	80,000	80,000
Insurance Tax Foreign Companies	36,165,049	33,086,032	32,854,000	32,624,000	32,396,000
Insurance Tax Companies Other Than Life	48,687,419	50,318,931	52,518,000	54,812,000	57,207,000
Insurance Tax Fire Prevention Fund	2,443,206	2,512,216	2,617,000	2,727,000	2,841,000
Pari-Mutuel	7,148,951	5,911,958	4,000,000	4,022,000	3,978,000
Race Track Admission	257,804	207,489	195,000	183,000	172,000
Beer Consumption	5,883,182	5,931,508	5,989,000	6,048,000	6,107,000
Distilled Spirits Consumption	8,034,386	7,878,267	7,865,000	7,851,000	7,838,000
Wine Consumption	1,518,350	1,538,033	1,595,000	1,654,000	1,715,000
Beer Wholesale	28,606,167	28,898,911	29,626,000	30,371,000	31,136,000
Distilled Spirits Wholesale	12,378,310	12,590,305	12,734,000	12,879,000	13,026,000
Wine Wholesale	4,091,958	4,547,795	4,888,000	5,253,000	5,646,000
<b>TOTAL SEL. SALES AND GROSS RECEIPTS TAXES</b>	<b>\$1,954,857,546</b>	<b>\$2,052,228,339</b>	<b>\$2,150,161,000</b>	<b>\$2,245,404,000</b>	<b>\$2,351,542,000</b>
<b><u>License and Privilege Taxes</u></b>					
Coal Severance Tax	\$166,101,045	\$163,545,844	\$164,500,000	\$165,000,000	\$170,600,000
Mineral Severance Tax	9,349,609	10,443,023	11,124,000	11,850,000	12,623,000
Natural Gas Severance Tax	8,029,176	9,608,586	10,005,000	10,418,000	10,848,000
Oil Production	2,644,656	3,044,497	2,827,000	2,624,000	2,437,000
Corporate License	90,525,391	107,498,746	113,500,000	123,218,000	128,525,000
Cigarette License	101,630	89,735	83,000	77,000	72,000
Amusement Machine License	62	0	0	0	0
Race Track License	410,150	438,529	436,000	434,000	432,000
Marijuana and Controlled Substance Tax	201,689	34,045	34,000	34,000	34,000
Bank Franchise Tax	0	40,878,664	40,879,000	38,879,000	38,879,000
Corporation Organization	531,122	315,593	401,000	510,000	648,000

General Fund Revenue (Actual and Estimated)  
 Consensus Forecast – May 1998

Cir. Ct. Clk. - Driver License Receipts	1,692,627	1,759,790	1,783,000	1,807,000	1,831,000
Sand and Gravel License	255	720	0	0	0
Relicensure Fees (Driver's License)	906,273	982,750	994,000	1,006,000	1,018,000
(D. S. & Wine) Distiller License	27,875	27,100	25,000	24,000	22,000
(D. S. & Wine) Rectifier License	16,250	13,500	14,000	15,000	16,000
(D. S. & Wine) Wholesaler License	41,500	42,875	41,000	40,000	38,000
(D. S. & Wine) Retail Drink License	852,857	919,979	918,000	916,000	914,000
(D. S. & Wine) Retail Package License	251,534	276,487	272,000	268,000	264,000
(D. S. & Wine) Vintner License	950	1,000	1,000	1,000	1,000
(D. S. & Wine) Transporter License	12,761	11,905	12,000	11,000	11,000
(D. S. & Wine) Special License	9,945	10,691	11,000	11,000	11,000
(D. S. & Wine) Railroad System License	9,750	12,750	14,000	16,000	18,000
Restaurant Wine Licenses	24,868	26,165	27,000	28,000	29,000
(Beer) Distributor License	14,151	13,817	14,000	14,000	14,000
(Beer) Retailer License	439,158	454,915	456,000	457,000	458,000
(Beer) Transporter License	6,500	6,525	7,000	7,000	7,000
(Beer) Special Transporter License	250	250	0	0	0
(Beer) Storage License	525	425	0	0	0
Alcoholic Beverage License Suspension	68,593	81,155	85,000	90,000	94,000
Convention Center Caterer License	90,063	96,625	98,000	99,000	100,000
<b>TOTAL LICENSE AND PRIVILEGE TAXES</b>	<b>\$282,361,213</b>	<b>\$340,636,686</b>	<b>\$348,561,000</b>	<b>\$357,854,000</b>	<b>\$369,944,000</b>

**Income Taxes**

Corporation Income Tax	\$284,732,573	\$292,753,126	\$337,000,000	\$345,100,000	\$356,000,000
Individual Income Tax	2,074,572,167	2,205,022,964	2,398,400,000	2,505,100,000	2,625,400,000
<b>TOTAL INCOME TAX</b>	<b>\$2,359,304,740</b>	<b>\$2,497,776,090</b>	<b>\$2,735,400,000</b>	<b>\$2,850,200,000</b>	<b>\$2,981,400,000</b>

**Property Taxes**

General - Real	\$142,728,406	\$170,063,059	\$156,000,000	\$161,450,000	\$167,100,000
General - Tangible Personal	137,812,773	124,637,468	122,000,000	126,700,000	132,600,000
General - Intangible Personal	66,489,089	46,631,437	21,000,000	21,000,000	22,100,000

General Fund Revenue (Actual and Estimated)  
 Consensus Forecast – May 1998

Bank Deposits	297,123	611,478	600,000	610,000	620,000
Distilled Spirits Ad Valorem	395,819	390,594	390,000	390,000	390,000
Marginal Accounts	2,159,667	366,897	15,000	0	0
Omitted Property Tax	13,275,906	10,829,825	4,500,000	4,100,000	4,100,000
Delinquent Tax - Prior Year	3,923,650	4,268,932	11,700,000	12,600,000	13,900,000
Public Service Company	37,253,318	49,915,716	42,000,000	42,000,000	43,000,000
Domestic Life Insurance	1,264,833	1,337,593	1,300,000	1,300,000	1,300,000
Retirement Plans	10,748	5,386	5,000	5,000	5,000
Building & Loan Assoc. Capital Stock	3,565,375	5,799,739	4,000,000	3,900,000	3,800,000
<b>TOTAL PROPERTY TAXES</b>	<b>\$409,176,707</b>	<b>\$414,858,124</b>	<b>\$363,510,000</b>	<b>\$374,055,000</b>	<b>\$388,915,000</b>

**Inheritance Taxes**

Inheritance Tax	\$81,441,427	\$95,287,282	\$103,072,000	\$94,609,000	\$97,018,000
<b>TOTAL INHERITANCE TAXES</b>	<b>\$81,441,427</b>	<b>\$95,287,282</b>	<b>\$103,072,000</b>	<b>\$94,609,000</b>	<b>\$97,018,000</b>

**Departmental Fees, Sales and Rentals**

Public Service Commission Assessments	\$4,953,319	\$6,878,491	\$6,878,000	8,877,000	8,656,000
Insurance - Retaliatory Taxes & Fees	345,409	768,930	767,000	764,000	762,000
Sec. of State - Process Agents Fees	2,675,470	2,501,792	2,554,000	2,608,000	2,662,000
Circuit Court Clk. - Civil Filing Fee Receipts	6,837,542	7,028,477	7,166,000	7,306,000	7,449,000
Circuit Court Clk. - Bond Filing Fee	516,635	529,683	539,000	549,000	558,000
Circuit Court Clk. - 10% Bond Fee	445,380	495,807	528,000	561,000	597,000
Circuit Court Clk. - Receipts for Services	2,038,236	2,125,447	2,235,000	2,351,000	2,473,000
Strip Mining & Reclamation Fees	17,625	10,875	4,000	1,000	1,000
Strip Mining & Reclamation - Fines Coll.	800,000	799,600	831,000	864,000	898,000
Master Commissioner Sales	0	493	0	0	0
Miscellaneous - Sales of Assets, etc.	1,364,513	1,448,721	2,097,000	3,034,000	4,391,000
<b>TOTAL DEPARTMENT FEES, SALES AND RENTALS</b>	<b>\$19,994,129</b>	<b>\$22,588,314</b>	<b>\$23,599,000</b>	<b>\$26,915,000</b>	<b>\$28,447,000</b>

**Investment Receipts**

General Fund Revenue (Actual and Estimated)  
 Consensus Forecast – May 1998

General Depository Investment Income	\$27,786,587	\$29,872,156	\$48,400,000	\$47,480,000	\$48,792,000
Circuit Court Clk. - Interest Income	2,611,400	1,094,064	1,123,000	1,154,000	1,185,000
<b>TOTAL INVESTMENT RECEIPTS</b>	<b>\$30,397,988</b>	<b>\$30,966,219</b>	<b>\$49,523,000</b>	<b>\$48,634,000</b>	<b>\$49,977,000</b>
<b><u>Miscellaneous Revenue</u></b>					
Lottery	\$147,000,000	\$151,000,000	\$153,000,000	\$153,800,000	\$154,500,000
Legal Process - Clk. Supreme Court	156,625	148,335	153,000	158,000	164,000
Legal Process - Clk. Court of Appeals	13,296	10,611	11,000	11,000	11,000
Dept. of Rev. Legal Process Taxes - Co. Clk.	3,147,222	3,180,069	3,226,000	3,272,000	3,319,000
Judgment Fees for Delinquent Taxes	562	112	0	0	0
TVA - In Lieu of Taxes - State Portion	4,654,340	4,550,012	4,606,000	4,663,000	4,721,000
F.H.A. - In Lieu of Taxes	34,450	58,750	53,000	48,000	44,000
R.E.C.C. and R.T.C.C. In Lieu of Taxes	340	340	0	0	0
Business Development - In Lieu of Taxes	868	94,910	1,000	1,000	1,000
Dept. of Rev. Penalty & Int. of Co. Officials	106	-155	0	0	0
Abandoned Property	5,251,221	6,574,573	7,834,000	9,336,000	11,125,000
Legal Process - Attorney General's Office	7,743	3,000	2,000	1,000	1,000
Circuit Court Clk. - Fish & Wildlife Fines	98,925	91,813	89,000	87,000	84,000
Cir. Ct. Clk. - Criminal/Traffic Fines & Costs	33,025,630	37,845,019	39,443,000	41,108,000	42,844,000
Circuit Court Clk. - Bond Forfeitures	684,912	930,557	1,058,000	1,202,000	1,366,000
Fines Water Pollution	0	0	0	0	0
NREP - Haz. Material & Waste - Fines & Pen.	0	0	0	0	0
Fines for Air Pollution Emission	0	0	0	0	0
Unclassified Receipts	632,085	211,406	167,000	131,000	103,000
Other Fines & Unhonored Checks	1,883,515	2,167,820	2,412,000	2,683,000	2,984,000
<b>TOTAL MISCELLANEOUS REVENUE</b>	<b>\$196,591,839</b>	<b>\$206,867,173</b>	<b>\$212,347,000</b>	<b>\$217,406,000</b>	<b>\$224,066,000</b>
<b>MISC. NOT IN REVENUE ESTIMATES</b>	<b>\$2,758,234</b>	<b>\$2,345,063</b>	<b>\$2,296,000</b>	<b>\$2,279,000</b>	<b>\$2,191,000</b>
<b>TOTAL GENERAL FUND</b>	<b>\$5,336,883,823</b>	<b>\$5,663,553,290</b>	<b>\$5,988,469,000</b>	<b>\$6,217,356,000</b>	<b>\$6,493,500,000</b>

Road Fund Revenue (Actual and Estimated)  
 Consensus Forecast – May 1998

<u>Source</u>	<u>Actual</u> <u>1995-96</u>	<u>Actual</u> <u>1996-97</u>	<u>Estimate</u> <u>1997-98</u>	<u>Estimate</u> <u>1998-99</u>	<u>Estimate</u> <u>1999-00</u>
<b><u>Sales and Gross Receipts Taxes</u></b>					
Motor Fuels Normal & Normal Use	\$371,866,698	\$384,485,083	\$396,300,000	\$403,600,000	\$409,000,000
Motor Vehicle Usage	298,585,889	304,868,725	319,000,000	322,000,000	331,300,000
Motor Vehicle Rental Usage	29,054,964	36,593,748	42,000,000	48,000,000	55,000,000
Supplemental Fuel Surtax	7,851,762	2,008,136	0	0	0
Motor Fuels Surtax	20,978,528	19,511,819	20,400,000	21,400,000	22,400,000
Truck Trip Permits	629,763	492,400	500,000	600,000	600,000
Usage Tax on Buses	33,592	55,133	75,000	75,000	75,000
<b>TOTAL SALES AND GROSS RECEIPTS TAX</b>	<b>\$729,001,196</b>	<b>\$748,015,044</b>	<b>\$778,275,000</b>	<b>\$795,675,000</b>	<b>\$818,375,000</b>
<b><u>License and Privilege Taxes</u></b>					
County Clerk Penalty	\$183,169	\$65,066	\$90,000	\$90,000	\$90,000
Nonreciprocal Permits	287,115	298,445	300,000	325,000	325,000
Weight Distance Tax	59,727,991	63,024,330	67,000,000	69,700,000	72,800,000
Motor Vehicle Operator's License	3,193,139	3,338,749	3,400,000	3,425,000	3,450,000
Operator's License-Driver Education	352,380	369,628	370,000	372,000	372,000
Operator's License - Photography Program	1,050,664	1,116,949	1,150,000	1,150,000	1,150,000
Civil Air Patrol Plates	1,919	538	1,200	1,200	600
Passenger Car License	23,389,132	23,276,395	23,700,000	24,000,000	24,000,000
Personalized License Plates	454,731	382,968	300,000	300,000	300,000
Judicial License Plates	756	809	900	1,800	900
Volunteer Fireman License Tags	34,126	32,298	33,000	33,500	34,000
P.O.W. License Plates	3,500	320	600	1,000	300
General Assembly License Plates	1,250	1,754	1,600	1,600	1,600
Historic Vehicle License Plates	83,489	97,002	105,000	110,000	115,000
National Guard License Plates	6,788	9,633	7,000	7,500	7,500
Amateur Radio Plates	10,384	9,778	9,500	18,000	10,000
Driveaway and Utility Trailer	7,755	7,633	7,700	8,000	8,000
DES License Plates	7,462	7,802	8,000	125,000	7,000

Road Fund Revenue (Actual and Estimated)  
 Consensus Forecast – May 1998

Masonic License Plates	30,627	30,625	30,000	30,500	30,500
Truck License - State Share	18,323,730	18,848,433	19,600,000	20,000,000	20,500,000
Motorcycle License	167,667	187,645	175,000	180,000	185,000
Dealers License	275,173	285,775	290,000	290,000	290,000
Transfer License	553,042	556,704	560,000	570,000	580,000
Driver's License - Motorcycle Education	161,682	161,099	170,000	163,000	171,000
Motorcycle License - Motorcycle Education	133,846	150,315	150,000	150,000	150,000
Trailer License	1,007,654	1,147,667	1,250,000	1,250,000	1,250,000
Truck Permits	69,430	36,888	38,000	38,000	38,000
Overweight Coal Truck Permit	858,903	818,525	850,000	875,000	875,000
Bus License - Except City	28,703	28,328	30,000	30,000	30,000
Bus Certificates and Permits	2,540	2,180	2,500	2,500	2,500
Taxi License	20,781	20,897	21,000	21,000	21,000
Contract Taxicab Permit	12,135	10,714	11,000	11,500	12,000
Highway Emergency Permit	5,575,988	5,982,691	6,000,000	6,250,000	6,500,000
U-Drive-It Permits	12,091	12,327	13,000	13,500	14,000
U-Drive-Licenses	2,444,524	2,700,660	2,800,000	3,000,000	3,200,000
Temporary Tags	377,192	389,357	400,000	410,000	420,000
Dealer Demonstrator Tags	7,680	7,472	8,000	8,200	8,400
Environmental License Plate	153,043	248,886	300,000	200,000	150,000
Truck Proportional Registration	25,575,396	23,613,770	25,200,000	26,000,000	27,200,000
Junk Yard License	3,959	3,475	3,500	3,500	3,500
Army Reserve Plates	8,306	8,398	9,700	9,700	9,800
Pearl Harbor Survivor Plates	15	0	200	200	200
Purple Heart Recipient Plate	25,813	25,903	30,000	37,500	26,000
Collegiate Plates	88,289	98,078	100,000	105,000	110,000
Civic Event Plates	1,120	655	700	700	700
Street Rod License Plate	1,511	1,651	1,800	2,500	1,800
Fraternal Order of Police License Plates	38,937	42,332	44,000	50,000	42,000
Industrial Hauling Permits	3,800	2,323	3,000	3,000	4,000
Motor Carrier Identification Cards	5,889,860	5,713,914	6,000,000	6,250,000	6,500,000
Weight Distance Surtax	81,922	37,164	10,000	5,000	0
<b>TOTAL LICENSE AND PRIVILEGE TAX</b>	<b>\$150,731,109</b>	<b>\$153,214,948</b>	<b>\$160,585,900</b>	<b>\$165,629,900</b>	<b>\$170,997,300</b>

Road Fund Revenue (Actual and Estimated)  
 Consensus Forecast – May 1998

**Departmental Fees, Sales and Rentals**

Specification and Blue Print Sales	\$232,152	\$170,567	\$185,000	\$195,000	\$205,000
Miscellaneous Rentals	222,601	330,075	240,000	250,000	260,000
Sale of Assets	312,272	633,373	700,000	700,000	700,000
Proposal Sales	83,832	64,848	60,000	62,000	64,000
U-Drive-It Penalty and Interest	37,834	72,690	50,000	50,000	50,000
Penalty & Interest - Weight and Use Taxes	862,274	1,109,793	1,200,000	1,200,000	1,200,000
Medical Alert Stickers	815	674	1,000	1,000	1,000
Motor Vehicle Title Receipts	2,258,723	3,201,836	3,250,000	3,400,000	3,500,000
Operator's License Reinstatement Fees	181,140	196,869	200,000	200,000	200,000
Operator's License Name Sales	119,536	35,085	20,000	20,000	20,000
Driving History Record Fee	4,218,959	4,299,586	4,400,000	4,400,000	4,400,000
Traffic Offenders' School Fees	1,011,351	1,255,822	1,275,000	1,275,000	1,275,000
Highway Sign Logo Rental	495,656	510,866	520,000	530,000	540,000
Fines and Forfeitures	8,292	16,992	15,000	15,000	15,000
Coal Road Recovery Fines	24,392	32,494	25,000	25,000	25,000
MVL Computer Services	476,101	420,260	480,000	480,000	480,000
<b>TOTAL DEPART. FEES, SALES &amp; RENTALS</b>	<b>\$10,545,930</b>	<b>\$12,351,830</b>	<b>\$12,621,000</b>	<b>\$12,803,000</b>	<b>\$12,935,000</b>

**Toll Facility Income**

Audubon Parkway	\$1,222,953	\$1,305,641	\$1,350,000	\$1,400,000	\$1,450,000
Daniel Boone Parkway	2,992,714	3,114,511	3,200,000	3,300,000	3,400,000
Green River Parkway	3,905,276	4,167,672	4,400,000	4,650,000	4,850,000
Cumberland Parkway	3,790,433	3,998,137	4,110,000	4,250,000	4,400,000
<b>TOTAL TOLL FACILITY INCOME</b>	<b>\$11,911,376</b>	<b>\$12,585,961</b>	<b>\$13,060,000</b>	<b>\$13,600,000</b>	<b>\$14,100,000</b>

**Investment Income**

Investment Income	\$33,940,968	\$31,875,589	\$36,500,000	\$40,000,000	\$44,000,000
<b>TOTAL INVESTMENT INCOME</b>	<b>\$33,940,968</b>	<b>\$31,875,589</b>	<b>\$36,500,000</b>	<b>\$40,000,000</b>	<b>\$44,000,000</b>

Road Fund Revenue (Actual and Estimated)  
Consensus Forecast – May 1998

**Miscellaneous Income**

Highway Miscellaneous Receipts	\$311,719	\$190,045	\$200,000	\$200,000	\$200,000
Property Damage	331,711	469,449	500,000	500,000	500,000
<b>TOTAL MISCELLANEOUS INCOME</b>	<b>\$643,430</b>	<b>\$659,494</b>	<b>\$700,000</b>	<b>\$700,000</b>	<b>\$700,000</b>
<b>MISC. NOT IN REVENUE ESTIMATES</b>	<b>\$3,218,039</b>	<b>\$1,480,914</b>	<b>\$1,000,000</b>	<b>\$900,000</b>	<b>\$900,000</b>
<b>TOTAL ROAD FUND REVENUE</b>	<b>\$939,992,048</b>	<b>\$960,183,780</b>	<b>\$1,002,741,900</b>	<b>\$1,029,307,900</b>	<b>\$1,062,007,300</b>

## GENERAL FUND

The following bills affecting General Fund Receipts have passed the 1998 Regular session of the Kentucky General Assembly and have been signed by the Governor or otherwise have become law.

<b>BILL</b>	<b>DESCRIPTION</b>	<b>FY99</b>	<b>FY00</b>
House Bill 58	Exempt fuel for agricultural use from sales tax	(500,000)	(500,000)
House Bill 65	Changes the tax rate for personal property held in a distribution center	0	(1,000,000)
House Bill 198	Financed inventory is assessed property tax at the same rate as owned inventory.	0	(100,000)
House Bill 199	Leased equipment is assessed property tax at the same rate as owned equipment.	0	(100,000)
House Bill 206	Creates the Kentucky Investment Fund Program	0	(5,000,000)
House Bill 280	Allows tax credits for worker training through the Bluegrass State Skills Corporation.	(1,000,000)	(1,000,000)
House Bill 321	Changes allowable amount of health insurance deduction allowed on individual income tax returns. (See note below)	0	(2,000,000)
House Bill 328	Change requirements for who must file using Electronic Funds Transfer (EFT)	0	200,000
House Bill 419	Change computation of Bank Franchise Tax	(2,000,000)	(2,000,000)
House Bill 547	Changes to the administration of property tax collections	500,000	500,000
Senate Bill 17	Agricultural fuels used on farm are exempt from sales tax	(500,000)	(500,000)
Senate Bill 19	Income tax deduction allowed for long term care insurance premiums	(1,500,000)	(1,500,000)

## ROAD FUND

The following bill affecting Road Fund receipts has passed the 1998 Regular Session of the Kentucky General Assembly and has been signed by the Governor.

<b>BILL</b>	<b>DESCRIPTION</b>	<b>FY99</b>	<b>FY00</b>
House Bill 74	Changes the taxable value of a motor vehicle when bought or sold	(6,800,000)	(6,800,000)

### NOTES:

1. House Bill 315: In addition to the income tax impact listed above, this bill also begins a phase out of the provider tax on prescription drugs during Fiscal Year 2000. While this reduction is not in a General Fund account, General Fund monies must be used to replace the reduced revenue flow. This portion of the bill is expected to cost \$5 million in Fiscal Year 2000 and \$13 million in Fiscal Year 2001.
2. House Bill 397: This bill expands the tourism tax credit to new entities not previously eligible for the credit. No impact is expected in Fiscal Years 1999 or 2000 because no projects are expected to come on line in time to generate tax savings. The bill is expected to cost \$6 million to \$10 million annually beginning in Fiscal Year 2001.
3. House Bill 444: This bill removes all of the sales tax collected on jet fuels (approximately \$13 million annually) from the General Fund, beginning in Fiscal Year 2001.

June 12, 1998

Honorable Members of the General Assembly  
Frankfort, Kentucky 40601

In accordance with Chapter 43.050(2)(i) of the Kentucky Revised Statutes, we examined the revised revenue estimates for Fiscal Year 1998 and the detailed revenue estimates for Fiscal Years 1999 and 2000 for the General Fund, the Road Fund, Agency Funds, and Federal Funds. General Fund and Road Fund estimates were approved by the consensus-forecasting group in accordance with KRS 48.115

The consensus forecasting group used data as of May 18th 1998. Actual results may vary from the forecast.

The consensus forecasting group's view of the Kentucky economy for the current fiscal year and the next biennium considered national economic data. The data was obtained from DRI/McGraw-Hill's May 1998 U.S. Forecast Summary and from the U.S. Bureau of Economic Analysis. Information used by the group in its process is summarized below, including the General and Road Fund resources growth percentages.

	<u>FY98</u>	<u>FY99</u>	<u>FY00</u>
U.S. Personal Income	5.8%	5.8%	5.3%
U.S. Non-Ag Employment	2.6%	2.4%	1.1%
KY Personal Income	5.2%	5.6%	5.9%
KY Non-Ag Employment	2.7%	2.9%	1.9%
KY General Fund	5.7%	3.8%	4.4%
KY Road Fund	4.4%	2.7%	3.2%

Honorable Members of the General Assembly  
Page Two  
June 12, 1998

We do not express an opinion on the achievability of the revenue estimates. However, our examination of the assumptions and methodology used in making the revenue estimates disclosed no evidence which indicates the revenue estimates are not based on reasonable assumptions or methodology as prescribed by Chapter 48 of the Kentucky Revised Statutes.

Respectfully submitted,

Edward B. Hatchett, Jr.  
Auditor of Public Accounts

## 1998-2000 BUDGET SUMMARY OF THE GENERAL FUND

	<b>Budgeted FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>RESOURCES</b>			
Beginning Balance	284,116,600	0	12,836,400 *
Consensus Revenue Forecast **	5,988,469,000	6,217,356,000	6,493,500,000
Fund Transfers	12,975,000	14,850,000	15,000,000
Other		6,200,000	3,800,000
Bond / Cash Substitution	103,386,000		
<b>Continued Appropriations Reserve</b>			
Budget Reserve Trust Fund	200,000,000	200,000,000	200,000,000
Other	53,990,900		
Subtotal	253,990,900	200,000,000	200,000,000
<b>TOTAL RESOURCES</b>	6,642,937,500	6,438,406,000	6,725,136,400
<b>APPROPRIATIONS</b>			
<b>Executive Budget (HB 321)</b>			
Regular Operating	5,872,903,400	5,959,253,000	6,283,915,500
Regular Capital	1,000,000	36,263,000	385,000
Current Year	18,435,500		
EMPOWER Kentucky/Debt Service Savings	-2,600,000		-2,400,000
<b>Total Executive Budget</b>	5,889,738,900	5,995,516,000	6,281,900,500
<b>Judicial Budget (HB 320)</b>			
Regular Operating	135,741,300	152,097,100	167,504,700
Regular Capital		1,000,000	1,422,500
<b>Total Judicial Budget</b>	135,741,300	153,097,100	168,927,200
<b>Legislative Budget (HB 319)</b>			
Regular Operating	36,543,000	31,725,500	39,879,000
<b>Special Bills (HB 315,551/HJR 63,72,95)</b>	10,383,700	190,000	
<b>TOTAL APPROPRIATIONS</b>	6,072,406,900	6,180,528,600	6,490,706,700
<b>BALANCE</b>	570,530,600	257,877,400	234,429,700
<b>Continued Appropriations Reserve</b>			
Budget Reserve Trust Fund	200,000,000	200,000,000	200,000,000
Other	53,990,900		
Subtotal	253,990,900	200,000,000	200,000,000
<b>Surplus Expenditure Plan Appropriations</b>	316,539,700	45,041,000	0
<b>Budgeted Balance</b>		12,836,400 *	
<b>UNDESIGNATED ENDING BALANCE</b>	0	0	34,429,700

\* Per House Joint Resolution 34.

\*\* Incorporates revised estimates from the Consensus Forecasting Group (May, 1998).

**1998-2000 BUDGET SUMMARY OF THE ROAD FUND**

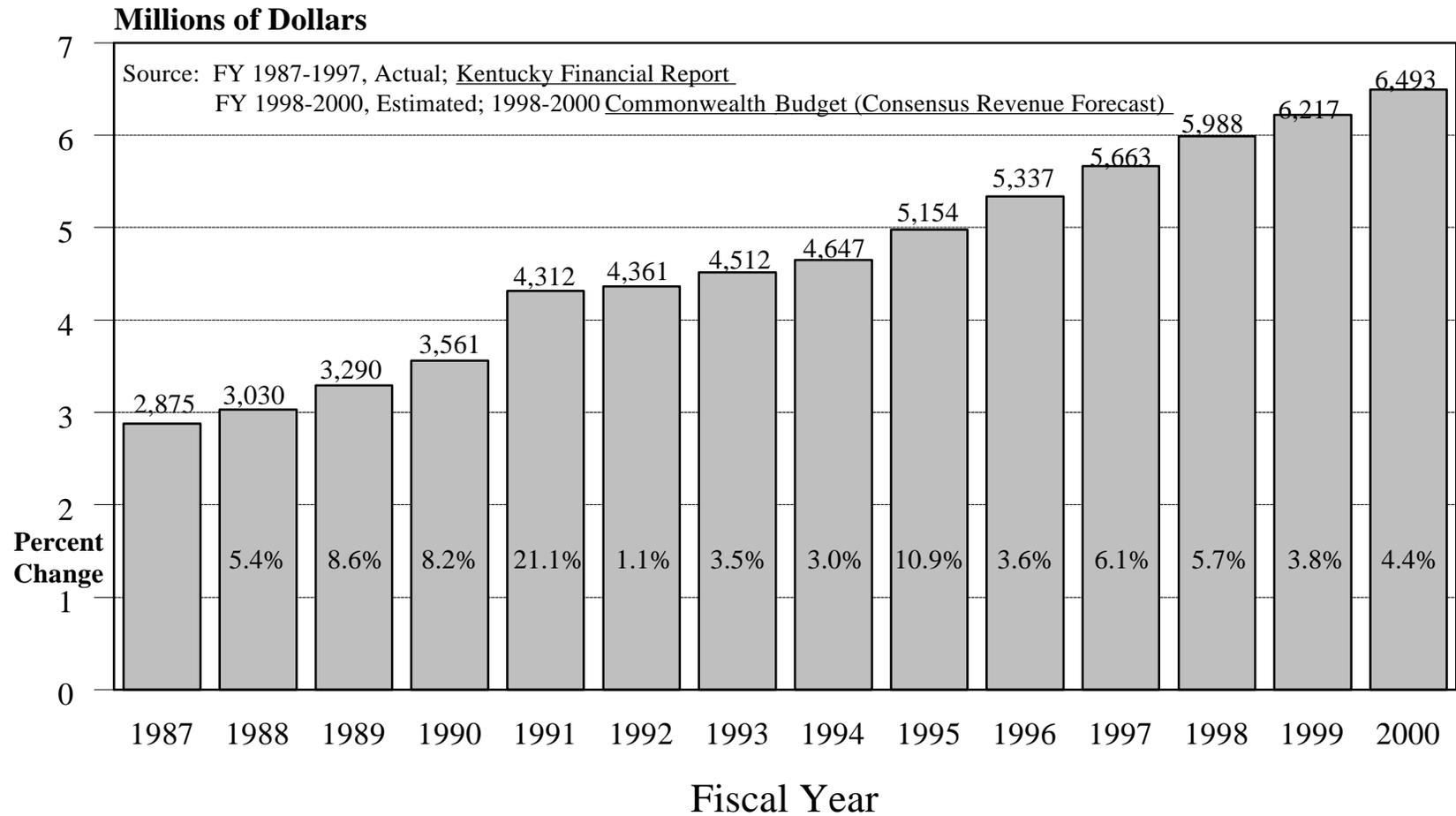
	<u>Revised FY 1998</u>	<u>Enacted FY 1999</u>	<u>Enacted FY 2000</u>
<b>RESOURCES</b>			
Beginning Balance	18,939,900	9,709,800	10,659,700
Official Road fund Revenue Estimate	985,241,900	1,021,407,900	1,062,707,300
Non-Revenue Receipts	102,000	125,000	125,000
<b>TOTAL RESOURCES</b>	<u>1,004,283,800</u>	<u>1,031,242,700</u>	<u>1,073,492,000</u>
<b>APPROPRIATIONS</b>			
Transportation Cabinet			
Revenue Sharing	203,464,000	204,091,500	208,717,000
Adjustment for Revised Estimate	(3,523,500)		
Highways	510,446,500	533,333,500	563,045,500
Vehicle Regulation	24,876,000	27,408,000	29,304,000
Debt Service	152,330,000	153,027,500	168,633,500
General Administration and Support	52,563,500	56,686,500	63,202,000
Judgments/ANOC	5,983,500		
Capital Construction	4,004,000	9,302,000	8,843,000
Current Year Appropriation	2,300,000		
Subtotal	<u>952,444,000</u>	<u>983,849,000</u>	<u>1,041,745,000</u>
Justice Cabinet	40,407,000	35,000,000	30,000,000
Revenue Cabinet	1,352,000	1,352,000	1,352,000
Finance and Administration Cabinet	371,000	382,000	395,000
<b>TOTAL APPROPRIATIONS</b>	<u>994,574,000</u>	<u>1,020,583,000</u>	<u>1,073,492,000</u>
<b>BALANCE</b>	9,709,800	10,659,700	0

NOTE: The Consensus Forecasting Group revised the Road Fund revenue estimates for fiscal years 1998, 1999, and 2000 as of May 18, 1998. The revised estimates of \$1,002,700,000 for fiscal year 1998, \$1,029,300,000 for fiscal year 1999, and \$1,062,000,000 for fiscal year 2000 are not reflected in the enacted budget for the Transportation Cabinet, as shown above; however, the revised revenues and expenditures will be integrated into the budget through the Enacted Road Fund Surplus Expenditure Plan, as executed each fiscal year.

# General Fund Revenue Receipts

## Fiscal Years 1987-2000

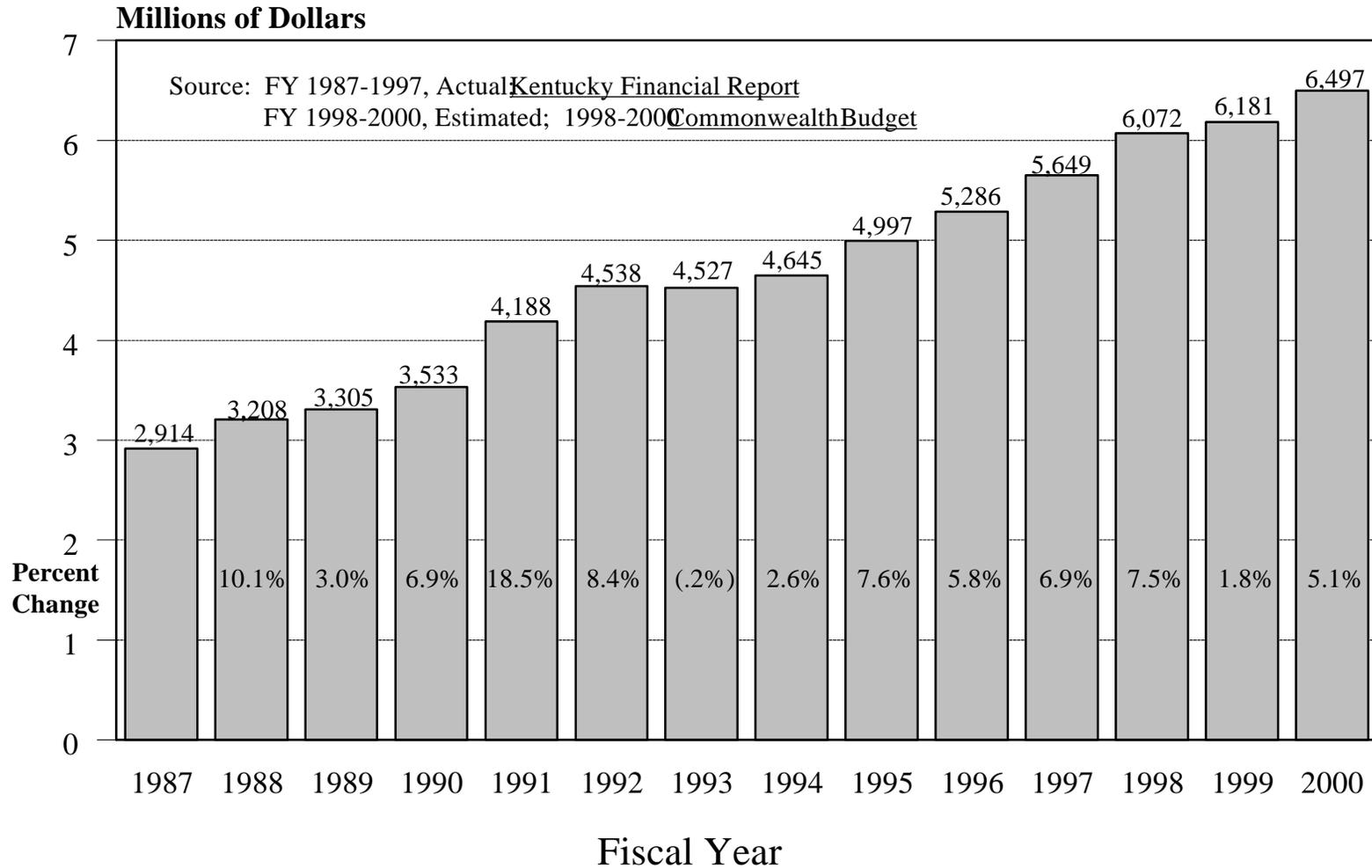
(millions of dollars - rounded)



# General Fund Expenditures

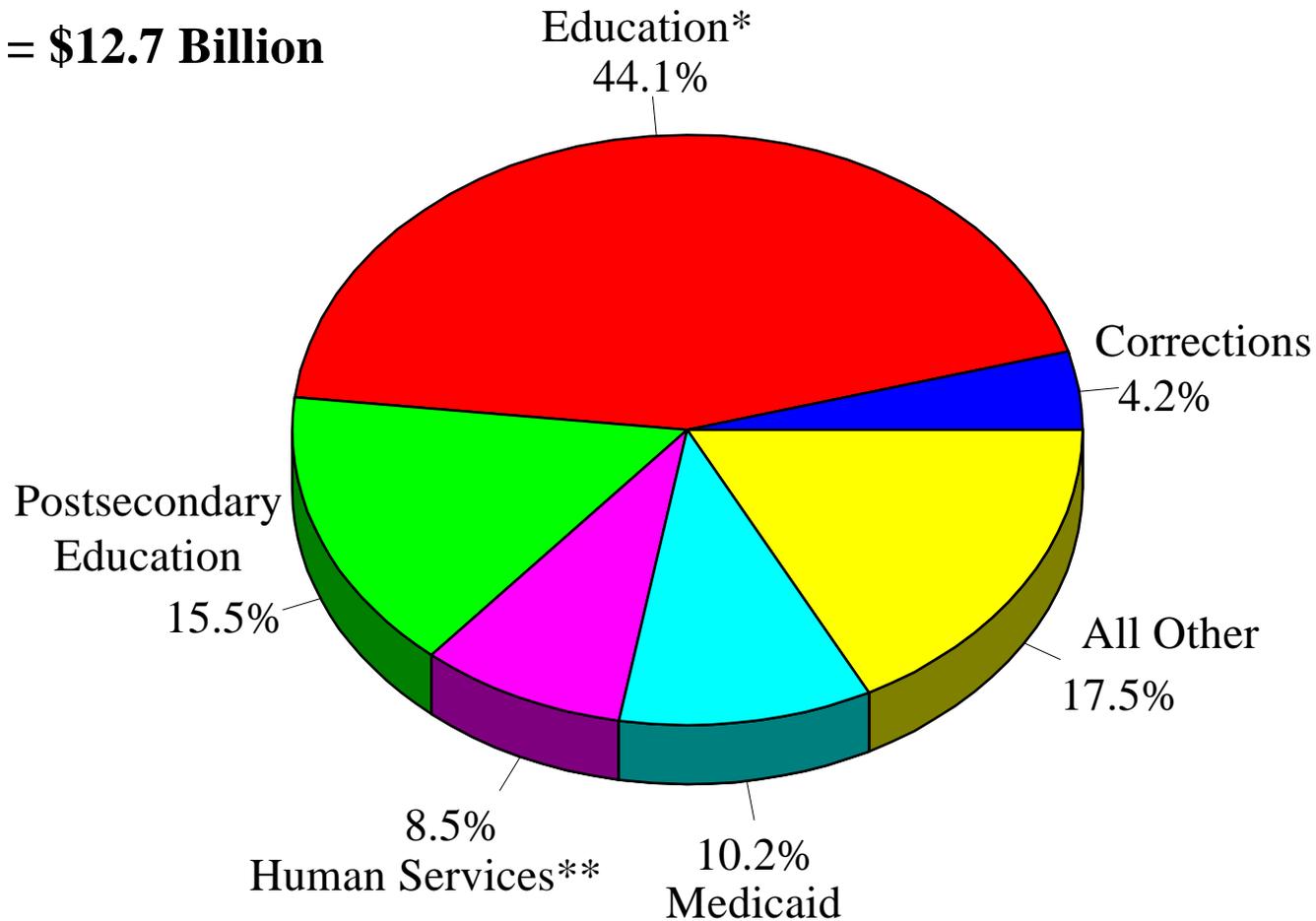
## Fiscal Years 1987-2000

(millions of dollars - rounded)



# Fiscal Years 1999 and 2000 Distribution of General Fund Appropriations

**Total = \$12.7 Billion**



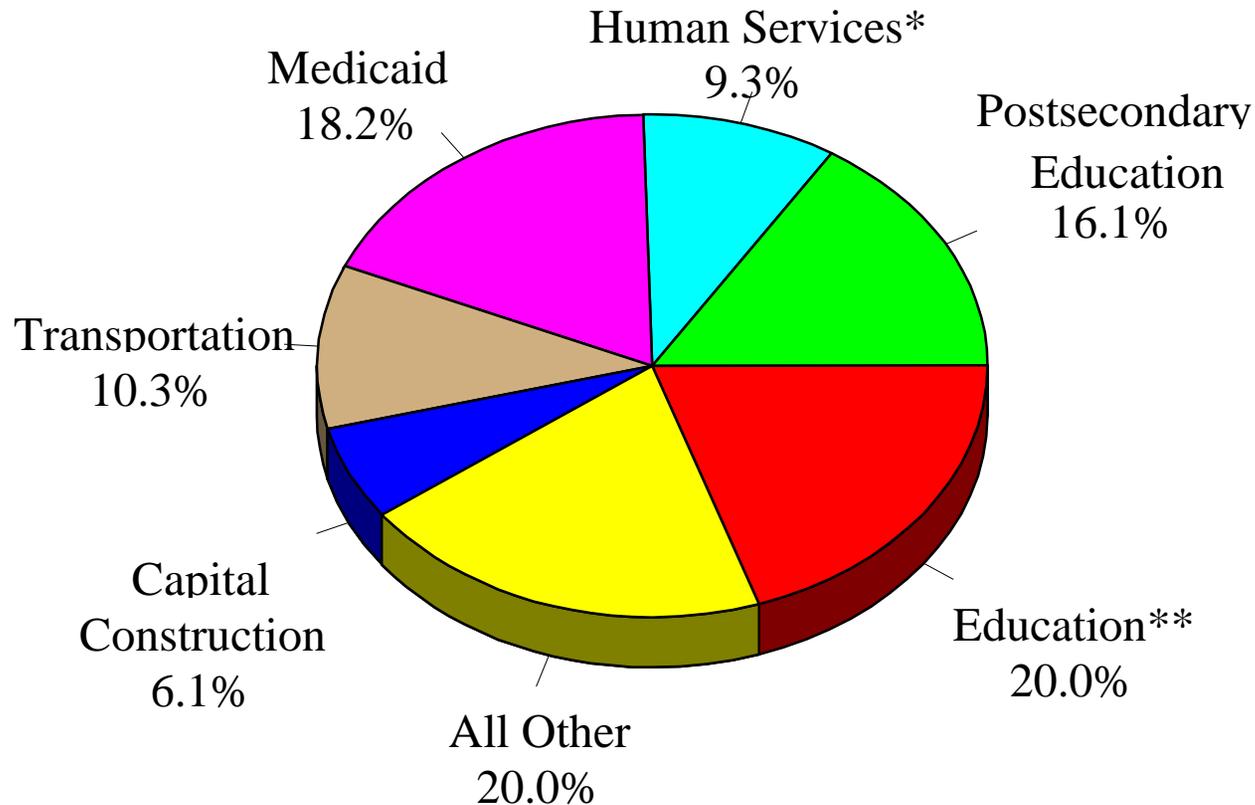
\* Includes the Department of Education, the Teachers' Retirement System, and the School Facilities Construction Commission.

\*\* Includes the Cabinets for Families and Children and Health Services (net of Medicaid).

**Source:** 1998-2000 Commonwealth Budget.

# Fiscal Years 1999 and 2000 Distribution of All Funds Appropriations

**Total = \$31.7 Billion**



\* Includes the Cabinets for Families and Children and Health Services (net of

\*\* Includes the Department of Education, the Teachers' Retirement System, and the School Facilities Construction Commission.

Source: 1998-2000 Commonwealth Budget.

## 1998-2000 AUTHORIZED PERSONNEL COMPLEMENTS

Cabinet/Department	<i>Budget of the Commonwealth</i>		
	Full-time	Part-time	Interim
Economic Development	133	27	4
Education, Arts and Humanities			
Department of Education	683	7	47
Arts and Humanities	488	15	9
Subtotal - Education, Arts and Humanities	1,171	22	56
Families and Children	5,900	203	2
Finance and Administration	1,244	13	25
Health Services	3,667	24	38
Justice	6,922	27	46
Labor	600	14	44
Natural Resources and Environmental Protection	1,680	10	158
Personnel	174	1	9
Public Protection and Regulation	1,337	70	22
Revenue	1,069	2	151
Tourism Development	2,402	19	1,486
Transportation	6,390	364	8
Workforce Development	2,413	406	52
Government Operations			
Executive Office of the Governor	159	5	6
Secretary of State	40	0	0
Board of Elections	19	1	0
State Treasurer	40	1	1
Attorney General	260	15	8
Unified Prosecutorial System	950	75	0
Auditor of Public Accounts	154	0	2
Agriculture	326	41	7
Subtotal - Constitutional Officers	1,948	138	24
Registry of Election Finance	18	6	0
Military Affairs	348	2	0
Local Government	71	0	0
Personnel Board	6	7	0
Boards and Commissions	115	260	9
Executive Branch Ethics Commission	4	6	1
Human Rights Commission	38	11	0
Commission on Women	4	0	0
Kentucky Retirement Systems	158	13	2
Governmental Services Center	19	0	0
Kentucky Kare Health Insurance Authority	13	4	2
Kentucky Veterans Center	412	10	6
Council on Postsecondary Education	43	17	2
Subtotal - Government Operations	1,249	336	22
<b>Executive Branch Total</b>	<b>38,299</b>	<b>1,676</b>	<b>2,147</b>

## **EMPOWER Kentucky Benefits 1998-2000 Budget of the Commonwealth**

In Governor Patton's Strategic Agenda, one of the five major strategies is the strengthening of the financial condition of state government. Along with a structurally-balanced budget and tax policy, EMPOWER Kentucky is one of the Governor's key initiatives in achieving that goal.

In Part X of the 1996-98 Appropriations Act for the Executive Branch, the selection of projects from the Technology Trust Fund was to have as its foremost criteria, **demonstrable cost savings on a recurring basis** through the employment of technology and training which would improve service delivery. In accordance with the Appropriations Act, a Redesign Steering Committee, comprised of both Executive Branch and General Assembly members, advised the Secretary of the Governor's Executive Cabinet on which projects were recommended to be awarded funding from the \$103 million available to the Technology Trust Fund.

Two EMPOWER Kentucky projects were awarded full financing: Simplified Revenue Systems (\$36.1 million) and Simplified Administrative Services (\$51.1 million). Both projects provided significant, recurring benefits to the General Fund. Five other process initiatives were also endorsed and recommended for partial initial funding. Of those, one element of the Simplified Access process, the Transportation Delivery component, will have achievable savings. The revised estimates of those benefits are incorporated into the 1998-2000 Budget of the Commonwealth. The General Fund benefits from these three initiatives amount to over \$25 million in fiscal year 1998, almost \$50 million in fiscal year 1999, and over \$57 million in fiscal year 2000. In the eight years, from fiscal year 1997 through fiscal year 2004, the General Fund benefits are projected to grow to \$122 million per year, totaling \$548 million over that period.

Table 1 reflects the actual and projected General Fund benefits for the approved and fully funded EMPOWER Kentucky processes from fiscal year 1997 through fiscal year 2004.

### **Streamlining Kentucky State Government EMPOWER Kentucky - Simplified Administrative Services**

The EMPOWER Kentucky Simplified Administrative Services project comprises the implementation of best practices, technology and training in the areas of materials management and financial management. From July, 1996 through December, 1996, teams of state employees from across state government, combined with professional research advice and analysis, developed a new vision of how the Commonwealth should conduct its business operations in a more streamlined and effective manner. This most comprehensive examination of Kentucky state government's administrative processes led directly to the specific identification of administrative cost savings and increased investment income opportunities. The investment of \$51.1 million will provide the technology and training support for these more efficient business processes, and will result in a modern, government-wide Management Administrative and Reporting System (MARS).

The 1998-2000 Budget of the Commonwealth includes General Fund cost savings totaling \$28 million across fiscal years 1998, 1999, and 2000. Moreover, additional General Fund income totaling \$14 million across the same three fiscal years will be realized from EMPOWER Kentucky's improved business processes. Including all fund sources (General Fund, Restricted Fund, Road Fund, and Federal Fund), approximately \$55 million in cost savings across fiscal years 1998, 1999, and 2000 has been identified throughout the agencies of state government attributable to the implementation of these improved business processes. Implementation of a number of these business improvements has already begun throughout state government.

### **Analysis of Opportunities - Endorsement and Refinement**

Beginning in July of 1996 and continuing through 1997, a tremendous amount of effort was devoted to identifying and pursuing new and improved business practices that would yield real cost savings while improving administrative services within the Commonwealth. After six months of work, a "Business Case" incorporating the best, achievable opportunities was presented to the Redesign Steering Committee, and endorsed, in January of 1997. That Business

Case estimated that the General Fund benefits of the Simplified Administrative Services process would be \$140.5 million from fiscal year 1997 through fiscal year 2004. As the state employees working on EMPOWER Kentucky began the second phase of the project in calendar year 1997, the Business Case was further analyzed by a team of state employees overseen by the Secretary of the Finance and Administration Cabinet. Each opportunity presented in the Business Case was examined in great detail for validity and application throughout the agencies of state government. Through that validation and refinement process, detailed cost savings for each Executive Branch Cabinet and department were calculated using the best available data and refined assumptions. The conclusions from the revised savings analysis were that the Simplified Administrative Services process will total \$140.7 million in General Fund benefits over the eight year period.

## **Description of EMPOWER Kentucky Initiatives Leading to Cost Savings**

The cost savings from changing State government's administrative business processes fall into four basic areas:

- Warehouse Optimization
- Purchasing Goods and Commodities Cheaper
- Procurement Card
- Other Financial Management Initiatives

### **Warehouse Optimization**

The agencies of the Commonwealth of Kentucky reported that there was about 1.4 million square feet of state-owned and leased space utilized for warehouse, storage and distribution functions. After examination of the information, in combination with the adoption of best business practices for materials management, an assessment was made that the Commonwealth could reduce the amount of space devoted to these activities by about 690,000 square feet over the next three years. Significant cost savings will be achieved by implementing warehouse optimization techniques, including improved purchasing, storage, distribution and inventory practices. The warehouse optimization analysis concluded that the Executive Branch agencies have about \$12.8 million in inventory stored at these sites that is in excess of immediate or emergency need that will not need to be immediately replaced. Moreover, the annual recurring savings of changing past warehouse practices will amount to about \$6.5 million per year upon full implementation. Overall, about \$15 million in General Fund savings is attributable to Warehouse Optimization in the current fiscal year and the 1998-2000 biennium.

### **Purchasing Goods and Commodities Cheaper**

The Simplified Administrative Services process examined the Commonwealth's purchasing practices at both the central government and agency levels. The analysis identified a number of opportunity areas that would achieve cost savings without reducing the quantity of goods and commodities purchased by state agencies. This opportunity will essentially provide the same base quantity of goods and commodities at a more inexpensive rate. One area of emphasis is a greater use of prime vendor contracts, such as the one recently completed for office supplies, which will result in a General Fund savings of approximately \$1.1 million per year. Another area of cost savings is the inclusion of payment discount provisions within the Commonwealth's price contracts, where vendor payments made within a specified time period will result in a true cost savings. This is an area that is ripe with potential, since less than one percent of the Commonwealth's 2,200 price contracts offer a prompt payment discount. The General Fund cost savings from this area totals about \$8.5 million for the current fiscal year and the 1998-2000 biennium.

### **Procurement Card**

The Commonwealth of Kentucky began to pilot the use of a procurement card in a few state agencies in 1995. The goal was to provide state agencies with a mechanism to make small purchases and payments in a way that substantially reduced the amount of work necessary to do so. The success found in these pilots, combined with improvements in the process, has led to a government-wide implementation of the procurement card that is underway. A detailed analysis of each state agency's purchasing and payment transactions that can be replaced by the more streamlined procurement card process was done to calculate the potential cost savings of a government-wide implementation. These cost savings are to be phased in over the next 18 months, and will yield General Fund savings in excess of \$6.7 million over the next two years.

### **Other Financial Management Processes**

The remaining elements of the Simplified Administrative Services cost savings involve the movement away from paper financial reports from the Commonwealth's accounting system to the use of electronic, online reports. Also, the Executive Branch's budget preparation and allotment processes are also expected to be streamlined - mainly

through the implementation of the Commonwealth's new Management Administrative and Reporting System. In combination these two initiatives will provide savings in the 1998-2000 biennium.

### Treatment of Cost Savings in State Agency Budgets

One unique element of Governor Patton's EMPOWER Kentucky initiative compared to past state government streamlining efforts is the capture of these administrative savings for the purpose of reallocating them to higher priority uses through the biennial budget process. The 1998 General Assembly approved the Governor's approach. In the 1998-2000 Budget of the Commonwealth, General Fund savings from the Simplified Administrative Services project were included for all Executive Branch agencies, excluding Postsecondary Education institutions, within Kentucky state government. Eighty-one separate General Fund appropriation units are affected. After the detailed calculations of the Simplified Administrative Services cost savings were done by the EMPOWER Kentucky teams, the application of those cost savings to the agency budgets was done. The General Fund cost savings were subtracted from the recommendations for "continuation" budgets, agency by agency. This was in keeping with the overall concept that the cost savings are achievable and represent reductions in costs and reductions in agency budgets, while maintaining necessary services.

Within the 1998-2000 Budget of the Commonwealth, the cost savings from the Simplified Administrative Services revised business processes have been incorporated into the individual appropriation amounts for the General Fund only. The EMPOWER Kentucky Cost Savings table details the estimated amount of savings for each fund source, by appropriation unit, by fiscal year. The values of the cost savings from the non-General Fund sources remain within those appropriation amounts for allocations to compatible priority uses.

The total estimated cost savings for the EMPOWER Kentucky Simplified Administrative Services process for fiscal years 1998, 1999, and 2000 are:

#### EMPOWER Kentucky-Simplified Administrative Services

	Fiscal Year 1998	Fiscal Year 1999	Fiscal Year 2000
<b>Executive Branch Grand Total</b>			
General Fund	2,610,500	12,178,000	13,603,900
Agency Fund	606,700	3,666,300	5,782,600
Federal Fund	415,100	1,608,800	2,512,500
Road Fund	106,400	6,445,700	4,166,300
<b>TOTAL</b>	<b>3,738,700</b>	<b>23,898,800</b>	<b>26,065,300</b>

#### EMPOWER Kentucky-Simplified Administrative Services

	Fiscal Year 1998	Fiscal Year 1999	Fiscal Year 2000
<b>Cost Savings by Major Business Process:</b>			
Warehouse Optimization	2,641,300	13,092,000	7,689,500
Purchasing Goods and Commodities Cheaper	1,097,400	6,649,600	9,577,900
Procurement Card	0	3,971,100	8,324,000
Other Financial Management	0	186,100	473,900
<b>Grand Total</b>	<b>3,738,700</b>	<b>23,898,800</b>	<b>26,065,300</b>

**TABLE 1**

<b>EMPOWER KENTUCKY - GENERAL FUND BENEFITS</b> (in millions of dollars)									
<b>APPROVED/FUNDED PROCESSES</b>	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>TOTAL</u>
<b>REVENUE</b>									
Simplified Revenue Systems	5.2	18.2	32.8	37.5	50.4	70.5	92.3	94.9	401.8
Simplified Administrative Services		4.9	4.4	5.0	5.4	5.4	5.5	5.5	36.1
<b>SUB-TOTAL</b>	<b>5.2</b>	<b>23.1</b>	<b>37.2</b>	<b>42.5</b>	<b>55.8</b>	<b>75.9</b>	<b>97.8</b>	<b>100.4</b>	<b>437.9</b>
<b>COST SAVINGS</b>									
Simplified Administrative Services	0.5	2.6	12.2	13.6	16.0	19.0	19.9	20.8	104.6
Simplified Access-Transportation Delivery			0.2	1.0	1.0	1.1	1.1	1.2	5.6
<b>SUB-TOTAL</b>	<b>0.5</b>	<b>2.6</b>	<b>12.4</b>	<b>14.6</b>	<b>17.0</b>	<b>20.1</b>	<b>21.0</b>	<b>22.0</b>	<b>110.2</b>
<b>TOTAL BENEFITS TO THE GENERAL FUND FROM FUNDED PROCESSES</b>	<b>5.7</b>	<b>25.7</b>	<b>49.6</b>	<b>57.1</b>	<b>72.8</b>	<b>96.0</b>	<b>118.8</b>	<b>122.4</b>	<b>548.1</b>

**EMPOWER Kentucky  
Simplified Administrative Services  
Cost Savings**

	<b>Enacted FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>GOVERNMENT OPERATIONS</b>			
<b>Executive Office of the Governor</b>			
<b>Office of the Governor</b>			
General Fund	3,800	9,400	11,200
<b>Governor's Office for Policy and Management</b>			
General Fund	1,200	2,900	3,500
<b>Secretary of State</b>			
General Fund	0	2,700	3,200
<b>Board of Elections</b>			
General Fund	0	700	900
<b>Treasury</b>			
General Fund	0	2,000	2,300
<b>Attorney General</b>			
General Fund	0	27,500	43,800
Agency Fund	0	11,200	15,400
Federal Fund	0	5,300	7,400
Subtotal	0	44,000	66,600
<b>Unified Prosecutorial System</b>			
<b>Commonwealth's Attorneys</b>			
General Fund	0	45,100	61,000
Federal Fund	0	5,000	6,800
Subtotal	0	50,100	67,800
<b>County Attorneys</b>			
General Fund	0	12,000	16,200
<b>Auditor of Public Accounts</b>			
General Fund	0	7,700	15,100
<b>Agriculture</b>			
General Fund	0	26,900	45,000
Agency Fund	0	6,300	9,100
Federal Fund	0	3,300	4,800
Subtotal	0	36,500	58,900
<b>Military Affairs</b>			
General Fund	10,500	305,500	293,700
Agency Fund	0	14,700	28,100
Federal Fund	0	26,500	44,600
Subtotal	10,500	346,700	366,400
<b>Personnel Board</b>			
General Fund	200	500	600
<b>Local Government</b>			
General Fund	2,100	5,100	6,100
<b>Commission on Human Rights</b>			
General Fund	1,200	3,100	3,600
<b>Commission on Women</b>			
General Fund	100	400	400

<b>Registry of Election Finance</b>			
General Fund	1,200	2,900	3,500
<b>Governmental Services Center</b>			
Agency Fund	500	4,200	6,900
<b>Executive Branch Ethics Commission</b>			
General Fund	200	500	600
<b>Kentucky Veterans' Center</b>			
General Fund	230,000	413,200	283,600
<b>TOTAL-GOVERNMENT OPERATIONS</b>			
General Fund	250,500	868,100	794,300
Agency Fund	500	36,400	59,500
Federal Fund	0	40,100	63,600
<b>TOTAL</b>	<b>251,000</b>	<b>944,600</b>	<b>917,400</b>
<b>ECONOMIC DEVELOPMENT CABINET</b>			
<b>Secretary</b>			
General Fund	0	27,300	53,000
<b>Administration and Support</b>			
General Fund	3,900	11,700	20,600
Agency Fund	0	3,400	4,300
Subtotal	3,900	15,100	24,900
<b>Job Development</b>			
General Fund	0	3,700	6,700
<b>Financial Incentives</b>			
General Fund	0	2,500	4,900
Agency Fund	0	800	1,300
Subtotal	0	3,300	6,200
<b>Community Development</b>			
General Fund	400	4,500	7,900
<b>TOTAL-ECONOMIC DEVELOPMENT</b>			
General Fund	4,300	49,700	93,100
Agency Fund	0	4,200	5,600
<b>TOTAL</b>	<b>4,300</b>	<b>53,900</b>	<b>98,700</b>
<b>EDUCATION</b>			
<b>Executive Policy and Management</b>			
General Fund	600	22,500	29,800
Agency Fund	600	15,800	16,600
Subtotal	1,200	38,300	46,400
<b>Management Support Services</b>			
General Fund	13,900	141,300	186,300
Agency Fund	900	4,300	6,800
Federal Fund	5,000	9,500	13,100
Subtotal	19,800	155,100	206,200
<b>Learning Results Services</b>			
General Fund	1,700	75,000	75,000
Agency Fund	200	6,600	0
Federal Fund	1,300	31,900	28,200

Subtotal	3,200	113,500	103,200
<b>Learning Support Services</b>			
General Fund	5,700	125,000	190,000
Agency Fund	700	11,000	13,900
Federal Fund	4,100	32,600	86,100
Subtotal	10,500	168,600	290,000
<b>TOTAL-EDUCATION</b>			
General Fund	21,900	363,800	481,100
Agency Fund	2,400	37,700	37,300
Federal Fund	10,400	74,000	127,400
<b>TOTAL</b>	<b>34,700</b>	<b>475,500</b>	<b>645,800</b>

**EDUCATION, ARTS, AND HUMANITIES CABINET**

**Office of the Secretary**

General Fund	100	400	400
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**Kentucky Arts Council**

General Fund	300	3,700	5,900
Agency Fund	200	1,300	1,700
Federal Fund	200	1,100	1,600
Subtotal	700	6,100	9,200

**Teachers' Retirement System**

Agency Fund	2,400	64,600	21,500
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**Deaf and Hard of Hearing**

General Fund	0	1,700	2,800
Agency Fund	100	3,200	4,900
Subtotal	100	4,900	7,700

**Kentucky Heritage Council**

General Fund	0	100	100
Agency Fund	200	600	900
Federal Fund	200	900	1,200
Subtotal	400	1,600	2,200

**Kentucky Educational Television**

General Fund	3,900	80,800	146,000
Agency Fund	600	9,700	15,900
Federal Fund	600	10,500	17,000
Subtotal	5,100	101,000	178,900

**Kentucky Historical Society**

General Fund	1,000	2,400	2,900
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**Libraries and Archives**

General Fund	1,600	72,800	92,000
Agency Fund	600	8,200	14,500
Federal Fund	800	9,200	16,100
Subtotal	3,000	90,200	122,600

**Environmental Education Council**

Agency Fund	0	200	300
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**TOTAL-EDUC., ARTS, AND HUMANITIES CABINET**

General Fund	6,900	161,900	250,100
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Agency Fund	4,100	87,800	59,700
Federal Fund	1,800	21,700	35,900
<b>TOTAL</b>	<b>12,800</b>	<b>271,400</b>	<b>345,700</b>

**CABINET FOR FAMILIES AND CHILDREN**

**Social Insurance-Administration**

General Fund	760,900	110,100	205,400
Agency Fund	300	20,800	37,700
Federal Fund	4,900	199,900	371,900
Subtotal	7,500	330,800	615,000

**Administration Services**

General Fund	0	960,200	1,052,600
Agency Fund	46,400	143,200	183,100
Federal Fund	307,800	388,100	414,400
Subtotal	1,109,500	1,491,500	1,650,100

**Social Services**

General Fund	0	69,300	123,400
Agency Fund	2,200	58,700	101,500
Federal Fund	5,200	144,600	253,700
Subtotal	10,700	272,600	478,600

**CABINET FOR FAMILIES AND CHILDREN**

General Fund	760,900	1,139,600	1,381,400
Agency Fund	48,900	222,700	322,300
Federal Fund	317,900	732,600	1,040,000

<b>TOTAL</b>	<b>1,127,700</b>	<b>2,094,900</b>	<b>2,743,700</b>
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**FINANCE AND ADMINISTRATION CABINET**

**General Administration**

General Fund	1,500	101,800	143,800
Agency Fund	1,000	18,100	33,000
Federal Fund	0	100	300
Subtotal	2,500	120,000	177,100

**Administration**

General Fund	8,600	38,200	56,200
Agency Fund	67,000	213,400	282,300
Subtotal	75,600	251,600	338,500

**Facilities Management**

General Fund	0	31,700	52,800
Agency Fund	293,100	260,500	343,000
Subtotal	293,100	292,200	395,800

**Information Systems**

Agency Fund	32,100	296,100	585,800
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**TOTAL-FINANCE AND ADMINISTRATION CABINET**

General Fund	10,100	171,700	252,800
Agency Fund	393,200	788,100	1,244,100
Federal Fund	0	100	300

<b>TOTAL</b>	<b>403,300</b>	<b>959,900</b>	<b>1,497,200</b>
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**CABINET FOR HEALTH SERVICES****Medicaid Services-Administration**

General Fund	500	2,800	5,400
Agency Fund	0	2,200	4,100
Federal Fund	0	4,300	8,100
Subtotal	500	9,300	17,600

**Mental Health/Mental Retardation**

General Fund	29,700	312,100	521,400
Agency Fund	33,600	351,500	578,300
Federal Fund	500	7,000	11,100
Subtotal	63,800	670,600	1,110,800

**Public Health**

General Fund	500	40,200	69,000
Agency Fund	0	20,600	35,100
Federal Fund	0	19,100	33,100
Subtotal	500	79,900	137,200

**Children with Special Health Care Needs**

General Fund	1,300	60,000	104,900
Agency Fund	800	64,100	121,600
Federal Fund	100	19,100	34,300
Subtotal	2,200	143,200	260,800

**Administrative Support**

General Fund	23,600	118,300	203,000
Agency Fund	9,000	39,800	69,000
Federal Fund	10,000	48,400	77,000
Subtotal	42,600	206,500	349,000

**TOTAL-CABINET FOR HEALTH SERVICES**

General Fund	55,600	533,400	903,700
Agency Fund	43,400	478,200	808,100
Federal Fund	10,600	97,900	163,600
<b>TOTAL</b>	<b>109,600</b>	<b>1,109,500</b>	<b>1,875,400</b>

**JUSTICE CABINET****Criminal Justice Training**

Agency Fund	3,700	28,900	47,500
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**State Police**

General Fund	27,700	2,257,700	1,002,400
Agency Fund	6,400	55,700	93,900
Federal Fund	3,600	31,000	52,100
Subtotal	37,700	2,344,400	1,148,400

**Justice Administration**

General Fund	1,800	16,000	26,500
Agency Fund	1,100	7,400	11,400
Federal Fund	0	1,100	1,800
Subtotal	2,900	24,500	39,700

**Juvenile Justice**

General Fund	10,700	162,100	300,600
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Agency Fund	2,600	21,000	32,000
Federal Fund	5,900	60,800	103,600
Subtotal	19,200	243,900	436,200
<b>Corrections</b>			
<b>Corrections Management</b>			
General Fund	5,000	5,800	19,300
Federal Fund	0	600	1,200
Subtotal	0	6,400	20,500
<b>Community Services and Local Facilities</b>			
General Fund	37,500	41,500	66,200
Federal Fund	0	3,100	4,900
Subtotal	0	44,600	71,100
<b>Adult Correctional Institutions</b>			
General Fund	77,500	2,281,500	2,837,300
Agency Fund	24,600	676,400	678,200
Federal Fund	0	1,800	3,500
Subtotal	144,600	2,959,700	3,519,000
<b>TOTAL-JUSTICE CABINET</b>			
General Fund	160,200	4,764,600	4,252,300
Agency Fund	38,400	789,400	863,000
Federal Fund	9,500	98,400	167,100
<b>TOTAL</b>	<b>208,100</b>	<b>5,652,400</b>	<b>5,282,400</b>
<b>LABOR CABINET</b>			
<b>General Administration and Support</b>			
General Fund	500	1,500	2,200
Agency Fund	21,900	90,000	92,600
Subtotal	22,400	91,500	94,800
<b>Workplace Standards</b>			
General Fund	500	1,300	2,000
Agency Fund	137,800	229,800	123,200
Federal Fund	0	10,000	20,000
Subtotal	138,300	241,100	145,200
<b>Workers Claims</b>			
Agency Fund	8,600	46,200	64,900
<b>Ky Occupational Safety &amp; Health Review Comm.</b>			
Federal Fund	0	900	1,200
<b>Ky Workers' Compensation Funding Comm.</b>			
Agency Fund	0	2,200	3,200
<b>TOTAL-LABOR CABINET</b>			
General Fund	1,000	2,800	4,200
Agency Fund	168,300	368,200	283,900
Federal Fund	0	10,900	21,200
<b>TOTAL</b>	<b>169,300</b>	<b>381,900</b>	<b>309,300</b>
<b>NATURAL RESOURCES &amp; ENV. PROT. CABINET</b>			
<b>General Administration and Support</b>			
General Fund	4,400	31,300	57,300

Agency Fund	300	2,100	3,200
Federal Fund	1,000	7,300	18,200
Subtotal	5,700	40,700	78,700
<b>Environmental Protection</b>			
General Fund	11,500	128,300	203,200
Agency Fund	7,600	65,600	112,100
Federal Fund	5,200	69,200	100,000
Subtotal	24,300	263,100	415,300
<b>Natural Resources</b>			
General Fund	2,000	59,800	114,200
Agency Fund	1,300	17,500	29,900
Federal Fund	400	8,900	16,800
Subtotal	3,700	86,200	160,900
<b>Surface Mining Reclamation and Enforcement</b>			
General Fund	3,200	48,800	89,400
Federal Fund	5,900	78,700	142,500
Subtotal	9,100	127,500	231,900
<b>Environmental Quality Commission</b>			
General Fund	0	400	700
<b>Nature Preserves Commission</b>			
General Fund	0	4,800	9,200
Agency Fund	0	4,200	8,200
Federal Fund	0	100	300
Subtotal	0	9,100	17,700
<b>TOTAL-NAT. RESOURCES &amp; ENV. PROT. CABINET</b>			
General Fund	21,100	273,400	474,000
Agency Fund	9,200	89,400	153,400
Federal Fund	12,500	164,200	277,800
<b>TOTAL</b>	<b>42,800</b>	<b>527,000</b>	<b>905,200</b>
<b>PERSONNEL CABINET</b>			
<b>Personnel Cabinet</b>			
General Fund	5,100	16,100	20,400
Agency Fund	5,500	22,100	29,600
Federal Fund	0	0	0
<b>TOTAL</b>	<b>10,600</b>	<b>38,200</b>	<b>50,000</b>
<b>POSTSECONDARY EDUCATION</b>			
<b>Council on Postsecondary Education</b>			
General Fund	0	3,500	5,600
<b>Kentucky Higher Education Assistance Authority</b>			
Agency Fund	8,400	67,200	188,000
<b>TOTAL-POSTSECONDARY EDUCATION</b>			
General Fund	0	3,500	5,600
Agency Fund	8,400	67,200	188,000
<b>TOTAL</b>	<b>8,400</b>	<b>70,700</b>	<b>193,600</b>
<b>PUBLIC PROTECTION AND REGULATION</b>			

**CABINET****Board of Claims/Crime Victims Compensation**

General Fund	0	100	100
Agency Fund	200	900	1,200
Subtotal	200	1,000	1,300

**Alcoholic Beverage Control**

General Fund	0	100	100
Agency Fund	900	4,200	5,800
Subtotal	900	4,300	5,900

**Financial Institutions**

Agency Fund	1,400	12,600	18,700
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**Kentucky Racing Commission**

General Fund	100	400	600
Agency Fund	100	1,300	1,900
Subtotal	1,400	12,600	18,700

**Housing, Buildings, and Construction**

General Fund	300	1,000	2,200
Agency Fund	300	116,300	62,100
Federal Fund	3,800	11,400	23,600
Subtotal	4,400	128,700	87,900

**Insurance**

Agency Fund	9,100	38,400	52,000
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**Mines and Minerals**

General Fund	1,500	6,700	9,100
Agency Fund	1,800	7,500	16,100
Federal Fund	100	600	900
Subtotal	3,400	14,800	26,100

**Public Advocacy**

General Fund	4,900	45,400	79,900
Agency Fund	2,800	38,800	37,400
Subtotal	7,700	84,200	117,300

**Public Service Commission**

General Fund	3,700	14,600	19,600
Agency Fund	0	100	6,100
Federal Fund	100	500	700
Subtotal	3,800	15,200	26,400

**Office of the Secretary**

General Fund	300	0	0
Agency Fund	600	3,800	5,200
Subtotal	900	3,800	5,200

**Board of Tax Appeals**

General Fund	200	800	1,000
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**TOTAL-PUBLIC PROTECTION & REGULATION CABINET**

General Fund	11,000	69,100	112,600
Agency Fund	17,200	223,900	206,500
Federal Fund	4,000	12,500	25,200

<b>TOTAL</b>	<b>32,200</b>	<b>305,500</b>	<b>344,300</b>
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**REVENUE CABINET****Revenue Cabinet**

General Fund	34,400	911,100	575,100
Agency Fund	5,500	11,000	14,800
Federal Fund	200	400	400
<b>TOTAL</b>	<b>40,100</b>	<b>922,500</b>	<b>590,300</b>

**TOURISM DEVELOPMENT CABINET****Secretary**

General Fund	400	1,200	1,900
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**Travel Development**

General Fund	7,100	55,600	84,200
Federal Fund	0	400	600
Subtotal	7,100	56,000	84,800

**Parks**

General Fund	1,008,600	1,913,700	2,524,400
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**Kentucky Horse Park**

General Fund	2,600	92,500	149,000
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**Kentucky State Fair Board**

Agency Fund	24,000	302,900	1,232,900
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**Fish & Wildlife Resources**

Agency Fund	6,800	247,400	466,500
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**TOTAL-TOURISM DEVELOPMENT CABINET**

General Fund	1,018,700	2,063,000	2,759,500
Agency Fund	30,800	550,300	1,699,400
Federal Fund	0	400	600

<b>TOTAL</b>	<b>1,049,500</b>	<b>2,613,700</b>	<b>4,459,500</b>
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**TRANSPORTATION CABINET****Revenue Sharing**

Road Fund	0	233,400	403,100
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**Highways**

Road Fund	34,000	5,127,700	2,756,400
Agency Fund	0	10,000	18,200
Federal Fund	0	18,300	38,400
Subtotal	34,000	5,156,000	2,813,000

**Vehicle Regulation**

Road Fund	0	80,200	123,200
Agency Fund	0	11,000	17,000
Federal Fund	0	2,000	2,800
Subtotal	0	93,200	143,000

**General Administration & Support**

Road Fund	72,400	1,004,400	883,600
Agency Fund	0	77,100	133,700
Subtotal	72,400	1,081,500	1,017,300

**TOTAL-TRANSPORTATION CABINET**

Road Fund	106,400	6,445,700	4,166,300
Agency Fund	0	98,100	168,900

Federal Fund	0	20,300	41,200
<b>TOTAL</b>	<b>106,400</b>	<b>6,564,100</b>	<b>4,376,400</b>

**WORKFORCE DEVELOPMENT CABINET**

**General Administration and Program Support**

General Fund	42,400	191,500	209,000
Agency Fund	1,300	9,400	14,800
Federal Fund	600	4,300	6,800
Subtotal	44,300	205,200	230,600

**Technical Education**

General Fund	18,000	246,900	447,800
Agency Fund	11,300	67,700	99,700
Federal Fund	2,000	21,000	36,500
Subtotal	31,300	335,600	584,000

**Adult Education and Literacy**

General Fund	0	2,300	6,100
Agency Fund	0	700	1,200
Federal Fund	0	4,300	7,600
Subtotal	0	7,300	14,900

**Vocational Rehabilitation**

General Fund	2,600	17,900	30,200
Agency Fund	0	100	400
Federal Fund	14,400	108,200	182,300
Subtotal	17,000	126,200	212,900

**Department for the Blind**

General Fund	500	9,800	20,400
Agency Fund	800	17,500	31,200
Federal Fund	2,100	42,200	75,300
Subtotal	3,400	69,500	126,900

**Training and Reemployment**

Federal Fund	600	3,000	4,500
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**Employment Services**

General Fund	0	600	900
Agency Fund	2,800	13,400	20,500
Federal Fund	28,500	152,300	235,200
Subtotal	31,300	166,300	256,600

**TOTAL-WORKFORCE DEVELOPMENT CABINET**

General Fund	63,500	469,000	714,400
Agency Fund	16,200	108,800	167,800
Federal Fund	48,200	335,300	548,200

<b>TOTAL</b>	<b>127,900</b>	<b>913,100</b>	<b>1,430,400</b>
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**EXECUTIVE BRANCH-GRAND TOTAL**

General Fund	2,610,500	12,178,000	13,603,900
Agency Fund	606,700	3,666,300	5,782,600
Federal Fund	415,100	1,608,800	2,512,500
Road Fund	106,400	6,445,700	4,166,300

<b>TOTAL</b>	<b>3,738,700</b>	<b>23,898,800</b>	<b>26,065,300</b>
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**Note:**

The Total General Fund savings figure above includes \$185,300, \$317,100, and \$529,300 respectively in FY 1998,1999 & 2000 within the Finance and Administration Cabinet's Internal Service funds whose source is General Funds from paying agencies.

<b>Cost Savings by Major Business Process:</b>	<b>FY 1997-98</b>	<b>FY 1998-99</b>	<b>FY 1999-2000</b>
<b>Warehouse Optimization</b>	<b>2,641,300</b>	<b>13,092,000</b>	<b>7,689,500</b>
<b>Purchasing Goods &amp; Commodities Cheaper</b>	<b>1,097,400</b>	<b>6,649,600</b>	<b>9,577,900</b>
<b>Procurement Card</b>	<b>0</b>	<b>3,971,100</b>	<b>8,324,000</b>
<b>Other Financial Management</b>	<b>0</b>	<b>186,100</b>	<b>473,900</b>
<b>Grand Total</b>	<b>3,738,700</b>	<b>23,898,800</b>	<b>26,065,300</b>

**SUMMARY - AVAILABLE**

<b>FUND</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
General Fund	5,725,429,900	6,180,338,600	6,493,106,700
General Fund Continuing Appropriation	253,990,900	247,293,300	245,578,200
General Fund Mandated Allotments	250,100,300		
General Fund Current Year	18,435,500		
General Fund Special	85,095,700	190,000	
Subtotal	<u>6,333,052,300</u>	<u>6,427,821,900</u>	<u>6,738,684,900</u>
Road Fund	991,793,500	1,011,281,000	1,064,649,000
Road Fund Current Year	2,300,000		
Subtotal	<u>994,093,500</u>	<u>1,011,281,000</u>	<u>1,064,649,000</u>
Federal Funds	4,199,498,800	4,366,233,300	4,354,413,500
Agency Funds	3,497,933,800	3,336,333,300	3,224,943,500
Highway Bonds		100,000,000	105,000,000
Capital Construction (Non General Fund)			
Restricted Funds	12,488,000	625,018,000	122,301,000
Federal Funds	621,000	79,266,000	8,871,000
Road Funds		9,302,000	8,843,000
Bond Funds	3,200,000	758,600,000	
Agency Funds		96,100,000	
Capital Construction Surplus	1,477,000	1,462,000	
Investment Income	698,000	31,125,000	13,100,000
Other Funds	1,599,000	97,661,000	29,889,000
Subtotal	<u>20,083,000</u>	<u>1,698,534,000</u>	<u>183,004,000</u>
<b>Total - Available Funds</b>	<u>15,044,661,400</u>	<u>16,940,203,500</u>	<u>15,670,694,900</u>

**SUMMARY - APPROPRIATED**

<b>FUND</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
General Fund	5,725,429,900	6,180,388,600	6,493,106,700
General Fund Continuing Appropriation	253,990,900	247,293,300	245,578,200
General Fund Mandated Allotments	250,100,300		
General Fund Current Year	18,435,500		
General Fund Special	85,095,700	190,000	
 Subtotal	 <u>6,333,052,300</u>	 <u>6,427,821,900</u>	 <u>6,738,684,900</u>
 Road Fund	 991,793,500	 1,011,281,000	 1,064,649,000
Road Fund Current Year	2,300,000		
 Subtotal	 <u>994,093,500</u>	 <u>1,011,281,000</u>	 <u>1,064,649,000</u>
 Federal Funds	 4,114,126,000	 4,363,727,600	 4,355,102,800
 Agency Funds	 2,918,449,600	 2,840,797,600	 2,838,362,300
 Highway Bonds		 100,000,000	 105,000,000
 Capital Construction (Non General Fund)			
Restricted Funds	12,488,000	625,018,000	122,301,000
Federal Funds	621,000	79,266,000	8,871,000
Road Funds		9,302,000	8,843,000
Bond Funds	3,200,000	758,600,000	
Agency Funds		96,100,000	
Capital Construction Surplus	1,477,000	1,462,000	
Investment Income	698,000	31,125,000	13,100,000
Other Funds	1,599,000	97,661,000	29,889,000
 Subtotal	 <u>20,083,000</u>	 <u>1,698,534,000</u>	 <u>183,004,000</u>
 <b>Total - Appropriated Funds</b>	 <u><b>14,379,804,400</b></u>	 <u><b>16,442,162,100</b></u>	 <u><b>15,284,803,000</b></u>

**GENERAL FUND - REGULAR APPROPRIATION**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>GOVERNMENT OPERATIONS</b>			
Executive Office of the Governor			
Office of the Governor	6,361,000	9,189,500	9,540,000
Governor's Office for Policy and Management	2,471,400	2,820,500	3,058,000
State Planning Fund	500,000	500,000	500,000
Subtotal	<u>9,332,400</u>	<u>12,510,000</u>	<u>13,098,000</u>
Secretary of State	2,223,200	2,254,300	2,354,300
Board of Elections	3,222,500	4,099,800	4,172,100
Treasury	1,857,700	2,228,500	2,285,200
Attorney General	10,639,900	12,236,500	12,710,200
Unified Prosecutorial System			
County Attorneys	15,748,600	17,429,200	18,349,000
Commonwealth's Attorneys	16,982,600	19,055,000	20,092,400
Subtotal	<u>32,731,200</u>	<u>36,484,200</u>	<u>38,441,400</u>
Auditor of Public Accounts	4,572,100	5,515,800	5,749,400
Agriculture	16,466,500	23,979,100	19,575,000
Military Affairs	10,381,100	10,256,500	10,854,300
Personnel Board	486,600	526,200	544,200
Local Government	6,042,000	10,646,900	10,182,900
Special Funds	61,690,100	60,030,200	66,374,500
Commission on Human Rights	1,853,200	1,905,400	1,962,400
Commission on Women	174,200	246,100	253,600
Registry of Election Finance	1,331,300	2,368,600	2,409,000
Executive Branch Ethics Commission	258,300	270,700	281,400
Appropriations Not Otherwise Classified	3,846,500	4,463,500	4,503,500
Appropriations Not Otherwise Classified-Judgments	5,000,000	10,000,000	0
Kentucky Veterans Center	6,170,000	5,618,300	5,909,400
<b>Total</b>	<u>178,278,800</u>	<u>205,640,600</u>	<u>201,660,800</u>
<b>ECONOMIC DEVELOPMENT</b>			
Secretary	1,707,200	3,483,000	4,491,000
Administration	1,763,900	1,899,000	2,008,000
Job Development	2,051,000	2,333,000	2,413,000
Financial Incentives	3,788,700	2,739,000	3,353,000
Debt Service	51,815,000		666,000
Community Development	3,274,300	3,033,000	3,162,000
<b>Total</b>	<u>64,400,100</u>	<u>13,487,000</u>	<u>16,093,000</u>
<b>EDUCATION</b>			
SEEK	2,029,385,300	2,114,755,500	2,184,668,000
Executive Policy and Management	3,242,700	3,430,400	3,536,700

**GENERAL FUND - REGULAR APPROPRIATION**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
Management Support Services	280,524,700	282,808,800	297,278,300
Learning Results Services	31,220,600	32,415,300	32,962,900
Learning Support Services	164,455,800	174,015,200	195,229,200
<b>Total</b>	<b>2,508,829,100</b>	<b>2,607,425,200</b>	<b>2,713,675,100</b>
<b>EDUCATION, ARTS AND HUMANITIES</b>			
Secretary	1,827,800	2,544,100	2,632,600
Kentucky Arts Council	3,979,900	4,095,800	4,216,600
Teachers' Retirement System	66,195,500	68,357,000	75,828,000
School Facilities Construction Commission	63,755,200	58,162,500	70,864,000
Deaf and Hard of Hearing	477,300	775,300	853,200
Kentucky Heritage Council	709,100	880,400	901,900
Kentucky Educational Television	16,570,900	14,392,700	14,770,000
Kentucky Historical Society	4,856,900	5,333,600	5,756,100
Libraries and Archives	13,246,200	13,003,200	13,225,500
Kentucky Center for the Arts	3,135,400	625,500	625,500
Environmental Education Council		53,000	0
<b>Total</b>	<b>174,754,200</b>	<b>168,223,100</b>	<b>189,673,400</b>
<b>FAMILIES AND CHILDREN</b>			
Administration Services	22,479,000	8,306,000	8,595,500
Social Insurance			
Administration	53,221,800	54,959,700	55,027,200
Benefits	87,173,100	77,047,500	73,773,500
Subtotal	140,394,900	132,007,200	128,800,700
Social Services	130,844,500	128,851,000	141,614,100
Aging Services	22,919,500	23,244,500	23,337,000
<b>Total</b>	<b>316,637,900</b>	<b>292,408,700</b>	<b>302,347,300</b>
<b>FINANCE AND ADMINISTRATION</b>			
General Administration	8,783,200	8,805,000	8,830,000
Debt Service	20,474,000	142,743,000	169,864,000
County Costs	14,586,100	16,186,000	16,186,000
Administration	3,713,100	3,852,000	3,943,000
Facilities Management	6,690,100	8,087,000	8,365,000
<b>Total</b>	<b>54,246,500</b>	<b>179,673,000</b>	<b>207,188,000</b>
<b>HEALTH SERVICES</b>			
Medicaid Services			
Administration	7,851,100	19,183,000	19,425,000
Benefits	620,739,400	616,996,000	640,355,400
Subtotal	628,590,500	636,179,000	659,780,400

**GENERAL FUND - REGULAR APPROPRIATION**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
Mental Health/Mental Retardation	120,168,400	150,832,900	158,871,800
Public Health	51,577,900	55,277,300	56,291,700
Children with Special Health Care Needs	3,971,300	3,817,700	6,190,600
Certificate of Need		127,800	131,500
Administrative Support		22,410,700	22,904,800
Health Care Policy Board	3,415,900		
<b>Total</b>	<b>807,724,000</b>	<b>868,645,400</b>	<b>904,170,800</b>
<b>JUSTICE</b>			
Justice Operations			
Criminal Justice Training		35,000	
State Police	55,348,600	63,724,300	78,097,700
Justice Administration	7,762,600	6,275,600	6,423,900
Juvenile Justice		56,596,400	69,009,400
Subtotal	63,111,200	126,631,300	153,531,000
Corrections			
Corrections Management	28,347,900	6,842,200	9,756,200
Community Services and Local Facilities	51,914,200	63,939,400	69,833,700
Local Jail Support	14,468,500	14,568,500	14,568,500
Adult Correctional Institutions	152,929,800	167,353,000	179,801,100
Subtotal	247,660,400	252,703,100	273,959,500
<b>Total</b>	<b>310,771,600</b>	<b>379,334,400</b>	<b>427,490,500</b>
<b>LABOR</b>			
General Administration and Support	503,800	518,000	532,800
Workplace Standards	1,730,600	1,780,700	1,834,500
Kentucky Workers' Compensation Funding Commission		19,000,000	19,000,000
<b>Total</b>	<b>2,234,400</b>	<b>21,298,700</b>	<b>21,367,300</b>
<b>NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION</b>			
General Administration and Support	7,948,600	8,703,200	9,026,200
Environmental Protection	21,611,000	21,647,200	22,183,800
Natural Resources	11,229,000	13,494,700	13,666,300
Surface Mining Reclamation	9,811,500	9,922,200	10,188,100
Kentucky River Authority		359,000	369,000
Environmental Quality Commission	234,900	251,100	249,800
Nature Preserves Commission	631,700	840,200	786,300
<b>Total</b>	<b>51,466,700</b>	<b>55,217,600</b>	<b>56,469,500</b>

**GENERAL FUND - REGULAR APPROPRIATION**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>PERSONNEL</b>			
Personnel	5,074,300	3,309,400	3,297,100
<b>POSTSECONDARY EDUCATION</b>			
Council on Postsecondary Education	10,373,900	54,251,200	102,794,400
Kentucky Higher Education Assistance Authority	30,103,200	30,603,200	30,603,200
Eastern Kentucky University	59,817,700	63,825,700	65,726,700
Kentucky State University	19,798,700	20,364,100	20,872,800
Morehead State University	35,496,700	36,689,600	38,121,700
Murray State University	43,701,300	45,694,300	45,024,100
Northern Kentucky University	32,326,600	33,902,900	34,721,700
University of Kentucky	271,143,000	286,706,700	290,835,300
University of Louisville	151,460,500	158,097,500	163,357,500
Western Kentucky University	55,852,900	58,072,500	59,589,500
Kentucky Community and Technical College System		157,213,900	163,646,400
University of Kentucky Community College System	87,404,500		
<b>Total</b>	<b>797,479,000</b>	<b>945,421,600</b>	<b>1,015,293,300</b>
<b>PUBLIC PROTECTION AND REGULATION</b>			
Board of Claims/Crime Victims Compensation	474,000	399,900	411,900
Alcoholic Beverage Control	1,817,800	2,526,900	2,622,400
Kentucky Racing Commission	894,100	1,419,100	1,356,900
Housing, Buildings, and Construction	3,446,100	3,480,500	3,576,800
Mines and Minerals	9,785,200	10,380,300	10,074,400
Public Advocacy	13,643,200	16,637,100	17,182,100
Public Service Commission	7,260,700	9,177,400	8,656,400
Office of the Secretary	335,400		
Board of Tax Appeals	541,200	410,200	422,000
<b>Total</b>	<b>38,197,700</b>	<b>44,431,400</b>	<b>44,302,900</b>
<b>REVENUE</b>			
Revenue Cabinet	57,316,300	58,147,900	60,236,900
Property Value Administrators	20,383,100	21,902,000	22,972,500
<b>Total</b>	<b>77,699,400</b>	<b>80,049,900</b>	<b>83,209,400</b>
<b>TOURISM DEVELOPMENT</b>			
Secretary	1,288,900	1,232,800	1,276,100
Breaks Interstate Park	170,000	200,000	200,000
Travel Development	6,375,100	6,992,400	7,177,800
Parks	32,493,900	27,276,800	28,625,600
Kentucky Horse Park	2,924,700	1,631,500	1,632,000
Kentucky State Fair Board	11,576,000	407,000	407,000
<b>Total</b>	<b>54,828,600</b>	<b>37,740,500</b>	<b>39,318,500</b>

**GENERAL FUND - REGULAR APPROPRIATION**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>TRANSPORTATION</b>			
Air Transportation	2,164,000	2,201,000	2,267,000
Rail Transportation	66,800	69,500	72,000
Public Transportation	3,295,500	3,916,000	4,007,000
<b>Total</b>	<b>5,526,300</b>	<b>6,186,500</b>	<b>6,346,000</b>
<b>WORKFORCE DEVELOPMENT</b>			
General Administration and Program Support	7,521,900	2,502,000	2,553,500
State Board for Adult and Technical Education	33,600	30,000	30,500
Technical Education	69,175,300	19,245,100	19,515,700
Adult Education and Literacy	10,051,700	12,411,200	12,779,400
Vocational Rehabilitation	9,172,700	9,621,100	9,872,800
Department for the Blind	1,792,700	2,055,200	2,131,100
Teachers' Retirement - Employers' Contribution	9,266,100	4,313,500	4,530,500
Employment Services	582,800	581,900	599,100
<b>Total</b>	<b>107,596,800</b>	<b>50,760,000</b>	<b>52,012,600</b>
Capital Construction		36,263,000	385,000
EMPOWER Kentucky Savings	-2,600,000		
<b>Grand Total - EXECUTIVE BRANCH</b>	<b>5,553,145,400</b>	<b>5,995,516,000</b>	<b>6,284,300,500</b>
Legislative Branch	36,543,000	31,725,500	39,879,000
Judicial Branch	135,741,500	152,097,100	167,504,700
Capital Construction		1,000,000	1,423,000
<b>Grand Total - STATE GOVERNMENT</b>	<b>5,725,429,900</b>	<b>6,180,338,600</b>	<b>6,493,106,700</b>

## GENERAL FUND - CURRENT YEAR APPROPRIATION

<u>Cabinet/Agency</u>	<u>Revised FY 1998</u>
<b>GOVERNMENT OPERATIONS</b>	
Local Government	196,500
Special Funds	
Commission on Women	65,000
<b>Total</b>	<u>261,500</u>
<b>ECONOMIC DEVELOPMENT</b>	
Financial Incentives	
<b>EDUCATION</b>	
Management Support Services	2,335,000
<b>EDUCATION, ARTS AND HUMANITIES</b>	
School Facilities Construction Commission	
<b>FAMILIES AND CHILDREN</b>	
Social Insurance	
Administration	
Social Services	5,000,000
<b>Total</b>	<u>5,000,000</u>
<b>JUSTICE</b>	
Justice Operations	
State Police	1,158,500
Juvenile Justice	2,000,000
Subtotal	<u>3,158,500</u>
Corrections	
Community Services and Local Facilities	4,129,000
<b>Total</b>	<u>7,287,500</u>
<b>POSTSECONDARY EDUCATION</b>	
Council on Postsecondary Education	700,000
<b>PUBLIC PROTECTION AND REGULATION</b>	
Alcoholic Beverage Control	340,500
Kentucky Racing Commission	350,000
<b>Total</b>	<u>690,500</u>
<b>TOURISM DEVELOPMENT</b>	
Breaks Interstate Park	30,000
Parks	1,837,000
<b>Total</b>	<u>1,867,000</u>

**GENERAL FUND - CURRENT YEAR APPROPRIATION**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>
<b>TRANSPORTATION</b>	
Air Transportation	
Public Transportation	
<b>Total</b>	
<b>WORKFORCE DEVELOPMENT</b>	
Technical Education	294,000
<b>Grand Total - EXECUTIVE BRANCH</b>	<u>18,435,500</u>
Legislative Branch	
<b>Grand Total - STATE GOVERNMENT</b>	<u>18,435,500</u>

## GENERAL FUND - MANDATED ALLOTMENTS

<u>Cabinet/Agency</u>	<u>Revised FY 1998</u>
<b>GOVERNMENT OPERATIONS</b>	
Board of Elections	197,500
Attorney General	300,000
Unified Prosecutorial System	
County Attorneys	51,100
Commonwealth's Attorneys	134,100
Subtotal	<u>185,200</u>
Military Affairs	5,913,000
Special Funds	
Appropriations Not Otherwise Classified	1,718,000
Appropriations Not Otherwise Classified-Judgments	240,858,000
<b>Total</b>	<u>249,171,700</u>
<b>ECONOMIC DEVELOPMENT</b>	
Financial Incentives	
<b>EDUCATION, ARTS AND HUMANITIES</b>	
School Facilities Construction Commission	
<b>FAMILIES AND CHILDREN</b>	
Social Insurance	
Administration	
Social Services	
<b>Total</b>	
<b>JUSTICE</b>	
Corrections	
Community Services and Local Facilities	660,000
<b>NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION</b>	
Surface Mining Reclamation	268,600
<b>TRANSPORTATION</b>	
Air Transportation	
Public Transportation	
<b>Total</b>	
<b>Grand Total - EXECUTIVE BRANCH</b>	<u>250,100,300</u>
Legislative Branch	
<b>Grand Total - STATE GOVERNMENT</b>	<u>250,100,300</u>

**GENERAL FUND - CONTINUING APPROPRIATION**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>GOVERNMENT OPERATIONS</b>			
Agriculture	655,800		
Special Funds	12,213,800	17,882,200	17,882,200
<b>Total</b>	<b>12,869,600</b>	<b>17,882,200</b>	<b>17,882,200</b>
<b>ECONOMIC DEVELOPMENT</b>			
Financial Incentives	10,222,600	9,792,500	9,356,000
<b>EDUCATION</b>			
Learning Support Services	224,900		
<b>EDUCATION, ARTS AND HUMANITIES</b>			
School Facilities Construction Commission		4,200,000	
<b>FAMILIES AND CHILDREN</b>			
Social Insurance			
Administration	2,185,200		1,500,000
Benefits	4,577,600		
Subtotal	<u>6,762,800</u>		<u>1,500,000</u>
Social Services	4,577,600		3,279,900
<b>Total</b>	<b><u>11,340,400</u></b>		<b><u>4,779,900</u></b>
<b>JUSTICE</b>			
Corrections			
Local Jail Support	475,800		
<b>POSTSECONDARY EDUCATION</b>			
Kentucky Higher Education Assistance Authority	123,800		
University of Louisville	33,900		
<b>Total</b>	<u>157,700</u>		
<b>PUBLIC PROTECTION AND REGULATION</b>			
Public Service Commission	427,200		
<b>TRANSPORTATION</b>			
Air Transportation	3,009,700	3,009,700	3,009,700
Public Transportation	1,291,400	1,291,400	1,291,400
<b>Total</b>	<u>4,301,100</u>	<u>4,301,100</u>	<u>4,301,100</u>
Budget Reserve Trust Fund	200,000,000	200,000,000	200,000,000
<b>Grand Total - EXECUTIVE BRANCH</b>	<b><u>240,019,300</u></b>	<b><u>236,175,800</u></b>	<b><u>236,319,200</u></b>

**GENERAL FUND - CONTINUING APPROPRIATION**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
Legislative Branch	11,396,800	11,117,500	9,259,000
Judicial Branch	2,574,800		
<b>Grand Total - STATE GOVERNMENT</b>	<b>253,990,900</b>	<b>247,293,300</b>	<b>245,578,200</b>

**GENERAL FUND - SPECIAL APPROPRIATION**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY1999</b>
<b>GOVERNMENT OPERATIONS</b>		
Agriculture		40,000
Appropriations Not Otherwise Classified	383,700	
<b>Total</b>	<u>383,700</u>	<u>40,000</u>
<b>FINANCE AND ADMINISTRATION</b>		
Debt Service	10,112,000	
County Costs	1,600,000	
<b>Total</b>	<u>11,712,000</u>	
<b>JUSTICE</b>		
Justice Operations		
Juvenile Justice	4,000,000	
<b>LABOR</b>		
Kentucky Workers' Compensation Funding Commission	19,000,000	
<b>POSTSECONDARY EDUCATION</b>		
Council on Postsecondary Education	15,647,900	
Eastern Kentucky University	3,016,100	
Kentucky State University	125,800	
Morehead State University	1,326,400	
Murray State University	224,900	
Northern Kentucky University	929,700	
University of Kentucky	1,480,000	
University of Louisville	2,719,200	
Western Kentucky University	761,300	
Kentucky Community and Technical College System	11,768,700	
<b>Total</b>	<u>38,000,000</u>	
<b>PUBLIC PROTECTION AND REGULATION</b>		
Insurance	10,000,000	
Public Service Commission		150,000
<b>Total</b>	<u>10,000,000</u>	<u>150,000</u>
<b>WORKFORCE DEVELOPMENT</b>		
Adult Education and Literacy	2,000,000	
<b>Grand Total - EXECUTIVE BRANCH</b>	<u>85,095,700</u>	<u>190,000</u>
<b>Grand Total - STATE GOVERNMENT</b>	<u>85,095,700</u>	<u>190,000</u>

**AGENCY FUND - AVAILABLE**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>GOVERNMENT OPERATIONS</b>			
Executive Office of the Governor			
Office of the Governor	1,016,500	1,016,500	1,016,500
Governor's Office for Policy and Management	167,000	127,000	87,000
Subtotal	<u>1,183,500</u>	<u>1,143,500</u>	<u>1,103,500</u>
Secretary of State	511,000	711,000	768,500
Board of Elections	50,000	40,000	40,000
Treasury	170,500	4,000	4,000
Attorney General	9,576,000	6,310,500	6,256,500
Unified Prosecutorial System			
County Attorneys	139,000	82,200	56,200
Commonwealth's Attorneys	664,500	285,500	225,500
Subtotal	<u>803,500</u>	<u>367,700</u>	<u>281,700</u>
Auditor of Public Accounts	3,834,000	4,260,500	4,455,500
Agriculture	4,498,000	4,662,000	4,480,000
Military Affairs	10,756,500	11,398,500	11,811,500
Personnel Board	13,000	7,600	5,100
Local Government	1,983,000	1,901,000	1,950,500
Commission on Human Rights	199,000	119,000	119,000
Commission on Women	500	500	500
Kentucky Retirement Systems	11,565,000	14,588,600	15,613,500
Kentucky Kare Health Insurance Authority	895,500	1,003,000	1,042,500
Registry of Election Finance	327,000	357,000	0
Boards and Commissions	25,024,900	26,428,800	25,020,800
Governmental Services Center	1,718,000	1,565,300	1,428,300
Executive Branch Ethics Commission	7,000	7,000	4,000
Kentucky Veterans Center	12,893,500	12,484,000	11,332,000
<b>Total</b>	<u>86,009,400</u>	<u>87,359,500</u>	<u>85,717,400</u>
<b>ECONOMIC DEVELOPMENT</b>			
Secretary	350,000		
Administration	296,000	277,000	223,000
Financial Incentives	2,260,000	3,042,500	2,350,000
Community Development	256,000	252,000	240,000
<b>Total</b>	<u>3,162,000</u>	<u>3,571,500</u>	<u>2,813,000</u>
<b>EDUCATION</b>			
Executive Policy and Management	455,000	499,000	535,700
Management Support Services	2,362,500	2,178,300	2,243,300
Learning Results Services	222,000	3,167,500	170,000
Learning Support Services	2,658,500	2,578,000	2,631,500
<b>Total</b>	<u>5,698,000</u>	<u>8,422,800</u>	<u>5,580,500</u>

**AGENCY FUND - AVAILABLE**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>EDUCATION, ARTS AND HUMANITIES</b>			
Secretary	101,000	94,500	97,500
Kentucky Arts Council	467,000	389,000	369,500
Teachers' Retirement System	3,813,800	4,401,700	4,733,100
Deaf and Hard of Hearing	245,000	200,000	200,000
Kentucky Heritage Council	179,500	133,000	151,500
Kentucky Educational Television	2,346,500	1,207,500	1,096,000
Kentucky Historical Society	529,000	566,500	604,000
Libraries and Archives	1,852,500	1,850,000	1,684,500
Environmental Education Council	327,000	328,500	328,500
<b>Total</b>	<b>9,861,300</b>	<b>9,170,700</b>	<b>9,264,600</b>
<b>FAMILIES AND CHILDREN</b>			
Administration Services	6,440,500	3,642,500	1,748,500
Social Insurance			
Administration	35,993,000	40,180,500	43,195,500
Benefits	5,168,700	5,640,000	1,960,000
Subtotal	41,161,700	45,820,500	45,155,500
Social Services	51,387,500	41,689,000	41,339,000
Aging Services	250,000	6,877,700	12,640,300
<b>Total</b>	<b>99,239,700</b>	<b>98,029,700</b>	<b>100,883,300</b>
<b>FINANCE AND ADMINISTRATION</b>			
General Administration	6,200,000	6,234,000	5,629,000
County Costs	1,533,500	1,533,500	1,533,500
County Fees	54,834,500	63,223,500	65,250,500
Administration	20,247,000	10,123,000	10,615,000
Facilities Management	18,676,500	20,138,000	20,543,000
Information Systems	47,654,500	49,767,500	51,016,500
<b>Total</b>	<b>149,146,000</b>	<b>151,019,500</b>	<b>154,587,500</b>
<b>HEALTH SERVICES</b>			
Medicaid Services			
Administration	17,800,000	7,493,200	7,118,100
Benefits	211,261,500	279,600,500	209,696,100
Subtotal	229,061,500	287,093,700	216,814,200
Mental Health/Mental Retardation	146,055,000	125,008,300	127,689,800
Public Health	10,813,000	10,122,000	9,442,000
Children with Special Health Care Needs	6,836,500	5,771,000	5,100,000
Certificate of Need	732,400	831,400	715,400
Administrative Support	7,056,700	5,335,700	5,226,200
<b>Total</b>	<b>400,555,100</b>	<b>434,162,100</b>	<b>364,987,600</b>

**AGENCY FUND - AVAILABLE**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>JUSTICE</b>			
Justice Operations			
Criminal Justice Training	28,516,500	30,949,100	33,425,300
State Police	5,889,000	6,922,900	7,506,500
Justice Administration	10,090,000	11,171,500	10,129,000
Juvenile Justice	4,939,500	9,207,500	11,446,600
Subtotal	<u>49,435,000</u>	<u>58,251,000</u>	<u>62,507,400</u>
Corrections			
Corrections Management	274,000	294,000	184,000
Community Services and Local Facilities	413,000	346,500	336,500
Adult Correctional Institutions	25,202,000	27,921,300	24,834,500
Subtotal	<u>25,889,000</u>	<u>28,561,800</u>	<u>25,355,000</u>
<b>Total</b>	<u>75,324,000</u>	<u>86,812,800</u>	<u>87,862,400</u>
<b>LABOR</b>			
General Administration and Support	3,948,000	4,484,500	4,488,000
Workplace Standards	207,568,000	150,921,500	152,658,000
Workers' Claims	15,182,500	14,994,000	15,637,000
Kentucky Occupational Safety and Health Review Commission	293,500	309,000	319,500
Kentucky Workers' Compensation Funding Commission	433,169,000	319,595,000	264,042,000
<b>Total</b>	<u>660,161,000</u>	<u>490,304,000</u>	<u>437,144,500</u>
<b>NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION</b>			
General Administration and Support	1,096,000	579,000	435,500
Environmental Protection	29,863,000	27,731,500	25,515,500
Natural Resources	7,156,000	6,374,000	5,053,500
Surface Mining Reclamation	32,347,000	31,755,000	31,335,500
Kentucky River Authority	2,845,500	2,123,000	1,915,500
Environmental Quality Commission	20,000	4,000	2,000
Nature Preserves Commission	1,165,500	850,000	612,500
<b>Total</b>	<u>74,493,000</u>	<u>69,416,500</u>	<u>64,870,000</u>
<b>PERSONNEL</b>			
Personnel	28,343,500	33,591,500	36,705,000
<b>POSTSECONDARY EDUCATION</b>			
Council on Postsecondary Education	1,239,012,000	1,304,842,200	1,345,339,200
Kentucky Higher Education Assistance Authority	13,930,500	16,039,500	16,255,000
Eastern Kentucky University	82,470,600	85,446,100	88,145,900
Kentucky State University	11,350,600	15,893,000	16,386,000

## AGENCY FUND - AVAILABLE

Cabinet/Agency	Revised FY 1998	Enacted FY 1999	Enacted FY 2000
Morehead State University	32,946,500	34,597,000	36,164,000
Murray State University	45,417,300	47,564,500	49,372,000
Northern Kentucky University	44,329,200	46,341,600	48,500,800
University of Kentucky	656,442,000	683,978,500	703,883,000
University of Louisville	216,742,500	222,614,500	229,174,500
Western Kentucky University	60,522,800	63,188,500	65,245,500
Kentucky Community and Technical College System		89,179,000	91,684,500
University of Kentucky Community College System	74,860,000		
<b>Total</b>	1,239,012,000	1,304,842,200	1,345,339,200
<b>PUBLIC PROTECTION AND REGULATION</b>			
Board of Claims/Crime Victims Compensation	2,349,500	2,762,000	3,069,000
Alcoholic Beverage Control	913,200	973,600	908,600
Financial Institutions	11,287,000	10,609,500	9,807,500
Kentucky Racing Commission	18,099,000	15,879,700	16,084,700
Housing, Buildings, and Construction	36,880,600	33,905,600	34,222,100
Insurance	35,237,100	35,799,600	36,298,600
Mines and Minerals	1,663,600	1,597,500	1,588,500
Public Advocacy	5,362,700	4,355,800	3,903,800
Public Service Commission	22,500	22,500	22,500
Office of the Secretary	135,162,000	140,263,000	145,242,000
<b>Total</b>	246,977,200	246,168,800	251,147,300
<b>REVENUE</b>			
Revenue Cabinet	4,509,500	3,719,200	2,959,200
Property Value Administrators	3,958,000	3,749,500	3,423,000
<b>Total</b>	8,467,500	7,468,700	6,382,200
<b>TOURISM DEVELOPMENT</b>			
Travel Development	9,000	4,000	4,000
Parks	43,356,500	46,583,000	47,894,500
Kentucky Horse Park	4,039,300	4,056,000	4,179,000
Kentucky State Fair Board	28,036,500	29,154,500	29,945,500
Fish and Wildlife Resources	43,327,500	43,498,500	41,036,500
<b>Total</b>	118,768,800	123,296,000	123,059,500
<b>TRANSPORTATION</b>			
Air Transportation	87,500	63,500	64,500
Public Transportation		48,038,500	50,068,500
Highways	200,425,500	62,982,500	26,719,500
Vehicle Regulation	4,687,000	4,772,500	4,577,500
General Administration and Support	22,505,500	22,659,500	22,911,500
<b>Total</b>	227,705,500	138,516,500	104,341,500

**AGENCY FUND - AVAILABLE**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>WORKFORCE DEVELOPMENT</b>			
General Administration and Program Support	5,254,000	5,535,000	5,755,500
Technical Education	38,873,700	18,712,500	19,515,500
Adult Education and Literacy	1,042,000	910,500	915,500
Vocational Rehabilitation	3,289,500	3,233,500	3,090,000
Department for the Blind	3,893,000	3,446,000	3,223,000
State Board for Proprietary Education	244,500	123,000	129,000
Training and Reemployment	17,500	17,500	17,500
Employment Services	5,762,000	5,889,500	6,021,000
<b>Total</b>	<b>58,376,200</b>	<b>37,867,500</b>	<b>38,667,000</b>
<b>Grand Total - EXECUTIVE BRANCH</b>	<b>3,491,300,200</b>	<b>3,330,020,300</b>	<b>3,219,352,500</b>
Legislative Branch	931,600	501,000	451,000
Judicial Branch	5,702,000	5,112,000	4,440,000
Capital Construction		700,000	700,000
<b>Grand Total - STATE GOVERNMENT</b>	<b>3,497,933,800</b>	<b>3,336,333,300</b>	<b>3,224,943,500</b>

## AGENCY FUND - APPROPRIATED

Cabinet/Agency	Revised FY 1998	Enacted FY 1999	Enacted FY 2000
<b>GOVERNMENT OPERATIONS</b>			
Executive Office of the Governor			
Office of the Governor	400,000	400,000	400,000
Governor's Office for Policy and Management	40,000	40,000	40,000
Subtotal	440,000	440,000	440,000
Secretary of State		142,500	145,500
Board of Elections	50,000	40,000	40,000
Treasury	166,500		
Attorney General	9,115,500	5,976,500	6,256,500
Unified Prosecutorial System			
County Attorneys	65,800	35,000	35,000
Commonwealth's Attorneys	449,000	130,000	150,000
Subtotal	514,800	165,000	185,000
Auditor of Public Accounts	3,285,500	3,783,500	3,978,500
Agriculture	2,111,500	2,407,500	2,403,000
Military Affairs	9,667,000	10,333,500	10,699,500
Personnel Board	7,900	5,000	5,000
Local Government	552,500	456,000	456,000
Commission on Human Rights	88,500	8,500	8,500
Kentucky Retirement Systems	11,565,000	14,588,600	15,613,500
Kentucky Kare Health Insurance Authority	864,000	1,003,000	1,042,500
Registry of Election Finance		357,000	
Boards and Commissions	11,231,600	12,306,500	12,701,500
Governmental Services Center	1,252,700	1,237,000	1,276,000
Executive Branch Ethics Commission		3,000	3,000
Kentucky Veterans Center	9,847,500	10,677,000	11,304,500
<b>Total</b>	60,760,500	63,930,100	66,558,500
<b>ECONOMIC DEVELOPMENT</b>			
Secretary	350,000		
Administration	219,000	254,000	223,000
Financial Incentives	1,491,500	3,040,500	2,347,000
Community Development	169,000	177,000	186,500
<b>Total</b>	2,229,500	3,471,500	2,756,500
<b>EDUCATION</b>			
Executive Policy and Management	359,000	384,800	405,700
Management Support Services	2,178,500	2,119,500	2,188,000
Learning Results Services	200,500	3,146,000	150,500
Learning Support Services	2,098,000	2,100,000	2,160,500
<b>Total</b>	4,836,000	7,750,300	4,904,700

**AGENCY FUND - APPROPRIATED**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>EDUCATION, ARTS AND HUMANITIES</b>			
Secretary	100,500	94,000	97,000
Kentucky Arts Council	407,500	362,500	369,500
Teachers' Retirement System	3,813,800	4,401,700	4,733,100
Deaf and Hard of Hearing	245,000	200,000	200,000
Kentucky Heritage Council	142,000	95,500	114,000
Kentucky Educational Television	1,795,000	868,000	1,096,000
Kentucky Historical Society	305,000	399,500	490,000
Libraries and Archives	1,170,500	1,368,500	1,499,000
Environmental Education Council	260,500	262,000	262,000
<b>Total</b>	<b>8,239,800</b>	<b>8,051,700</b>	<b>8,860,600</b>
<b>FAMILIES AND CHILDREN</b>			
Administration Services	3,675,000	2,637,000	1,748,500
Social Insurance			
Administration	35,993,000	40,180,500	43,195,500
Benefits	5,168,700	5,640,000	1,960,000
Subtotal	41,161,700	45,820,500	45,155,500
Social Services	51,387,500	41,689,000	41,339,000
Aging Services	250,000	6,877,700	12,640,300
<b>Total</b>	<b>96,474,200</b>	<b>97,024,200</b>	<b>100,883,300</b>
<b>FINANCE AND ADMINISTRATION</b>			
General Administration	3,663,000	4,323,000	4,508,000
County Costs	1,327,000	1,327,000	1,327,000
County Fees	41,355,000	49,744,000	51,771,000
Administration	18,379,500	8,063,000	8,347,000
Facilities Management	17,082,500	19,097,000	20,458,000
Information Systems	46,532,000	48,933,000	50,384,000
<b>Total</b>	<b>128,339,000</b>	<b>131,487,000</b>	<b>136,795,000</b>
<b>HEALTH SERVICES</b>			
Medicaid Services			
Administration	17,800,000	7,493,200	7,118,100
Benefits	169,696,400	225,629,500	183,769,600
Subtotal	187,496,400	233,122,700	190,887,700
Mental Health/Mental Retardation	141,596,000	124,321,300	127,002,800
Public Health	10,125,000	10,088,000	9,408,000
Children with Special Health Care Needs	6,836,500	5,771,000	5,100,000
Certificate of Need	86,000	301,000	319,000
Administrative Support	6,471,000	5,150,000	5,040,500
<b>Total</b>	<b>352,610,900</b>	<b>378,754,000</b>	<b>337,758,000</b>

## AGENCY FUND - APPROPRIATED

Cabinet/Agency	Revised FY 1998	Enacted FY 1999	Enacted FY 2000
<b>JUSTICE</b>			
Justice Operations			
Criminal Justice Training	25,860,000	25,682,500	29,288,000
State Police	5,624,500	6,572,400	7,119,500
Justice Administration	3,262,500	5,426,500	5,409,500
Juvenile Justice	4,939,500	9,114,400	11,254,500
Subtotal	39,686,500	46,795,800	53,071,500
Corrections			
Corrections Management	141,000	271,000	161,000
Community Services and Local Facilities	382,500	326,000	336,000
Adult Correctional Institutions	16,683,200	21,848,300	22,681,500
Subtotal	17,206,700	22,445,300	23,178,500
<b>Total</b>	56,893,200	69,241,100	76,250,000
<b>LABOR</b>			
General Administration and Support	3,948,000	4,484,500	4,488,000
Workplace Standards	203,568,000	146,921,500	148,658,000
Workers' Claims	15,182,500	14,994,000	15,637,000
Kentucky Occupational Safety and Health Review Commission	293,500	309,000	319,500
Kentucky Workers' Compensation Funding Commission	208,388,500	149,905,500	152,337,500
<b>Total</b>	431,380,500	316,614,500	321,440,000
<b>NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION</b>			
General Administration and Support	720,500	352,000	435,500
Environmental Protection	19,033,000	20,196,000	21,336,000
Natural Resources	5,492,500	5,522,500	5,053,500
Surface Mining Reclamation	5,893,000	5,793,000	5,988,000
Kentucky River Authority	1,247,500	1,511,000	1,750,000
Environmental Quality Commission	18,000	4,000	2,000
Nature Preserves Commission	728,500	637,500	612,500
<b>Total</b>	33,133,000	34,016,000	35,177,500
<b>PERSONNEL</b>			
Personnel	22,372,500	26,282,500	27,099,500
<b>POSTSECONDARY EDUCATION</b>			
Council on Postsecondary Education			528,000
Kentucky Higher Education Assistance Authority	13,735,000	15,844,000	16,059,500
Eastern Kentucky University	82,470,600	85,446,100	88,145,900
Kentucky State University	11,350,600	15,893,000	16,386,000

## AGENCY FUND - APPROPRIATED

Cabinet/Agency	Revised FY 1998	Enacted FY 1999	Enacted FY 2000
Morehead State University	32,946,500	34,597,000	36,164,000
Murray State University	45,417,300	47,564,500	49,372,000
Northern Kentucky University	44,329,200	46,341,600	48,500,800
University of Kentucky	656,442,000	683,978,500	703,883,000
University of Louisville	216,742,500	222,614,500	229,174,500
Western Kentucky University	60,522,800	63,188,500	65,245,500
Kentucky Community and Technical College System		88,648,500	91,035,500
University of Kentucky Community College System	74,860,000		
<b>Total</b>	1,238,816,500	1,304,116,200	1,344,494,700
<b>PUBLIC PROTECTION AND REGULATION</b>			
Board of Claims/Crime Victims Compensation	1,290,500	1,420,500	1,445,500
Alcoholic Beverage Control	667,100	802,500	787,500
Financial Institutions	9,385,500	9,556,000	9,807,500
Kentucky Racing Commission	15,549,200	14,017,000	13,719,500
Housing, Buildings, and Construction	29,225,000	25,409,500	27,426,500
Insurance	22,133,500	22,574,000	23,206,500
Mines and Minerals	867,100	810,000	810,000
Public Advocacy	4,182,900	3,689,000	3,895,000
Public Service Commission	22,500	22,500	22,500
Office of the Secretary	41,012,300	41,836,500	42,384,500
<b>Total</b>	124,335,600	120,137,500	123,505,000
<b>REVENUE</b>			
Revenue Cabinet	2,988,800	2,928,000	2,722,000
Property Value Administrators	2,171,500	2,387,500	2,549,500
<b>Total</b>	5,160,300	5,315,500	5,271,500
<b>TOURISM DEVELOPMENT</b>			
Travel Development	9,000	4,000	4,000
Parks	41,356,500	44,483,000	45,684,500
Kentucky Horse Park	3,939,300	3,859,000	3,982,000
Kentucky State Fair Board	24,252,500	26,129,000	27,702,000
Fish and Wildlife Resources	20,629,000	23,262,000	24,492,500
<b>Total</b>	90,186,300	97,737,000	101,865,000
<b>TRANSPORTATION</b>			
Air Transportation	53,500	29,500	30,500
Public Transportation		48,038,500	50,068,500
Highways	178,893,000	63,328,000	27,065,000
Vehicle Regulation	2,280,000	2,472,500	2,572,000
General Administration and Support	20,696,000	21,198,000	22,142,000
<b>Total</b>	201,922,500	135,066,500	101,878,000

**AGENCY FUND - APPROPRIATED**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>WORKFORCE DEVELOPMENT</b>			
General Administration and Program Support	4,965,500	5,247,500	5,474,000
Technical Education	38,078,700	18,654,500	19,416,000
Adult Education and Literacy	968,500	874,000	915,500
Vocational Rehabilitation	2,384,000	2,391,500	2,406,500
Department for the Blind	3,497,000	3,275,000	3,168,000
State Board for Proprietary Education	235,000	110,500	116,000
Training and Reemployment	17,500	17,500	17,500
Employment Services	5,762,000	5,889,500	6,021,000
<b>Total</b>	<b>55,908,200</b>	<b>36,460,000</b>	<b>37,534,500</b>
<b>Grand Total - EXECUTIVE BRANCH</b>	<b>2,913,598,500</b>	<b>2,835,455,600</b>	<b>2,833,032,300</b>
Legislative Branch	620,600	240,000	190,000
Judicial Branch	4,230,500	4,402,000	4,440,000
Capital Construction		700,000	700,000
<b>Grand Total - STATE GOVERNMENT</b>	<b>2,918,449,600</b>	<b>2,840,797,600</b>	<b>2,838,362,300</b>

**FEDERAL FUND - AVAILABLE**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>GOVERNMENT OPERATIONS</b>			
Attorney General	1,606,500	1,639,500	1,595,500
Unified Prosecutorial System			
County Attorneys	72,500	245,000	254,000
Commonwealth's Attorneys	694,000	642,500	668,000
Subtotal	<u>766,500</u>	<u>887,500</u>	<u>922,000</u>
Agriculture	3,129,000	1,924,500	1,922,400
Military Affairs	34,997,000	8,958,500	8,960,000
Local Government	39,311,000	38,381,000	38,685,500
Commission on Human Rights	109,500	189,500	189,500
Commission on Women	4,500		
<b>Total</b>	<u>79,924,000</u>	<u>51,980,500</u>	<u>52,274,900</u>
<b>ECONOMIC DEVELOPMENT</b>			
Community Development	343,500	185,500	166,500
<b>EDUCATION</b>			
Executive Policy and Management	504,500	520,000	536,000
Management Support Services	131,917,500	135,875,000	139,960,800
Learning Results Services	2,294,000		
Learning Support Services	206,979,000	213,131,000	219,492,500
<b>Total</b>	<u>341,695,000</u>	<u>349,526,000</u>	<u>359,989,300</u>
<b>EDUCATION, ARTS AND HUMANITIES</b>			
Kentucky Arts Council	638,500	514,500	438,500
Kentucky Heritage Council	792,000	792,000	792,000
Kentucky Educational Television	455,500		
Kentucky Historical Society	183,500	645,500	197,500
Libraries and Archives	2,519,500	2,022,500	2,044,000
<b>Total</b>	<u>4,589,000</u>	<u>3,974,500</u>	<u>3,472,000</u>
<b>FAMILIES AND CHILDREN</b>			
Administration Services	6,688,000	6,889,000	7,095,500
Social Insurance			
Administration	143,683,700	155,032,900	161,197,100
Benefits	172,368,900	158,976,500	161,987,000
Subtotal	<u>316,052,600</u>	<u>314,009,400</u>	<u>323,184,100</u>
Social Services	141,567,500	141,908,700	143,607,400
Aging Services	16,844,400	16,844,500	16,844,500
<b>Total</b>	<u>481,152,500</u>	<u>479,651,600</u>	<u>490,731,500</u>

**FEDERAL FUND - AVAILABLE**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>FINANCE AND ADMINISTRATION</b>			
General Administration	58,082,000	58,133,000	58,132,000
<b>HEALTH SERVICES</b>			
Medicaid Services			
Administration	34,433,500	22,375,000	23,278,500
Benefits	1,950,438,500	2,012,413,600	1,988,328,000
Subtotal	<u>1,984,872,000</u>	<u>2,034,788,600</u>	<u>2,011,606,500</u>
Mental Health/Mental Retardation	35,186,600	35,275,000	35,114,500
Public Health	113,338,000	115,765,000	116,474,000
Children with Special Health Care Needs	6,330,500	5,887,000	4,497,000
Administrative Support	6,983,000	57,133,000	57,451,500
<b>Total</b>	<u>2,146,710,100</u>	<u>2,248,848,600</u>	<u>2,225,143,500</u>
<b>JUSTICE</b>			
Justice Operations			
State Police	6,640,000	9,572,500	9,935,000
Justice Administration	11,642,500	13,291,000	13,493,000
Juvenile Justice	17,564,000	15,057,000	15,057,000
Subtotal	<u>35,846,500</u>	<u>37,920,500</u>	<u>38,485,000</u>
Corrections			
Corrections Management	601,000	35,500	35,500
Community Services and Local Facilities	2,336,500	2,313,500	1,412,000
Adult Correctional Institutions	4,004,000	4,012,000	2,861,500
Subtotal	<u>6,941,500</u>	<u>6,361,000</u>	<u>4,309,000</u>
<b>Total</b>	<u>42,788,000</u>	<u>44,281,500</u>	<u>42,794,000</u>
<b>LABOR</b>			
Workplace Standards	2,880,000	2,828,500	2,828,500
Kentucky Occupational Safety and Health Review Commission	161,000	174,500	174,500
<b>Total</b>	<u>3,041,000</u>	<u>3,003,000</u>	<u>3,003,000</u>
<b>NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION</b>			
General Administration and Support	2,057,500	2,065,000	2,166,000
Environmental Protection	13,452,000	18,731,500	16,191,500
Natural Resources	2,683,000	2,626,500	2,627,500
Surface Mining Reclamation	15,625,000	15,808,500	16,196,500
Abandoned Mine Lands Reclamation Projects'	22,456,000	22,456,000	22,456,000
Nature Preserves Commission	30,000	25,000	25,000
<b>Total</b>	<u>56,303,500</u>	<u>61,712,500</u>	<u>59,662,500</u>

**FEDERAL FUND - AVAILABLE**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>POSTSECONDARY EDUCATION</b>			
Council on Postsecondary Education	3,984,500	4,057,000	4,063,500
Kentucky Higher Education Assistance Authority	623,000	325,000	325,000
Eastern Kentucky University	21,414,800	21,414,800	21,414,800
Kentucky State University	11,289,900	11,617,300	11,942,500
Morehead State University	31,478,500	33,173,500	35,555,000
Murray State University	7,467,500	6,819,000	7,214,500
Northern Kentucky University	4,761,500	4,761,500	4,761,500
University of Kentucky	75,418,000	81,237,500	82,831,000
University of Louisville	25,121,000	25,121,000	25,121,500
Western Kentucky University	13,695,000	15,200,000	15,200,000
Kentucky Community and Technical College System		37,794,000	38,271,500
University of Kentucky Community College System	29,766,000		
<b>Total</b>	<b>225,019,700</b>	<b>241,520,600</b>	<b>246,700,800</b>
<b>PUBLIC PROTECTION AND REGULATION</b>			
Board of Claims/Crime Victims Compensation	365,700	365,500	365,500
Mines and Minerals	695,500	654,000	615,500
Public Advocacy	1,106,700	1,192,500	1,347,500
Public Service Commission	242,100	219,000	229,000
<b>Total</b>	<b>2,410,000</b>	<b>2,431,000</b>	<b>2,557,500</b>
<b>REVENUE</b>			
Revenue Cabinet	90,000	40,000	40,000
<b>TOURISM DEVELOPMENT</b>			
Secretary	129,700		
Travel Development	6,000		
Parks	600		
Fish and Wildlife Resources	7,547,500	7,164,000	7,331,500
<b>Total</b>	<b>7,683,800</b>	<b>7,164,000</b>	<b>7,331,500</b>
<b>TRANSPORTATION</b>			
Air Transportation	14,000	359,000	359,000
Public Transportation	4,057,000	5,967,000	5,072,500
Highways	340,159,000	397,753,000	381,756,000
Vehicle Regulation	4,000	-55,500	-55,500
<b>Total</b>	<b>344,234,000</b>	<b>404,023,500</b>	<b>387,132,000</b>
<b>WORKFORCE DEVELOPMENT</b>			
General Administration and Program Support	9,924,500	5,734,000	2,012,500
Technical Education	23,490,300	15,650,000	15,200,000
Adult Education and Literacy	8,090,500	8,288,500	8,689,000

**FEDERAL FUND - AVAILABLE**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
Vocational Rehabilitation	35,842,500	37,651,500	39,069,500
Department for the Blind	7,675,000	6,871,000	6,457,500
Governor's Council on Vocational Education	152,500		
Job Training Coordinating Council	138,900	132,500	139,000
Training and Reemployment	42,664,500	36,807,000	40,493,000
Employment Services	276,437,500	298,013,000	302,778,000
<b>Total</b>	<b>404,416,200</b>	<b>409,147,500</b>	<b>414,838,500</b>
<b>Grand Total - EXECUTIVE BRANCH</b>	<b>4,198,482,300</b>	<b>4,365,623,300</b>	<b>4,353,969,500</b>
Judicial Branch	1,016,500	610,000	444,000
<b>Grand Total - STATE GOVERNMENT</b>	<b>4,199,498,800</b>	<b>4,366,233,300</b>	<b>4,354,413,500</b>

**FEDERAL FUND - APPROPRIATED**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>GOVERNMENT OPERATIONS</b>			
Attorney General	1,606,500	1,639,500	1,595,500
Unified Prosecutorial System			
County Attorneys	69,500	163,500	172,500
Commonwealth's Attorneys	678,000	634,000	667,500
Subtotal	<u>747,500</u>	<u>797,500</u>	<u>840,000</u>
Agriculture	3,096,500	1,894,100	1,898,000
Military Affairs	34,997,000	8,958,500	8,960,000
Local Government	38,964,000	38,381,000	38,685,500
Commission on Human Rights	109,500	189,500	189,500
Commission on Women	4,500		
<b>Total</b>	<u>79,525,500</u>	<u>51,860,100</u>	<u>52,168,500</u>
<b>ECONOMIC DEVELOPMENT</b>			
Community Development	318,000	179,000	160,000
<b>EDUCATION</b>			
Executive Policy and Management	484,500	510,000	526,000
Management Support Services	131,917,500	135,865,200	139,926,000
Learning Results Services	2,294,000		
Learning Support Services	206,858,500	213,027,500	219,417,500
<b>Total</b>	<u>341,554,500</u>	<u>349,402,700</u>	<u>359,869,500</u>
<b>EDUCATION, ARTS AND HUMANITIES</b>			
Kentucky Arts Council	509,000	476,000	416,000
Kentucky Heritage Council	792,000	792,000	792,000
Kentucky Educational Television	455,500		
Kentucky Historical Society	138,000	625,000	186,000
Libraries and Archives	2,515,500	2,018,500	2,040,000
<b>Total</b>	<u>4,410,000</u>	<u>3,911,500</u>	<u>3,434,000</u>
<b>FAMILIES AND CHILDREN</b>			
Administration Services	6,688,000	6,889,000	7,095,500
Social Insurance	316,052,600	314,009,400	323,184,100
Administration	143,683,700	155,032,900	161,197,100
Benefits	172,368,900	158,976,500	161,987,000
Subtotal	<u>316,052,600</u>	<u>314,009,400</u>	<u>323,184,100</u>
Social Services	141,567,500	141,908,700	143,607,400
Aging Services	16,844,400	16,844,500	16,844,500
<b>Total</b>	<u>481,152,500</u>	<u>479,651,600</u>	<u>490,731,500</u>

**FEDERAL FUND - APPROPRIATED**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>FINANCE AND ADMINISTRATION</b>			
General Administration	58,081,000	58,133,000	58,132,000
<b>HEALTH SERVICES</b>			
Medicaid Services			
Administration	34,433,500	22,375,000	23,278,500
Benefits	1,870,964,200	2,012,413,600	1,988,328,000
Subtotal	<u>1,905,397,700</u>	<u>2,034,788,600</u>	<u>2,011,606,500</u>
Mental Health/Mental Retardation	35,035,100	35,150,500	34,990,000
Public Health	113,338,000	115,765,000	116,474,000
Children with Special Health Care Needs	5,030,500	5,887,000	4,497,000
Administrative Support	6,983,000	57,133,000	57,451,500
<b>Total</b>	<u>2,065,784,300</u>	<u>2,248,724,100</u>	<u>2,225,019,000</u>
<b>JUSTICE</b>			
Justice Operations			
State Police	6,160,000	9,068,500	9,433,000
Justice Administration	11,142,500	12,791,000	12,993,000
Juvenile Justice	17,564,000	15,057,000	15,057,000
Subtotal	<u>34,866,500</u>	<u>36,916,500</u>	<u>37,483,000</u>
Corrections			
Corrections Management	565,500		
Community Services and Local Facilities	173,000	1,053,500	1,412,000
Adult Correctional Institutions	1,167,500	2,030,500	2,861,500
Subtotal	<u>1,906,000</u>	<u>3,084,000</u>	<u>4,273,500</u>
<b>Total</b>	<u>36,772,500</u>	<u>40,000,500</u>	<u>41,756,500</u>
<b>LABOR</b>			
Workplace Standards	2,880,000	2,828,500	2,828,500
Kentucky Occupational Safety and Health Review Commission	161,000	174,500	174,500
<b>Total</b>	<u>3,041,000</u>	<u>3,003,000</u>	<u>3,003,000</u>
<b>NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION</b>			
General Administration and Support	2,057,500	2,065,000	2,166,000
Environmental Protection	13,452,000	18,731,500	16,191,500
Natural Resources	2,683,000	2,626,500	2,627,500
Surface Mining Reclamation	15,625,000	15,808,500	16,196,500
Abandoned Mine Lands Reclamation Projects'	22,456,000	22,456,000	22,456,000
Nature Preserves Commission	30,000	25,000	25,000
<b>Total</b>	<u>56,303,500</u>	<u>61,712,500</u>	<u>59,662,500</u>

**FEDERAL FUND - APPROPRIATED**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>POSTSECONDARY EDUCATION</b>			
Council on Postsecondary Education	3,984,500	4,057,000	4,063,500
Kentucky Higher Education Assistance Authority	623,000	325,000	325,000
Eastern Kentucky University	21,414,800	21,414,800	21,414,800
Kentucky State University	11,289,900	11,617,300	11,942,500
Morehead State University	31,478,500	33,173,500	35,555,000
Murray State University	7,467,500	6,819,000	7,214,500
Northern Kentucky University	4,761,500	4,761,500	4,761,500
University of Kentucky	75,418,000	81,237,500	82,831,000
University of Louisville	25,121,000	25,121,000	25,121,500
Western Kentucky University	13,695,000	15,200,000	15,200,000
Kentucky Community and Technical College System		37,794,000	38,271,500
University of Kentucky Community College System	29,766,000		
<b>Total</b>	<b>225,019,700</b>	<b>241,520,600</b>	<b>246,700,800</b>
<b>PUBLIC PROTECTION AND REGULATION</b>			
Board of Claims/Crime Victims Compensation	351,200	351,000	351,000
Mines and Minerals	671,000	629,500	591,000
Public Advocacy	1,087,200	1,075,000	1,128,000
Public Service Commission	242,100	219,000	229,000
<b>Total</b>	<b>2,351,500</b>	<b>2,274,500</b>	<b>2,299,000</b>
<b>REVENUE</b>			
Revenue Cabinet	90,000	40,000	40,000
<b>TOURISM DEVELOPMENT</b>			
Secretary	129,700		
Travel Development	6,000		
Parks	600		
Fish and Wildlife Resources	7,547,500	7,164,000	7,331,500
<b>Total</b>	<b>7,683,800</b>	<b>7,164,000</b>	<b>7,331,500</b>
<b>TRANSPORTATION</b>			
Air Transportation	14,000	359,000	359,000
Public Transportation	4,086,500	5,996,500	5,102,000
Highways	341,005,500	398,599,500	382,602,500
Vehicle Regulation	1,559,500	1,500,000	1,500,000
<b>Total</b>	<b>346,665,500</b>	<b>406,455,000</b>	<b>389,563,500</b>
<b>WORKFORCE DEVELOPMENT</b>			
General Administration and Program Support	9,915,000	5,722,500	2,012,500
Technical Education	23,490,300	15,650,000	15,200,000
Adult Education and Literacy	8,045,000	8,243,000	8,643,000
Vocational Rehabilitation	35,842,500	37,651,500	39,069,500
Department for the Blind	7,675,000	6,871,000	6,457,500
Governor's Council on Vocational Education	152,500		

FEDERAL FUND - APPROPRIATED

<u>Cabinet/Agency</u>	<u>Revised FY 1998</u>	<u>Enacted FY 1999</u>	<u>Enacted FY 2000</u>
Job Training Coordinating Council	138,900	132,500	139,000
Training and Reemployment	42,664,500	36,807,000	40,493,000
Employment Services	276,432,500	298,008,000	302,773,000
<b>Total</b>	<u>404,356,200</u>	<u>409,085,500</u>	<u>414,787,500</u>
<b>Grand Total - EXECUTIVE BRANCH</b>	<u>4,113,109,500</u>	<u>4,363,117,600</u>	<u>4,354,658,800</u>
Judicial Branch	1,016,500	610,000	444,000
<b>Grand Total - STATE GOVERNMENT</b>	<u>4,114,126,000</u>	<u>4,363,727,600</u>	<u>4,355,102,800</u>

**ROAD FUND - AVAILABLE**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>FINANCE AND ADMINISTRATION</b>			
General Administration	125,000	125,000	125,000
Administration	246,000	257,000	270,000
<b>Total</b>	<b>371,000</b>	<b>382,000</b>	<b>395,000</b>
<b>JUSTICE</b>			
Justice Operations			
State Police	40,407,000	35,000,000	30,000,000
<b>REVENUE</b>			
Revenue Cabinet	1,352,000	1,352,000	1,352,000
<b>TRANSPORTATION</b>			
Revenue Sharing	203,464,000	204,091,500	208,717,000
Highways	510,446,500	533,333,500	563,045,500
Vehicle Regulation	24,876,000	27,408,000	29,304,000
Debt Service	152,330,000	153,027,500	168,633,500
General Administration and Support	52,563,500	56,686,500	63,202,000
Judgments	5,983,500		
<b>Total</b>	<b>949,663,500</b>	<b>974,547,000</b>	<b>1,032,902,000</b>
<b>Grand Total - EXECUTIVE BRANCH</b>	<b>991,793,500</b>	<b>1,011,281,000</b>	<b>1,064,649,000</b>
<b>Grand Total - STATE GOVERNMENT</b>	<b>991,793,500</b>	<b>1,011,281,000</b>	<b>1,064,649,000</b>

**ROAD FUND - APPROPRIATED**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>FINANCE AND ADMINISTRATION</b>			
General Administration	125,000	125,000	125,000
Administration	246,000	257,000	270,000
<b>Total</b>	<b>371,000</b>	<b>382,000</b>	<b>395,000</b>
<b>JUSTICE</b>			
Justice Operations			
State Police	40,407,000	35,000,000	30,000,000
<b>REVENUE</b>			
Revenue Cabinet	1,352,000	1,352,000	1,352,000
<b>TRANSPORTATION</b>			
Revenue Sharing	203,464,000	204,091,500	208,717,000
Highways	510,446,500	533,333,500	563,045,500
Vehicle Regulation	24,876,000	27,408,000	29,304,000
Debt Service	152,330,000	153,027,500	168,633,500
General Administration and Support	52,563,500	56,686,500	63,202,000
Judgments	5,983,500		
<b>Total</b>	<b>949,663,500</b>	<b>974,547,000</b>	<b>1,032,902,000</b>
<b>Grand Total - EXECUTIVE BRANCH</b>	<b>991,793,500</b>	<b>1,011,281,000</b>	<b>1,064,649,000</b>
<b>Grand Total - STATE GOVERNMENT</b>	<b>991,793,500</b>	<b>1,011,281,000</b>	<b>1,064,649,000</b>

**ROAD FUND - CURRENT YEAR APPROPRIATION**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>
<b>TRANSPORTATION</b>	
Vehicle Regulation	2,300,000
<b>Grand Total - EXECUTIVE BRANCH</b>	2,300,000
<b>Grand Total - STATE GOVERNMENT</b>	2,300,000

## BOND FUNDS

Cabinet/Agency	Revised FY 1998	Enacted FY 1999
<b>GOVERNMENT OPERATIONS</b>		
Military Affairs		1,200,000
Local Government		5,000,000
<b>Total</b>		<u>6,200,000</u>
<b>ECONOMIC DEVELOPMENT</b>		
Financial Incentives		7,000,000
<b>EDUCATION, ARTS AND HUMANITIES</b>		
School Facilities Construction Commission		201,000,000
<b>FINANCE AND ADMINISTRATION</b>		
General Administration		10,600,000
Facilities Management		2,500,000
<b>Total</b>		<u>13,100,000</u>
<b>JUSTICE</b>		
Justice Operations		
State Police		25,902,000
Juvenile Justice		26,981,000
Subtotal		<u>52,883,000</u>
Corrections		
Corrections Management		25,918,000
<b>Total</b>		<u>78,801,000</u>
<b>NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION</b>		
Kentucky River Authority		2,000,000
<b>POSTSECONDARY EDUCATION</b>		
Council on Postsecondary Education		117,963,000
Kentucky Higher Education Assistance Authority		9,000,000
Eastern Kentucky University		40,000,000
Kentucky State University		8,250,000
Morehead State University		20,000,000
Murray State University		10,184,000
Northern Kentucky University		36,500,000
University of Kentucky		63,600,000
University of Louisville		32,040,000
Western Kentucky University		18,500,000
Kentucky Community and Technical College System	3,200,000	115,862,000
<b>Total</b>	<u>3,200,000</u>	<u>471,899,000</u>

**BOND FUNDS**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>
<b>PUBLIC PROTECTION AND REGULATION</b>		
Public Service Commission		1,100,000
<b>TOURISM DEVELOPMENT</b>		
Parks		5,500,000
<b>TRANSPORTATION</b>		
General Administration and Support		68,100,000
<b>Grand Total - EXECUTIVE BRANCH</b>	<u>3,200,000</u>	<u>854,700,000</u>
<b>Grand Total - STATE GOVERNMENT</b>	<u>3,200,000</u>	<u>854,700,000</u>

**HIGHWAY BONDS**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>TRANSPORTATION</b>			
Highways		100,000,000	105,000,000
<b>Grand Total - EXECUTIVE BRANCH</b>		100,000,000	105,000,000
<b>Grand Total - STATE GOVERNMENT</b>		100,000,000	105,000,000

## INVESTMENT INCOME

Cabinet/Agency	Revised FY 1998	Enacted FY 1999	Enacted FY 2000
<b>GOVERNMENT OPERATIONS</b>			
Military Affairs		1,300,000	1,300,000
<b>EDUCATION, ARTS AND HUMANITIES</b>			
Kentucky Center for the Arts		350,000	150,000
<b>FAMILIES AND CHILDREN</b>			
Administration Services		300,000	300,000
<b>FINANCE AND ADMINISTRATION</b>			
General Administration		1,121,000	
Facilities Management	698,000	17,249,000	3,475,000
<b>Total</b>	698,000	18,370,000	3,475,000
<b>HEALTH SERVICES</b>			
Mental Health/Mental Retardation		850,000	450,000
<b>JUSTICE</b>			
Justice Operations			
State Police		200,000	200,000
Juvenile Justice		400,000	400,000
Subtotal		600,000	600,000
Corrections			
Corrections Management		1,850,000	1,400,000
<b>Total</b>		2,450,000	2,000,000
<b>NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION</b>			
General Administration and Support		100,000	100,000
Environmental Protection		500,000	500,000
Natural Resources		200,000	
<b>Total</b>		800,000	600,000
<b>REVENUE</b>			
Revenue Cabinet		425,000	
<b>TOURISM DEVELOPMENT</b>			
Parks		4,200,000	4,200,000
Kentucky Horse Park		1,557,000	375,000
Kentucky State Fair Board		300,000	
<b>Total</b>		6,057,000	4,575,000

**INVESTMENT INCOME**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>WORKFORCE DEVELOPMENT</b>			
General Administration and Program Support		250,000	250,000
<b>Grand Total - EXECUTIVE BRANCH</b>	698,000	31,152,000	13,100,000
<b>Grand Total - STATE GOVERNMENT</b>	698,000	31,152,000	13,100,000

**OTHER FUNDS**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>EDUCATION, ARTS AND HUMANITIES</b>			
Kentucky Historical Society	1,599,000	1,948,000	
<b>KENTUCKY LOTTERY CORPORATION</b>		37,826,000	6,209,000
<b>NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION</b>			
Nature Preserves Commission		300,000	300,000
<b>POSTSECONDARY EDUCATION</b>			
Kentucky State University			1,715,000
Murray State University		4,000,000	
Northern Kentucky University		23,600,000	
University of Louisville		26,622,000	10,865,000
Western Kentucky University		3,365,000	10,800,000
<b>Total</b>		<u>57,587,000</u>	<u>23,380,000</u>
<b>Grand Total - EXECUTIVE BRANCH</b>	<u>1,599,000</u>	<u>97,661,000</u>	<u>29,889,000</u>
<b>Grand Total - STATE GOVERNMENT</b>	<u>1,599,000</u>	<u>97,661,000</u>	<u>29,889,000</u>

## CAPITAL CONSTRUCTION SURPLUS

<u>Cabinet/Agency</u>	<u>Revised FY 1998</u>	<u>Enacted FY 1999</u>
<b>EDUCATION</b>		
Management Support Services		282,000
<b>EDUCATION, ARTS AND HUMANITIES</b>		
Kentucky Educational Television		1,100,000
<b>HEALTH SERVICES</b>		
Mental Health/Mental Retardation	1,100,000	
<b>JUSTICE</b>		
State Police		80,000
<b>TOURISM DEVELOPMENT</b>		
Kentucky Horse Park	377,000	
<b>Grand Total - EXECUTIVE BRANCH</b>	<u>1,477,000</u>	<u>1,462,000</u>
<b>Grand Total - STATE GOVERNMENT</b>	<u>1,477,000</u>	<u>1,462,000</u>

**ALL FUNDS - AVAILABLE**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>GOVERNMENT OPERATIONS</b>			
Executive Office of the Governor			
Office of the Governor	7,883,500	10,206,000	10,556,500
Governor's Office for Policy and Management	2,638,400	2,947,500	3,145,000
State Planning Fund	500,000	500,000	500,000
Subtotal	<u>11,021,900</u>	<u>13,653,500</u>	<u>14,201,500</u>
Secretary of State	2,734,200	2,965,300	3,122,800
Board of Elections	3,470,000	4,139,800	4,212,100
Treasury	2,028,200	2,232,500	2,289,200
Attorney General	22,122,400	20,186,500	20,562,200
Unified Prosecutorial System	34,486,400	37,739,400	39,645,100
County Attorneys	16,011,200	17,756,400	18,659,200
Commonwealth's Attorneys	18,475,200	19,983,000	20,985,900
Subtotal	<u>34,486,400</u>	<u>37,739,400</u>	<u>39,645,100</u>
Auditor of Public Accounts	8,406,100	9,776,300	10,204,900
Agriculture	24,947,600	30,605,600	25,977,400
Military Affairs	61,726,600	30,613,500	31,625,800
Personnel Board	499,600	533,800	549,300
Local Government	47,635,300	50,928,900	50,818,900
Special Funds	73,903,900	77,912,400	84,256,700
Commission on Human Rights	2,161,700	2,213,900	2,270,900
Commission on Women	244,200	246,600	254,100
Kentucky Retirement Systems	11,565,000	14,588,600	15,613,500
Kentucky Kare Health Insurance Authority	895,500	1,003,000	1,042,500
Registry of Election Finance	1,658,300	2,725,600	2,409,000
Boards and Commissions	25,024,900	26,428,800	25,020,800
Governmental Services Center	1,718,000	1,565,300	1,428,300
Executive Branch Ethics Commission	265,300	277,700	285,400
Appropriations Not Otherwise Classified	5,948,200	4,463,500	4,503,500
Appropriations Not Otherwise Classified-Judgments	245,858,000	10,000,000	
Kentucky Veterans Center	19,063,500	18,102,300	17,241,400
<b>Total</b>	<u>607,384,800</u>	<u>362,902,800</u>	<u>357,535,300</u>
<b>ECONOMIC DEVELOPMENT</b>			
Secretary	2,057,200	3,483,000	4,491,000
Administration	2,059,900	2,176,000	2,231,000
Job Development	2,051,000	2,333,000	2,413,000
Financial Incentives	16,271,300	15,574,000	15,059,000
Debt Service	51,815,000	0	666,000
Community Development	3,873,800	3,470,500	3,568,500
<b>Total</b>	<u>78,128,200</u>	<u>27,036,500</u>	<u>28,428,500</u>

**ALL FUNDS - AVAILABLE**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>EDUCATION</b>			
SEEK	2,029,385,300	2,114,755,500	2,184,668,000
Executive Policy and Management	4,202,200	4,449,400	4,608,400
Management Support Services	417,139,700	420,862,100	439,482,400
Learning Results Services	33,736,600	35,582,800	33,132,900
Learning Support Services	374,318,200	389,724,200	417,353,200
<b>Total</b>	<b>2,858,782,000</b>	<b>2,965,374,000</b>	<b>3,079,244,900</b>
<b>EDUCATION, ARTS AND HUMANITIES</b>			
Secretary	1,928,800	2,638,600	2,730,100
Kentucky Arts Council	5,085,400	4,999,300	5,024,600
Teachers' Retirement System	70,009,300	72,758,700	80,561,100
School Facilities Construction Commission	63,755,200	62,362,500	70,864,000
Deaf and Hard of Hearing	722,300	975,300	1,053,200
Kentucky Heritage Council	1,680,600	1,805,400	1,845,400
Kentucky Educational Television	19,372,900	15,600,200	15,866,000
Kentucky Historical Society	5,569,400	6,545,600	6,557,600
Libraries and Archives	17,618,200	16,875,700	16,954,000
Kentucky Center for the Arts	3,135,400	625,500	625,500
Environmental Education Council	327,000	381,500	328,500
<b>Total</b>	<b>189,204,500</b>	<b>185,568,300</b>	<b>202,410,000</b>
<b>FAMILIES AND CHILDREN</b>			
Administration Services	26,290,800	18,837,500	17,439,500
Social Insurance			
Administration	234,885,400	250,173,100	260,919,800
Benefits	269,288,300	241,664,000	237,720,500
Subtotal	504,173,700	491,837,100	498,640,300
Social Services	297,232,800	312,448,700	329,840,400
Aging Services	40,013,900	46,966,700	52,821,800
<b>Total</b>	<b>867,711,200</b>	<b>870,090,000</b>	<b>898,742,000</b>
<b>FINANCE AND ADMINISTRATION</b>			
General Administration	72,902,400	73,297,000	72,716,000
Debt Service	30,586,000	142,743,000	169,864,000
County Costs	17,719,600	17,719,500	17,719,500
County Fees	54,834,500	63,223,500	65,250,500
Administration	24,316,100	14,232,000	14,828,000
Facilities Management	25,256,600	28,225,000	28,908,000
Information Systems	47,654,500	49,767,500	51,016,500
<b>Total</b>	<b>273,269,700</b>	<b>389,207,500</b>	<b>420,302,500</b>

**ALL FUNDS - AVAILABLE**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>HEALTH SERVICES</b>			
Medicaid Services			
Administration	60,295,600	49,051,200	49,821,600
Benefits	2,782,439,400	2,909,010,100	2,838,379,500
Subtotal	<u>2,842,735,000</u>	<u>2,958,061,300</u>	<u>2,888,201,100</u>
Mental Health/Mental Retardation	301,410,000	311,116,200	321,676,100
Public Health	174,573,000	181,164,300	182,207,700
Children with Special Health Care Needs	17,138,300	15,475,700	15,787,600
Certificate of Need	1,057,100	959,200	846,900
Administrative Support	26,638,900	84,879,400	85,582,500
<b>Total</b>	<u>3,363,552,300</u>	<u>3,551,656,100</u>	<u>3,494,301,900</u>
<b>JUSTICE</b>			
Justice Operations			
Criminal Justice Training	28,516,500	30,984,100	33,425,300
State Police	109,443,100	115,219,700	125,539,200
Justice Administration	26,870,000	30,738,100	30,045,900
Juvenile Justice	69,811,700	80,860,900	95,513,000
Subtotal	<u>234,641,300</u>	<u>257,802,800</u>	<u>284,523,400</u>
Corrections			
Corrections Management	27,437,700	7,171,700	9,975,700
Community Services and Local Facilities	59,452,700	66,599,400	71,582,200
Local Jail Support	14,944,300	14,568,500	14,568,500
Adult Correctional Institutions	182,135,800	199,286,300	207,497,100
Subtotal	<u>283,970,500</u>	<u>287,625,900</u>	<u>303,623,500</u>
<b>Total</b>	<u>518,611,800</u>	<u>545,428,700</u>	<u>588,146,900</u>
<b>LABOR</b>			
General Administration and Support	4,451,800	5,002,500	5,020,800
Workplace Standards	212,178,600	155,530,700	157,321,000
Workers' Claims	15,182,500	14,994,000	15,637,000
Kentucky Occupational Safety and Health Review Commission	454,500	483,500	494,000
Kentucky Workers' Compensation Funding Commission	452,169,000	338,595,000	283,042,000
<b>Total</b>	<u>684,436,400</u>	<u>514,605,700</u>	<u>461,514,800</u>

**ALL FUNDS - AVAILABLE**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION</b>			
General Administration and Support	11,224,900	11,347,200	11,627,700
Environmental Protection	64,823,500	68,110,200	63,890,800
Natural Resources	20,789,400	22,495,200	21,347,300
Surface Mining Reclamation	58,031,800	57,485,700	57,720,100
Abandoned Mine Lands Reclamation Projects'	22,456,000	22,456,000	22,456,000
Kentucky River Authority	3,124,100	2,482,000	2,284,500
Environmental Quality Commission	254,900	255,100	251,800
Nature Preserves Commission	1,827,200	1,715,200	1,423,800
<b>Total</b>	<b>182,531,800</b>	<b>186,346,600</b>	<b>181,002,000</b>
<b>PERSONNEL</b>			
Personnel	33,417,800	36,900,900	40,002,100
<b>POSTSECONDARY EDUCATION</b>			
Council on Postsecondary Education	30,706,300	58,308,200	107,385,900
Kentucky Higher Education Assistance Authority	44,780,500	46,967,700	47,183,200
Eastern Kentucky University	166,719,200	170,686,600	175,287,400
Kentucky State University	42,565,000	47,874,400	49,201,300
Morehead State University	101,248,100	104,460,100	109,840,700
Murray State University	96,811,000	100,077,800	101,610,600
Northern Kentucky University	82,347,000	85,006,000	87,984,000
University of Kentucky	1,004,483,000	1,051,922,700	1,077,549,300
University of Louisville	396,077,100	405,833,000	417,653,500
Western Kentucky University	130,832,000	136,461,000	140,035,000
Kentucky Community and Technical College System	11,768,700	284,186,900	293,602,400
University of Kentucky Community College System	192,030,500		
<b>Total</b>	<b>2,300,368,400</b>	<b>2,491,784,400</b>	<b>2,607,333,300</b>
<b>PUBLIC PROTECTION AND REGULATION</b>			
Board of Claims/Crime Victims Compensation	3,189,200	3,527,400	3,846,400
Alcoholic Beverage Control	3,071,500	3,500,500	3,531,000
Financial Institutions	11,287,000	10,609,500	9,807,500
Kentucky Racing Commission	19,343,100	17,298,800	17,441,600
Housing, Buildings, and Construction	40,326,700	37,386,100	37,798,900
Insurance	45,237,100	35,799,600	36,298,600
Mines and Minerals	12,144,300	12,631,800	12,278,400
Public Advocacy	20,112,600	22,185,400	22,433,400
Public Service Commission	7,952,500	9,568,900	8,907,900
Office of the Secretary	135,497,400	140,263,000	145,242,000
Board of Tax Appeals	541,200	410,200	422,000
<b>Total</b>	<b>298,702,600</b>	<b>293,181,200</b>	<b>298,007,700</b>

**ALL FUNDS - AVAILABLE**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>REVENUE</b>			
Revenue Cabinet	63,267,800	63,259,100	64,588,100
Property Value Administrators	24,341,100	25,651,500	26,395,500
<b>Total</b>	<b>87,608,900</b>	<b>88,910,600</b>	<b>90,983,600</b>
<b>TOURISM DEVELOPMENT</b>			
Secretary	1,418,600	1,232,800	1,276,100
Breaks Interstate Park	200,000	200,000	200,000
Travel Development	6,390,100	6,996,400	7,181,800
Parks	77,688,000	73,859,800	76,520,100
Kentucky Horse Park	6,964,000	5,687,500	5,811,000
Kentucky State Fair Board	39,612,500	29,561,500	30,352,500
Fish and Wildlife Resources	50,875,000	50,662,500	48,368,000
<b>Total</b>	<b>183,148,200</b>	<b>168,200,500</b>	<b>169,709,500</b>
<b>TRANSPORTATION</b>			
Air Transportation	5,275,200	5,633,200	5,700,200
Revenue Sharing	203,464,000	204,091,500	208,717,000
Rail Transportation	66,800	69,500	72,000
Public Transportation	8,643,900	59,212,900	60,439,400
Highways	1,051,031,000	1,094,069,000	1,076,521,000
Vehicle Regulation	31,867,000	32,125,000	33,826,000
Debt Service	152,330,000	153,027,500	168,633,500
General Administration and Support	75,069,000	79,346,000	86,113,500
Judgments	5,983,500		
<b>Total</b>	<b>1,533,730,400</b>	<b>1,627,574,600</b>	<b>1,640,022,600</b>
<b>WORKFORCE DEVELOPMENT</b>			
General Administration and Program Support	22,700,400	13,771,000	10,321,500
State Board for Adult and Technical Education	33,600	30,000	30,500
Technical Education	131,833,300	53,607,600	54,231,200
Adult Education and Literacy	21,184,200	21,610,200	22,383,900
Vocational Rehabilitation	48,304,700	50,506,100	52,032,300
Department for the Blind	13,360,700	12,372,200	11,811,600
Governor's Council on Vocational Education	152,500		
State Board for Proprietary Education	244,500	123,000	129,000
Job Training Coordinating Council	138,900	132,500	139,000
Teachers' Retirement - Employers' Contribution	9,266,100	4,313,500	4,530,500
Training and Reemployment	42,682,000	36,824,500	40,510,500
Employment Services	282,782,300	304,484,400	309,398,100
<b>Total</b>	<b>572,683,200</b>	<b>497,775,000</b>	<b>505,518,100</b>

**ALL FUNDS - AVAILABLE**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
Capital Construction	20,083,000	1,734,797,000	183,389,000
Budget Reserve Trust Fund	200,000,000	200,000,000	200,000,000
EMPOWER Kentucky Savings	-2,600,000		
<b>Grand Total - EXECUTIVE BRANCH</b>	<b>14,850,755,200</b>	<b>16,737,340,400</b>	<b>15,446,594,700</b>
Legislative Branch	48,871,400	43,344,000	49,589,000
Judicial Branch	145,034,800	157,819,100	172,388,700
Capital Construction		1,700,000	2,123,000
<b>Grand Total - STATE GOVERNMENT</b>	<b>15,044,661,400</b>	<b>16,940,203,500</b>	<b>15,670,694,900</b>

**ALL FUNDS - APPROPRIATED**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>GOVERNMENT OPERATIONS</b>			
Executive Office of the Governor			
Office of the Governor	7,267,000	9,589,500	9,940,000
Governor's Office for Policy and Management	2,511,400	2,860,500	3,098,000
State Planning Fund	500,000	500,000	500,000
Subtotal	<u>10,278,400</u>	<u>12,950,000</u>	<u>13,538,000</u>
Secretary of State	2,223,200	2,396,800	2,499,800
Board of Elections	3,470,000	4,139,800	4,212,100
Treasury	2,024,200	2,228,500	2,285,200
Attorney General	21,661,900	19,852,500	20,562,200
Unified Prosecutorial System			
County Attorneys	15,935,000	17,627,700	18,556,500
Commonwealth's Attorneys	18,243,700	19,819,000	20,909,900
Subtotal	<u>34,178,700</u>	<u>37,446,700</u>	<u>39,466,400</u>
Auditor of Public Accounts	7,857,600	9,299,300	9,727,900
Agriculture	22,528,600	28,320,700	23,876,000
Military Affairs	60,637,100	29,548,500	30,513,800
Personnel Board	494,500	531,200	549,200
Local Government	45,857,800	49,483,900	49,324,400
Special Funds	73,903,900	77,912,400	84,256,700
Commission on Human Rights	2,051,200	2,103,400	2,160,400
Commission on Women	243,700	246,100	253,600
Kentucky Retirement Systems	11,565,000	14,588,600	15,613,500
Kentucky Kare Health Insurance Authority	864,000	1,003,000	1,042,500
Registry of Election Finance	1,331,300	2,725,600	2,409,000
Boards and Commissions	11,231,600	12,306,500	12,701,500
Governmental Services Center	1,252,700	1,237,000	1,276,000
Executive Branch Ethics Commission	258,300	273,700	284,400
Appropriations Not Otherwise Classified	5,948,200	4,463,500	4,503,500
Appropriations Not Otherwise Classified-Judgments	245,858,000	10,000,000	
Kentucky Veterans Center	16,017,500	16,295,300	17,213,900
<b>Total</b>	<u>581,737,400</u>	<u>339,353,000</u>	<u>338,270,000</u>
<b>ECONOMIC DEVELOPMENT</b>			
Secretary	2,057,200	3,483,000	4,491,000
Administration	1,982,900	2,153,000	2,231,000
Job Development	2,051,000	2,333,000	2,413,000
Financial Incentives	15,502,800	15,572,000	15,056,000
Debt Service	51,815,000		666,000
Community Development	3,761,300	3,389,000	3,508,500
<b>Total</b>	<u>77,170,200</u>	<u>26,930,000</u>	<u>28,365,500</u>

**ALL FUNDS - APPROPRIATED**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>EDUCATION</b>			
SEEK	2,029,385,300	2,114,755,500	2,184,668,000
Executive Policy and Management	4,086,200	4,325,200	4,468,400
Management Support Services	416,955,700	420,793,500	439,392,300
Learning Results Services	33,715,100	35,561,300	33,113,400
Learning Support Services	373,637,200	389,142,700	416,807,200
<b>Total</b>	<b>2,857,779,500</b>	<b>2,964,578,200</b>	<b>3,078,449,300</b>
<b>EDUCATION, ARTS AND HUMANITIES</b>			
Secretary	1,928,300	2,638,100	2,729,600
Kentucky Arts Council	4,896,400	4,934,300	5,002,100
Teachers' Retirement System	70,009,300	72,758,700	80,561,100
School Facilities Construction Commission	63,755,200	62,362,500	70,864,000
Deaf and Hard of Hearing	722,300	975,300	1,053,200
Kentucky Heritage Council	1,643,100	1,767,900	1,807,900
Kentucky Educational Television	18,821,400	15,260,700	15,866,000
Kentucky Historical Society	5,299,900	6,358,100	6,432,100
Libraries and Archives	16,932,200	16,390,200	16,764,500
Kentucky Center for the Arts	3,135,400	625,500	625,500
Environmental Education Council	260,500	315,000	262,000
<b>Total</b>	<b>187,404,000</b>	<b>184,386,300</b>	<b>201,968,000</b>
<b>FAMILIES AND CHILDREN</b>			
Administration Services	23,525,300	17,832,000	17,439,500
Social Insurance			
Administration	234,885,400	250,173,100	260,919,800
Benefits	269,288,300	241,664,000	237,720,500
Subtotal	504,173,700	491,837,100	498,640,300
Social Services	297,232,800	312,448,700	329,840,400
Aging Services	40,013,900	46,966,700	52,821,800
<b>Total</b>	<b>864,945,700</b>	<b>869,084,500</b>	<b>898,742,000</b>
<b>FINANCE AND ADMINISTRATION</b>			
General Administration	70,364,400	71,386,000	71,595,000
Debt Service	30,586,000	142,743,000	169,864,000
County Costs	17,513,100	17,513,000	17,513,000
County Fees	41,355,000	49,744,000	51,771,000
Administration	22,448,600	12,172,000	12,560,000
Facilities Management	23,662,600	27,184,000	28,823,000
Information Systems	46,532,000	48,933,000	50,384,000
<b>Total</b>	<b>252,461,700</b>	<b>369,675,000</b>	<b>402,510,000</b>

**ALL FUNDS - APPROPRIATED**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>HEALTH SERVICES</b>			
Medicaid Services			
Administration	60,295,600	49,051,200	49,821,600
Benefits	2,661,400,000	2,855,039,100	2,812,453,000
Subtotal	<u>2,721,695,600</u>	<u>2,904,090,300</u>	<u>2,862,274,600</u>
Mental Health/Mental Retardation	296,799,500	310,304,700	320,864,600
Public Health	173,885,000	181,130,300	182,173,700
Children with Special Health Care Needs	15,838,300	15,475,700	15,787,600
Certificate of Need	410,700	428,800	450,500
Administrative Support	26,053,200	84,693,700	85,396,800
<b>Total</b>	<u>3,234,682,300</u>	<u>3,496,123,500</u>	<u>3,466,947,800</u>
<b>JUSTICE</b>			
Justice Operations			
Criminal Justice Training	25,860,000	25,717,500	29,288,000
State Police	108,698,600	114,365,200	124,650,200
Justice Administration	19,542,500	24,493,100	24,826,400
Juvenile Justice	69,811,700	80,767,800	95,320,900
Subtotal	<u>223,912,800</u>	<u>245,343,600</u>	<u>274,085,500</u>
Corrections	270,252,700	278,232,400	301,411,500
Corrections Management	27,269,200	7,113,200	9,917,200
Community Services and Local Facilities	57,258,700	65,318,900	71,581,700
Local Jail Support	14,944,300	14,568,500	14,568,500
Adult Correctional Institutions	170,780,500	191,231,800	205,344,100
Subtotal	<u>270,252,700</u>	<u>278,232,400</u>	<u>301,411,500</u>
<b>Total</b>	<u>494,165,500</u>	<u>523,576,000</u>	<u>575,497,000</u>
<b>LABOR</b>			
General Administration and Support	4,451,800	5,002,500	5,020,800
Workplace Standards	208,178,600	151,530,700	153,321,000
Workers' Claims	15,182,500	14,994,000	15,637,000
Kentucky Occupational Safety and Health Review Commission	454,500	483,500	494,000
Kentucky Workers' Compensation Funding Commission	227,388,500	168,905,500	171,337,500
<b>Total</b>	<u>455,655,900</u>	<u>340,916,200</u>	<u>345,810,300</u>

**ALL FUNDS - APPROPRIATED**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION</b>			
General Administration and Support	10,849,400	11,120,200	11,627,700
Environmental Protection	53,993,500	60,574,700	59,711,300
Natural Resources	19,125,900	21,643,700	21,347,300
Surface Mining Reclamation	31,577,800	31,523,700	32,372,600
Abandoned Mine Lands Reclamation Projects'	22,456,000	22,456,000	22,456,000
Kentucky River Authority	1,526,100	1,870,000	2,119,000
Environmental Quality Commission	252,900	255,100	251,800
Nature Preserves Commission	1,390,200	1,502,700	1,423,800
<b>Total</b>	<b>141,171,800</b>	<b>150,946,100</b>	<b>151,309,500</b>
<b>PERSONNEL</b>			
Personnel	27,446,800	29,591,900	30,396,600
<b>POSTSECONDARY EDUCATION</b>			
Council on Postsecondary Education	30,706,300	58,308,200	107,385,900
Kentucky Higher Education Assistance Authority	44,585,000	46,772,200	46,987,700
Eastern Kentucky University	166,719,200	170,686,600	175,287,400
Kentucky State University	42,565,000	47,874,400	49,201,300
Morehead State University	101,248,100	104,460,100	109,840,700
Murray State University	96,811,000	100,077,800	101,610,600
Northern Kentucky University	82,347,000	85,006,000	87,984,000
University of Kentucky	1,004,483,000	1,051,922,700	1,077,549,300
University of Louisville	396,077,100	405,833,000	417,653,500
Western Kentucky University	130,832,000	136,461,000	140,035,000
Kentucky Community and Technical College System	11,768,700	283,656,400	292,953,400
University of Kentucky Community College System	192,030,500		
<b>Total</b>	<b>2,300,172,900</b>	<b>2,491,058,400</b>	<b>2,606,488,800</b>
<b>PUBLIC PROTECTION AND REGULATION</b>			
Board of Claims/Crime Victims Compensation	2,115,700	2,171,400	2,208,400
Alcoholic Beverage Control	2,825,400	3,329,400	3,409,900
Financial Institutions	9,385,500	9,556,000	9,807,500
Kentucky Racing Commission	16,793,300	15,436,100	15,076,400
Housing, Buildings, and Construction	32,671,100	28,890,000	31,003,300
Insurance	32,133,500	22,574,000	23,206,500
Mines and Minerals	11,323,300	11,819,800	11,475,400
Public Advocacy	18,913,300	21,401,100	22,205,100
Public Service Commission	7,952,500	9,568,900	8,907,900
Office of the Secretary	41,347,700	41,836,500	42,384,500
Board of Tax Appeals	541,200	410,200	422,000
<b>Total</b>	<b>176,002,500</b>	<b>166,993,400</b>	<b>170,106,900</b>

**ALL FUNDS - APPROPRIATED**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
<b>REVENUE</b>			
Revenue Cabinet	61,747,100	62,467,900	64,350,900
Property Value Administrators	22,554,600	24,289,500	25,522,000
<b>Total</b>	<b>84,301,700</b>	<b>86,757,400</b>	<b>89,872,900</b>
<b>TOURISM DEVELOPMENT</b>			
Secretary	1,418,600	1,232,800	1,276,100
Breaks Interstate Park	200,000	200,000	200,000
Travel Development	6,390,100	6,996,400	7,181,800
Parks	75,688,000	71,759,800	74,310,100
Kentucky Horse Park	6,864,000	5,490,500	5,614,000
Kentucky State Fair Board	35,828,500	26,536,000	28,109,000
Fish and Wildlife Resources	28,176,500	30,426,000	31,824,000
<b>Total</b>	<b>154,565,700</b>	<b>142,641,500</b>	<b>148,515,000</b>
<b>TRANSPORTATION</b>			
Air Transportation	5,241,200	5,599,200	5,666,200
Revenue Sharing	203,464,000	204,091,500	208,717,000
Rail Transportation	66,800	69,500	72,000
Public Transportation	8,673,400	59,242,400	60,468,900
Highways	1,030,345,000	1,095,261,000	1,077,713,000
Vehicle Regulation	28,715,500	31,380,500	33,376,000
Debt Service	152,330,000	153,027,500	168,633,500
General Administration and Support	73,259,500	77,884,500	85,344,000
Judgments	5,983,500		
<b>Total</b>	<b>1,508,078,900</b>	<b>1,626,556,100</b>	<b>1,639,990,600</b>
<b>WORKFORCE DEVELOPMENT</b>			
General Administration and Program Support	22,402,400	13,472,000	10,040,000
State Board for Adult and Technical Education	33,600	30,000	30,500
Technical Education	131,038,300	53,549,600	54,131,700
Adult Education and Literacy	21,065,200	21,528,200	22,337,900
Vocational Rehabilitation	47,399,200	49,664,100	51,348,800
Department for the Blind	12,964,700	12,201,200	11,756,600
Governor's Council on Vocational Education	152,500		
State Board for Proprietary Education	235,000	110,500	116,000
Job Training Coordinating Council	138,900	132,500	139,000
Teachers' Retirement - Employers' Contribution	9,266,100	4,313,500	4,530,500
Training and Reemployment	42,682,000	36,824,500	40,510,500
Employment Services	282,777,300	304,479,400	309,393,100
<b>Total</b>	<b>570,155,200</b>	<b>496,305,500</b>	<b>504,334,600</b>

**ALL FUNDS - APPROPRIATED**

<b>Cabinet/Agency</b>	<b>Revised FY 1998</b>	<b>Enacted FY 1999</b>	<b>Enacted FY 2000</b>
Capital Construction	20,083,000	1,734,797,000	183,389,000
Budget Reserve Trust Fund	200,000,000	200,000,000	200,000,000
EMPOWER Kentucky Savings	-2,600,000		
<b>Grand Total - EXECUTIVE BRANCH</b>	<b>14,185,380,700</b>	<b>16,240,270,000</b>	<b>15,060,963,800</b>
Legislative Branch	48,560,400	43,083,000	49,328,000
Judicial Branch	143,563,300	157,109,100	172,388,700
Capital Construction		1,700,000	2,123,000
<b>Grand Total - STATE GOVERNMENT</b>	<b>14,379,804,400</b>	<b>16,442,162,100</b>	<b>15,284,803,000</b>

# ASSUMPTIONS

The Commonwealth of Kentucky's Capital Financing Analysis for the FY1998-2000 Budget of the Commonwealth is premised on the following assumptions:

- General Fund Revenue Estimates revised as of May 18, 1998.
- Agency Fund Revenue is based on actual FY1997 Agency Fund Revenue with an implied growth rate equal to the growth rate of the General Fund.

FY1998	=	5.67%
FY1999	=	3.82%
FY2000	=	4.44%

- Road Fund Revenue is based on the May 18, 1998 official estimate.
- Data Tables reflect issuance of all authorized debt by June 30, 2000.
- Data Tables reflect no additional debt authorization beyond what is presently authorized through June 30, 2000.

# EXECUTIVE SUMMARY

The 1998 Kentucky General Assembly enacted \$1,168,030,000 in new and reauthorized debt financed projects for the Commonwealth of Kentucky. The authorization for the 1998-2000 biennium is compared to previous biennia in Table 1 and is described in more detail in Appendix D and Appendix E.

The “Capital Financing Analysis” provides an overview of the structure of debt issuance in the Commonwealth and historical information about the status of the debt program. The external reviews of the Commonwealth continue to describe its debt program as moderate, manageable and reasonable. This view has been enhanced by the use of consensus forecasting to produce revenue estimates; the creation, codification and increased funding of a Budget Reserve Trust Fund; the creation of the Kentucky Asset/Liability Commission; and the prudent use of debt financing.

**Table 1**  
**DEBT AUTHORIZED BY RECENT**  
**SESSIONS OF THE**  
**GENERAL ASSEMBLY**

<b>Fiscal Year</b>	<b>Principal Debt Authorized</b>	<b>Fiscal Year</b>	<b>Principal Debt Authorized</b>
1980	\$ 689,312,400	1990	\$ 1,148,218,400
1982	534,024,000	1992	439,375,100
1984	535,929,000	1994*	429,575,900
1986	494,721,100	1996**	313,575,000
1988	364,171,900	1998***	1,168,030,000

\* **This includes debt authorized in the first Extraordinary Session of the General Assembly and debt authorized by the Surplus Expenditure Plan.**

\*\* **Enacted in the 1996-98 Budget of the Commonwealth, and subsequent May 1997 Extraordinary Session of the Kentucky General Assembly. Includes all new authorized debt and all reauthorized debt for the 1996-1998 Biennium.**  
 Reauthorized: \$69,393,000 General Fund and \$2,000,000 Agency Fund  
 New Authorization: \$103,796,000 General Fund and \$35,000,000 Agency Fund  
 May 1997 Extraordinary Session: Includes \$103,386,000 of Bond Funded Projects  
**Excluded the \$60,000,000 of Agency Bonds in the Finance Cabinet (KIA Leveraging). Pursuant to KRS 56.870 (3), Legislative authorization is required when revolving fund repayments are used to support bonds.**

\*\*\***Debt enacted in the 1998-2000 Budget of the Commonwealth. Includes all new authorized debt and all reauthorized debt for the 1998-2000 biennium.**  
 Reauthorized: \$74,102,000 General Fund and \$2,000,000 Agency Fund  
 New Authorizations: \$600,830,000 General Fund; \$268,100,000 Road Fund and \$96,100,000 Agency Fund; \$126,898,000 is authorized in the General Fund Surplus Expenditure Plan. Included in the new General Fund Authorization is approximately \$108,130,000 for School Facilities Construction Commission. The Commission is authorized to make offers of assistance up to \$201 million, however debt service is appropriated for approximately \$108,130,000.

# DEBT CAPACITY ANALYSIS

## **Purpose**

This report, consistent with the requirements of KRS Chapter 42.410, provides a review of pertinent historical information about the Commonwealth's debt, debt management goals and an analysis of Governor Paul E. Patton's capital financing plan. The authorized debt for new projects for FY1999 and FY2000 is evaluated against various measures of debt affordability and previous biennial authorizations.

The goals of the debt management program of the Commonwealth are:

1. Maintain debt at levels that eliminate questions concerning the state's willingness or ability to make timely payments on appropriation supported debt.
2. Maintain debt at relatively constant or declining levels when compared to various indicators of wealth (assuming the indicators are stable over time as well).
3. Issue debt only for those projects that will provide benefits equal to or longer than the amortization period of the debt.
4. Maintain or improve the state's current A2/A+/A+ State Property and Buildings Commission debt rating.
5. Establish and implement a program to manage the net interest expense of the Commonwealth.
6. Use debt to finance projects prudently, without neglecting the capital investment needs of the state.
7. Continually strive to reduce the expense of debt through ongoing management of outstanding debt and analysis of low-cost alternatives.
8. Use tax-exempt rather than taxable funding sources for project financing or operating funds whenever possible to minimize overall governmental operational costs.

These goals continue to be important to the assessment by outside entities of the use of debt by the Commonwealth and provide an appropriate backdrop for any discussions about long-term capital expenditures.

## Structure

The Commonwealth's indebtedness is classified as either appropriation supported or non-appropriation supported debt.

**Appropriation supported debt** carries the name of the Commonwealth and is either (i) a general obligation of the state, or (ii) a project revenue obligation of one of the debt-issuing agencies created by the Kentucky General Assembly to finance various projects and is subject to state appropriation for all or a portion of the debt service on the bonds.

General obligation bonds pledge the full faith, credit and taxing power of the Commonwealth for the repayment of the debt. The Kentucky Constitution requires voter approval by general referendum prior to the issuance of general obligation bonds in amounts exceeding \$500,000. Kentucky has not issued general obligation bonds since 1966. The Commonwealth currently has no general obligation bonds outstanding.

Project revenue bonds are issued by various debt-issuing authorities of the Commonwealth (Chart 1). These bonds pledge, as security for repayment of the debt, the revenues produced by the projects funded by the debt. Project revenue bonds are not a direct obligation of the Commonwealth. Project revenue bonds are, in some cases, derived partially or solely from biennial appropriations of the General Assembly. In other cases, the direct revenues generated from the project funded constitute the entire source of payment.

**Non-appropriation or moral obligation debt** carries the name of the Commonwealth for the benefit and convenience of other entities within the state. The bonds are special obligations of the issuer, secured and payable solely from the sources pledged for the payment thereof and do not constitute a debt, liability, obligation or a pledge of the faith and credit of the Commonwealth. The General Assembly does not intend to appropriate any funds to fulfill the financial obligations represented by these types of bonds. In the event of a shortfall, the issuer covenants to request from the Governor and the General Assembly sufficient amounts to pay debt service.

## Definitions

**Total debt service** is defined as all debt service appropriated by the General Assembly. This includes debt service on all bond issues of the State Property and Buildings Commission, state universities (consolidated educational buildings revenue bonds, hospital revenue bonds, community college revenue bonds, and housing and dining system revenue bonds), the Turnpike Authority of Kentucky, and the state appropriation supported portion of both the School Facilities Construction Commission and the Kentucky Infrastructure Authority.

**Revenue** is defined to include the General Fund, Road Fund and Agency Fund and is reported on an actual cash (budgetary) basis. Although the state adopted a modified accrual basis of accounting in 1983, the use of the cash basis allows for an analysis of debt for a longer time period. Revenues for the General Fund and Road Fund for FY98, FY99 and FY2000 are based upon the official forecast of the Consensus

**CHART 1  
ACTIVE DEBT ISSUING ENTITIES**

<u>ENTITY</u>	<u>STATUTORY AUTHORITY/ PURPOSE</u>	<u>DEBT LIMITATIONS</u>	<u>RATING MOODY'S/S&amp;P/Fitch</u>
State Property and Buildings Commission	<b>KRS 56.450</b> Provide financing for capital construction projects and financing programs approved by the General Assembly.	Cannot incur debt without prior approval of projects and appropriation of debt service by General Assembly.	A2/A+/A+
Kentucky Asset/Liability Commission	<b>KRS 56.860</b> Provide for short-term financing of capital projects and the management of cash borrowings.	Cannot incur debt without prior approval of projects and appropriation of debt service by General Assembly.	Varies
Turnpike Authority of Kentucky	<b>KRS 175.410-175.990</b> Construct, maintain, repair, and operate Turnpike projects, resource recovery roads and economic development roads.	Cannot incur debt without prior approval of projects and appropriation of debt service by General Assembly.	A/A/NA
The State Universities (consisting of eight)	<b>KRS 56.495</b> Construct educational buildings and housing and dining facilities.	Cannot incur debt without prior approval of projects and appropriation of debt service by General Assembly.	See Appendix F
Kentucky Housing Corporation	<b>KRS 198A</b> Make low interest mortgage loans and construction loans to increase the supply of housing for low and moderate income residents in the state.	Limited to \$1.125 billion of debt outstanding.	Aaa/AAA/NA
Kentucky Infrastructure Authority	<b>KRS 224A</b> Provide financial assistance to local governments for the construction or refinancing of infrastructure facilities and to provide loans to industries for construction of pollution control facilities.	Cannot incur debt without appropriation of debt service by General Assembly.	A2/A/NA
Kentucky Higher Education Student Loan Corporation	<b>KRS 164A</b> Make guaranteed student loans to residents of the state to attend post-secondary institutions and to make loans to students attending post-secondary schools within the state.	Limited to \$950 million of debt outstanding.	Aaa/AA-/NA
School Facilities Construction Commission	<b>KRS 157.800-157.895</b> Assist local school districts with the financing and construction of school buildings. Finance the construction of vocational education facilities.	Cannot incur debt without appropriation of debt service by General Assembly.	A1/A+/A
Kentucky Economic Development Finance Authority	<b>KRS 154</b> Issue industrial revenue bonds on behalf of industries, hospitals, and commercial enterprises in the state. Provide low interest loans to developing businesses. Provide financing and tax credits to manufacturing entities expanding or locating facilities in the state.	None.	Varies
Kentucky Local Correctional Facilities Construction Authority	<b>KRS 441.605-441.695</b> Provide an alternative method of constructing, improving, repairing and financing local jails.	Limited to the level of debt service supported by court fees pledged as repayment for the bonds.	Aaa/AAA/NA
Kentucky Agricultural Finance Corporation	<b>KRS 247.940</b> Provide low interest loans to Kentucky farmers for the purpose of stimulating existing agricultural enterprises and the promotion of new agricultural ventures.	Limited to \$500 million of debt outstanding.	NA

Forecasting group. Agency Fund estimates are based upon preliminary actual results for FY97 and increased using the projected growth rate of the General Fund for the official forecast. Historical revenue figures and debt service levels were obtained from the Kentucky Comprehensive Annual Financial Report and the supplemental reports for the various years.

**Debt capacity** is the total amount of new asset bonds that can be supported by a calculated amount of state appropriations. A level of 6 percent of total revenues has been established as a target level of investment in facilities and infrastructure needs in the Commonwealth. Asset bonds equate to project costs plus cost of issuance and assumes no debt service reserves, except in the case of university bonds.

### **Historical Information**

Table 2 shows the historical comparison of debt outstanding in current and constant dollars. While debt outstanding has increased over time in current dollars, using a 1984 constant dollar comparison shows that relative debt outstanding has actually declined. One significant historical note is the Turnpike Authority program which issued \$600 million in bonds between 1991 and 1995.

Table 3 shows the comparison of debt outstanding and required debt service as a percent of assessed property, personal income and on a per capita basis. The comparisons show a modest decline, in all areas through FY1999. Moderate debt authorizations and improvements in revenues and personal income growth over the biennium have contributed to this favorable trend. The increase in FY2000 is due to the enacted new debt authorization.

Table 4 provides the historical comparison of total appropriation required debt service as a percentage of total revenue and this is the key indicator of debt health for the Commonwealth and is used to assess the impact of any capital program. This reflects both a prudent use of capital financing in recent years and generally strong revenue growth over the near term. While there are no absolute measures, the Commonwealth has used debt service at 6 percent or less of total revenues as a target. This goal has been met since 1977 with the exception of 1992. On June 30, 2000 the percentage is estimated to be 5.99 percent. By comparison, the average percentage since 1967 has been 5.78 percent and the average for the period FY90-FY97 has been 5.65 percent. The highest percentage in the last two decades was 6.14 percent in FY92 reflecting the impact of the major capital program for the 1990-92 biennium, including the Turnpike Authority bond program.

The Commonwealth's cautious use of debt in recent years was rewarded by Standard and Poor's in 1995 by an upgrade in the debt of the State Property and Buildings Commission from A to A+. The Moody's and Fitch IBCA ratings for the State Property and Buildings Commission are A2 and A+, respectively. The upgrade by Standard & Poor's was the first such upgrade for the Commonwealth's primary debt issuer. The change was premised on the prudent use of debt for improvements deemed beneficial to the Commonwealth. Improvement in education, corrections, roads and economic development, as well as the adoption of strong management principles including consensus revenue forecasting and the Budget Reserve Trust Fund, contributed to the upgrade. With the elimination of all outstanding general obligation debt, these factors become increasingly important with respect to how rating agencies and others view the Commonwealth's debt. These improvements have been noted and will continue to be factors in assessing the Commonwealth's bond issues in the market place. In addition, the state sought and received a AA state rating from Standard and Poor's in 1997 to replace the G.O. rating.

**Table 2**  
**APPROPRIATION SUPPORTED DEBT**  
**PRINCIPAL DEBT OUTSTANDING**  
**(000,000)**

<b>Fiscal Year</b>	<b>Current</b>	<b>Percent Change</b>	<b>Constant 1984</b>	<b>Percent Change</b>
1967	\$ 956.61		\$ 2,907.63	
1968	1,119.50	17.03	3,292.65	13.24
1969	1,228.10	9.70	3,440.06	4.48
1970	1,221.30	-0.55	3,291.91	-4.31
1971	1,538.10	25.94	3,941.82	19.74
1972	1,628.90	5.90	4,029.94	2.24
1973	1,611.00	-1.10	3,831.15	-4.93
1974	1,602.50	-0.53	3,498.91	-8.67
1975	1,618.70	1.01	3,182.03	-9.06
1976	1,583.10	-2.20	2,905.30	-8.70
1977	1,779.43	12.40	3,086.60	6.24
1978	1,785.85	0.36	2,903.35	-5.94
1979	2,005.69	12.31	2,980.66	2.66
1980	2,113.96	5.40	2,772.04	-7.00
1981	2,125.66	0.55	2,499.30	-9.84
1982	1,698.60	-20.09	1,838.31	-26.45
1983	1,781.79	4.90	1,849.67	0.62
1984	2,100.72	17.90	2,100.72	13.57
1985	2,098.89	-0.09	2,029.28	-3.40
1986	2,197.98	4.72	2,056.69	1.35
1987	2,627.29	19.53	2,408.15	17.09
1988	2,771.07	5.47	2,438.25	1.25
1989	2,726.69	-1.60	2,293.65	-5.93
1990	2,736.18	0.35	2,196.85	-4.22
1991	3,253.56	18.91	2,476.45	12.73
1992	3,537.60	8.73	2,609.23	5.36
1993	3,837.65	8.48	2,744.91	5.20
1994	3,785.78	-1.35	2,638.91	-3.86
1995	3,809.20	0.62	2,581.46	-2.18
1996	3,775.38	-0.89	2,491.01	-3.50
1997	3,557.74	-5.76	2,282.07	-8.39
1998	3,581.24	0.66	2,251.51	-1.34
1999	3,320.75	-7.27	2,047.32	-9.07
2000*	4,135.72	24.54	2,492.60	21.75
2001	3,841.18	-7.12	2,269.49	-8.95
2002**	3,537.94	-7.89	2,048.80	-9.72

\* Assumes all previously authorized debt will be issued by June 30, 2000.

Includes \$126.898 million of Surplus Expenditure Plan Projects.

Includes \$108.130 million of SFCC Debt Funded Projects, however the SFCC Offers of Assistance can be up to \$201.0 million.

\*\* Assumes no additional debt authorization for the 2000-2002 biennium.

**Table 3**  
**APPROPRIATION SUPPORTED DEBT**  
**KENTUCKY ECONOMIC DEBT INDICATORS**  
**(Current Dollars)**

<b>Fiscal Year</b>	<b>Debt as a % of Assessed Property</b>	<b>Required Debt Service as a % of Assessed Property</b>	<b>Debt as a % of Personal Income</b>	<b>Required Debt Service as a % of Personal Income</b>	<b>Debt Per Capita</b>	<b>Required Debt Service Per Capita</b>
1978	2.83	0.21	7.44	0.56	\$ 494.01	\$ 37.15
1979	2.83	0.19	7.46	0.50	550.26	36.97
1980	2.57	0.19	7.19	0.53	577.58	42.83
1981	2.32	0.18	6.54	0.51	580.30	45.19
1982	1.70	0.17	4.97	0.50	463.46	46.57
1983	1.66	0.17	5.06	0.53	485.76	50.41
1984	1.84	0.18	5.44	0.52	572.40	54.77
1985	1.69	0.19	5.23	0.58	571.44	63.68
1986	1.66	0.19	5.24	0.59	598.09	67.31
1987	1.85	0.17	5.89	0.55	714.33	67.27
1988	1.78	0.18	5.78	0.58	753.01	75.46
1989	1.68	0.18	5.46	0.58	740.34	79.25
1990	1.51	0.17	5.13	0.57	742.52	82.61
1991	1.68	0.16	5.72	0.55	875.79	84.70
1992	1.71	0.19	5.74	0.64	942.86	105.13
1993	1.76	0.18	5.99	0.62	1,011.77	104.08
1994	1.69	0.18	5.57	0.58	989.49	103.49
1995	1.58	0.18	5.26	0.59	985.05	109.81
1996	1.49	0.17	4.95	0.57	966.56	111.55
1997	1.51	0.19	4.48	0.58	908.51	117.35
1998*	1.45	0.18	4.29	0.55	908.25	116.01
1999*	1.27	0.18	3.80	0.53	836.46	115.89
2000*	1.50	0.20	4.52	0.61	1,035.22	140.06

\*Estimated

**Table 4**  
**TOTAL APPROPRIATION SUPPORTED DEBT SERVICE**  
**AS A PERCENT OF REVENUE**  
**(000,000)**

<b>Fiscal Year</b>	<b>Total Revenue (\$)</b>	<b>Total Debt Service (\$)</b>	<b>Total Appropriation Required Debt Service/ Revenue (%)</b>
1967	612.16	49.18	8.03
1968	745.01	54.67	7.34
1969	932.33	67.01	7.19
1970	925.39	74.57	8.06
1971	1,055.46	73.36	6.95
1972	1,235.47	85.15	6.89
1973	1,349.80	91.18	6.75
1974	1,482.62	101.04	6.82
1975	1,733.88	117.18	6.76
1976	1,852.92	117.05	6.32
1977	1,995.62	117.57	5.89
1978	2,328.35	134.28	5.77
1979	2,732.90	134.77	4.93
1980	2,895.18	156.75	5.41
1981	3,099.47	165.54	5.34
1982	3,242.64	170.67	5.26
1983	3,452.40	184.89	5.36
1984	3,738.28	201.02	5.38
1985	3,959.25	233.91	5.91
1986	4,248.04	247.38	5.82
1987	4,933.93	247.42	5.01
1988	5,134.52	277.69	5.41
1989	5,407.11	291.89	5.40
1990	5,814.85	304.43	5.24
1991	6,143.23	314.66	5.12
1992	6,419.98	394.44	6.14
1993	6,578.18	394.76	6.00
1994	6,800.82	395.95	5.82
1995	7,554.79	424.65	5.62
1996	7,759.59	435.72	5.62
1997	8,192.45	459.56	5.61
1998	8,644.84*	457.44	5.29
1999	8,963.54*	460.08**	5.13
2000	9,348.57*	559.56**	5.99

\* Estimated

\*\* Assumes all authorized debt will be issued by June 30, 2000.

Includes \$126.898 million of Surplus Expenditure Plan projects.

## **Conclusion**

Through this biennium, the Commonwealth has continued to review its outstanding debt obligations and has sought to take advantage of market opportunities where debt service savings can be achieved. Through May 31, 1998, \$75 million in bonds have been refunded for a net present value savings of \$3.5 million. The small amount of refundings during this biennium is primarily due to the limited number of refunding opportunities which are a result of the Commonwealth's aggressive refunding practices in prior years. It is the Commonwealth's practice to take savings in relatively equal annual installments, consistent with its budgetary approach. In addition, the Commonwealth has instituted a master lease program in an effort to reduce the cost of equipment acquisition. The state consistently reviews innovative mechanisms which may allow the Commonwealth to better utilize its resources. Areas of focus for 1998-2000 will be expanding the master lease program, continued development of an asset/liability model and operating cash management programs.

A significant development in the debt management program of the Commonwealth was the creation of the Kentucky Asset/Liability Commission ("ALCo") during the First Extraordinary Session of 1997. ALCo's mission is to maximize the state's financial resources through a global fund management strategy and is responsible for managing short-term working capital needs and acting as a facilitator for short-term and construction financing for capital programs. ALCo works closely with the State Investment Commission and the State Property and Buildings Commission to design strategies that will increase investment earnings and lower debt service cost. ALCo accesses the financial markets primarily through two mechanisms: Tax and Revenue Anticipation Notes and Project Notes.

Tax and Revenue Anticipation Notes ("TRANs") are used to address the working capital needs of the General Fund which arise from the mismatch between budgeted expenditures and the receipt of tax revenue. ALCo's first issuance of TRANs will mature on June 25, 1998 and will generate approximately \$3.2 million in additional General Fund investment income. The second TRANs issue is expected to be sold on June 24, 1998 and settle on July 1, 1998. The final maturity is expected to be June 25, 1999.

It is anticipated that Project Notes will be issued primarily as Bond Anticipation Notes ("BANs") in the form of Tax-exempt Commercial Paper to fund almost all capital construction projects approved in the FY98-00 budget for the General Fund, Road Fund and Agency Fund. Capital authorizations for the School Facilities Construction Commission and Kentucky Infrastructure Authority are excluded. BANs offer the opportunity to raise funds on an as-needed basis, quickly and cheaply and the ability to maximize arbitrage opportunities that might not otherwise be available. ALCo has one series of General Fund Series 1998 Project Notes outstanding as of June 5, 1998 with a balance of \$70 million. This series of notes provides construction financing for \$157,000,000 of State Property and Buildings Commission projects. The Commission will issue long-term bonds once the majority of funds are drawn but not later than June 30, 2001.

## **Appendix A**

### **Economic Indicators**

Tables A-1, A-2 and A-3 show the annual debt and debt service in three different categories: required, appropriated and actual. “Required debt service” is the debt service that is actually due to the bondholders regardless of source of revenue. Debt service may be paid from interest earnings on the debt service reserve funds as well as by direct appropriations or project revenues. The “required debt service” category is the most accurate reflection of the Commonwealth’s liability.

“Appropriated debt service” are those funds that were appropriated in the various budgets for debt service. In many cases, these figures are estimated in advance of debt being issued or refinanced. These figures are neither an accurate nor consistent reflection of the Commonwealth’s debt liability and are presented pursuant to KRS 42.410.

“Actual debt service” are those funds which flowed through the Debt Service Fund within the state’s accounting system. These figures include not only debt service but also proceeds from refundings, costs of issuance and accrued interest on newly issued bonds, rebate and arbitrage penalty payments and trustee fees. The data is not an accurate reflection of the Commonwealth’s debt liability but is being presented pursuant to KRS 42.410.

Table A-4 reflects Kentucky’s non-appropriation supported debt in relation to the economic variables of assessed property value, personal income and population. Non-appropriation supported debt is the debt of those authorities for which appropriation of state funds is not used to pay the debt service. The authorities include the Kentucky Higher Education Student Loan Corporation, Kentucky Housing Corporation, certain debt of the Kentucky Infrastructure Authority, Kentucky Local Correctional Facilities Construction Authority, Kentucky Agricultural Finance Corporation and Kentucky Economic Development Finance Authority (formerly Kentucky Development Finance Authority). The total debt and debt service shows a significant decrease in FY93 due to a change in reporting methodology. Project revenue debt is included for only the Kentucky Development Finance Authority (K DFA) Yen bonds issued in 1987 and debt of the Kentucky Local Correctional Facilities Construction Authority. The industrial development bonds (IDBs) of K DFA, the Kentucky Infrastructure Authority and the Kentucky Agricultural Finance Corporation are no longer included in the Comprehensive Annual Financial Report.

In the following table, total appropriated revenue is shown in terms of the three categories of debt service as described in Appendix A. Appropriated revenue is the revenue of the General Fund, Road Fund and Agency Fund. Table B-1 compares required appropriated and actual debt service to total revenue.

**Table A-1**  
**APPROPRIATION SUPPORTED DEBT AND DEBT SERVICE**  
**AS A PERCENT OF ASSESSED PROPERTY**  
**(Current Dollars)**

<b><u>Fiscal Year</u></b>	<b><u>Debt as a % of Assessed Property</u></b>	<b><u>Required Debt Service as a % of Assessed Property</u></b>	<b><u>Appropriated Debt Service as a % of Assessed Property</u></b>	<b><u>Actual Debt Service as a % of Assessed Property</u></b>
1988	1.78	0.18	0.18	0.28
1989	1.68	0.18	0.16	0.18
1990	1.51	0.17	0.17	0.16
1991	1.68	0.16	0.19	0.16
1992	1.71	0.19	0.21	0.15
1993	1.76	0.18	0.18	0.17
1994	1.69	0.18	0.19	0.20
1995	1.58	0.18	0.17	0.16
1996	1.49	0.17	0.17	0.18
1997	1.51	0.19	0.19	0.18

**Table A-2**  
**APPROPRIATION SUPPORTED DEBT AND DEBT SERVICE**  
**AS A PERCENT OF PERSONAL INCOME**  
**(Current Dollars)**

<b><u>Fiscal Year</u></b>	<b><u>Debt as a % of Personal Income</u></b>	<b><u>Debt Service as a % of Personal Income</u></b>	<b><u>Appropriated Debt Service as a % of Personal Income</u></b>	<b><u>Actual Debt Service as a % of Personal Income</u></b>
1988	5.78	0.58	0.57	0.90
1989	5.46	0.58	0.52	0.58
1990	5.13	0.57	0.59	0.51
1991	5.72	0.55	0.65	0.53
1992	5.74	0.64	0.71	0.52
1993	5.99	0.62	0.61	0.59
1994	5.57	0.58	0.64	0.67
1995	5.26	0.59	0.56	0.54
1996	4.95	0.57	0.56	0.58
1997	4.48	0.58	0.58	0.60

**Table A-3**  
**APPROPRIATION SUPPORTED DEBT AND DEBT SERVICE**  
**AS A PERCENT OF POPULATION**  
**(Current Dollars)**

<b><u>Fiscal Year</u></b>	<b><u>Debt Per Capita (\$)</u></b>	<b><u>Required Debt Service Per Capita (\$)</u></b>	<b><u>Appropriated Debt Service Per Capita (\$)</u></b>	<b><u>Actual Debt Service Per Capita (\$)</u></b>
1986	598.09	67.31	60.48	102.21
1987	714.33	67.27	68.13	70.12
1988	753.01	75.46	74.10	65.98
1989	740.34	79.25	70.53	72.24
1990	742.52	82.61	84.75	74.83
1991	875.79	84.70	99.38	90.04
1992	942.86	105.13	116.26	110.19
1993	1,011.77	104.08	103.87	91.60
1994	989.49	103.49	113.98	103.57
1995	985.05	109.81	105.66	112.41
1996	966.56	111.55	110.11	107.97
1997	908.51	117.35	117.35	116.74

**Table A-4**  
**NON-APPROPRIATION SUPPORTED DEBT**  
**KENTUCKY ECONOMIC DEBT INDICATORS**

<b><u>Fiscal Year</u></b>	<b><u>Debt as a % of Assessed Property</u></b>	<b><u>Debt as a % of Personal Income</u></b>	<b><u>Per Capita Debt (\$)</u></b>
1988	1.32	4.27	555.94
1989	1.37	4.45	602.72
1990	1.22	4.16	602.89
1991	1.29	4.41	674.63
1992	1.21	4.08	670.05
1993	0.64	2.17	367.35
1994	0.57	1.89	335.57
1995	0.55	1.82	341.07
1996	0.54	1.81	352.41
1997	0.66	1.96	397.19

## Appendix B

### Fiscal Debt Indicators

Table B-2 reflects the three categories of debt service in terms of “available appropriated revenues.” This form of revenue is revenue from the same sources as described above less funds that are statutorily dedicated to a specific purpose. In the case of the General Fund, Base Court Revenue, Surface Mining County Acreage and Permit Fees, Local Government Economic Assistance Fund and Public Service Commission Administrative Assessments are subtracted from total General Fund receipts to the degree the expenditures can be identified in the Comprehensive Annual Financial Report. In the case of the Road Fund (Table B-3), the following receipts are subtracted: County Road Aid, Rural Secondary Road Aid, Municipal Road Aid within the Motor Fuels Normal and Motor Fuels Normal Use accounts, Kentucky Transportation Center Funds, Coal Haul Cooperative Agreements, Extended Weight and Coal Haul Fines, Drivers Education Program and Drivers License Photo Program.

The Agency Fund receipts include those agency funds that are actually applied to debt service. These include primarily the debt service for university housing and dining and hospital issues and certain bonds of the Capital Plaza Authority, the Human Resources Cabinet (SPBC Project 31) and the Kentucky Fair Board.

**Table B-1**  
**APPROPRIATED DEBT SERVICE**  
**AS A PERCENT OF TOTAL REVENUE**  
**(Budget Basis)**

<b><u>Fiscal Year</u></b>	<b><u>Total Revenue (\$ millions)</u></b>	<b><u>Required Debt Service/ Revenue (%)</u></b>	<b><u>Appropriated Debt Service/ Revenue (%)</u></b>	<b><u>Actual Debt Service/ Revenue (%)</u></b>
1988	5,134.52	5.41	5.31	4.73
1989	5,407.11	5.40	4.80	4.92
1990	5,814.85	5.24	5.37	4.74
1991	6,143.23	5.12	6.01	5.44
1992	6,419.98	6.14	6.79	6.44
1993	6,578.18	6.00	5.99	5.28
1994	6,800.82	5.82	6.41	5.83
1995	7,554.79	5.62	5.41	5.75
1996	7,759.59	5.62	5.54	5.43
1997	8,192.45	5.61	5.61	5.58

**Table B-2**  
**APPROPRIATED DEBT SERVICE**  
**AS A PERCENT OF AVAILABLE REVENUE**  
**(Budget Basis)**  
**(000,000)**

<b>Fiscal Year</b>	<b>Total Revenue (\$)</b>	<b>Required Debt Service/ Revenue (%)</b>	<b>Appropriated Debt Service/ Revenue (%)</b>	<b>Actual Debt Service/ Revenue (%)</b>
1987	3,363.50	7.36	7.45	7.67
1988	3,484.01	7.97	7.83	6.97
1989	3,831.16	7.62	6.78	6.94
1990	4,143.64	7.35	7.54	6.65
1991	4,889.69	6.44	7.55	6.84
1992	4,956.73	7.96	8.80	8.34
1993	5,131.53	7.69	7.68	6.77
1994	5,298.89	7.47	8.23	7.48
1995	5,837.56	7.27	7.00	7.45
1996	6,063.35	7.19	7.09	6.96
1997	6,403.88	7.18	7.18	7.14

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**Table B-3**  
**ROAD FUND DEBT SERVICE**  
**AS A PERCENT OF REVENUE**  
**(000,000)**

<b><u>Fiscal</u> <u>Year</u></b>	<b><u>Available</u> <u>Revenue (\$)</u></b>	<b><u>Debt</u> <u>Service (\$)</u></b>	<b><u>Debt Service</u> <u>as a Percent</u> <u>of Available</u> <u>Revenue</u></b>
1980	557.63	104.59	18.76%
1981	543.79	112.97	20.77
1982	514.40	112.50	21.87
1983	526.85	113.97	21.63
1984	574.20	112.89	19.66
1985	399.62	137.14	34.32
1986	401.98	134.90	33.56
1987	510.23	130.03	25.48
1988	469.32	134.67	28.69
1989	556.90	126.13	22.65
1990	581.46	129.11	22.20
1991	597.15	163.70	27.41
1992	616.06	156.44	25.39
1993	640.67	147.46	23.02
1994	680.46	151.60	22.28
1995	710.64	145.69	20.50
1996	748.09	155.37	20.77
1997	763.14	160.58	21.04
1998*	800.38	153.66	19.20
1999*	824.68	154.37	18.72
2000*	856.20	178.41**	20.84

\* Estimated based on the May 18, 1998 official estimates for the Road Fund less proportional revenue sharing and dedicated funds. The estimates are based on debt issued as of June 1, 1998.

\*\*Includes debt service for \$200 million of new Road bonds and \$68.1 million for Transportation Office Building.

## Appendix C

### Market Indicators

The following table shows the arbitrage yield (IRS TIC) and the comparative Bond Buyer 20 General Obligation Bond Index for appropriation supported and non-appropriation supported bond issues sold in the last two years.

	<u>Arbitrage TIC</u>	<u>Bond Buyer Index</u>	<u>Size</u>	<u>Final Maturity</u>
<b><u>Kentucky Housing Corporation</u></b>				
Nov-97				
1997 Series D (AMT)	5.498%	5.57%	\$ 22,550,000	2030
1997 Series E (Non-AMT)	5.403%	5.57%	\$ 5,340,000	2017
1997 Series F (AMT)	5.403%	5.57%	\$ 8,495,000	2028
May-97				
1997 Series A (Non-AMT)	6.021%	6.13%	\$ 9,785,000	2019
1997 Series B (AMT)	6.021%	6.13%	\$ 20,215,000	2028
1997 Series C (Taxable)	6.030%	6.13%	\$ 10,000,000	2007
1997 Series D (AMT)	4.000%	6.13%	\$ 24,820,000	12/1/97
Oct-97				
1996 Series C (Remarketing)	5.490%	6.12%	\$ 1,500,000	2028
1996 Series D (Non-AMT)	6.155%	6.12%	\$ 15,355,000	2017
1996 Series E (AMT)	6.155%	6.12%	\$ 23,130,000	2028
1996 Series F (Taxable)	6.155%	6.12%	\$ 10,015,000	2010
<b><u>Kentucky Asset/Liability Commission</u></b>				
July-97				
Tax Anticipation Notes Ser. A	3.817%	5.53%	\$ 200,400,000	6/25/98
<b><u>Kentucky Infrastructure Authority</u></b>				
Apr-97				
Govt. Agencies Program BANS 1997 Series A	4.896%	6.01%	\$ 5,200,000	6/30/98
Sep-97				
Govt. Agencies Program BANS 1997 Series B	4.143%	5.66%	\$ 3,700,000	6/30/98
Sep-97				
Infrastructure Revolving Fund 1997 Series L	5.057%	5.66%	\$ 28,775,000	2017
Apr-98				
Govt. Agencies Program 1998 Series I	4.835%	5.25%	\$ 3,240,000	2017
Apr-98				
Govt. Agencies Program 1998 Series E	4.835%	5.25%	\$ 10,325,000	2017
<b><u>State Property and Buildings Commission</u></b>				
May-98				
Project No. 60	4.898%	5.23%	\$ 44,110,000	2017
Project No. 61	4.898%	5.23%	\$ 3,620,000	2017

	<u>Arbitrage TIC</u>	<u>Bond Buyer Index</u>	<u>Size</u>	<u>Final Maturity</u>
<b><u>Kentucky Higher Education Student Loan Corporation</u></b>				
May-97				
Insured Student Loan Revenue Bond 1997 Series A	4.830%	5.67%	\$ 1,870,000	2002
Insured Student Loan Revenue Bond 1997 Series B	5.150%	5.67%	\$ 1,000,000	2003
Insured Student Loan Revenue Bond 1997 Series C	5.090%	5.67%	\$ 1,040,000	2002
Insured Student Loan Revenue Bond 1997 Series D	5.400%	5.67%	\$ 1,000,000	2003
May-97				
Student Loan Revenue Bonds Senior Series 1997 A1 35 Day Variable Rate - Taxable	5.650%	5.67%	\$ 42,250,000	2027
Student Loan Revenue Bonds Senior Series 1997 A2 35 Day Variable Rate - Taxable	5.650%	5.67%	\$ 42,200,000	2027
Student Loan Revenue Bonds Subordinate Series 1997-B 35 Day Variable Rate (AMT)	3.900%	5.67%	\$ 44,550,000	2027
Sep-96				
Student Loan Revenue Bonds Series A - Variable	3.550%	5.89%	\$ 25,000,000	2026
Student Loan Revenue Bonds Series B - Forward Sale	5.150%	5.89%	\$ 2,500,000	2003

# Appendix D

## New Debt Authorized FY1999 - FY2000

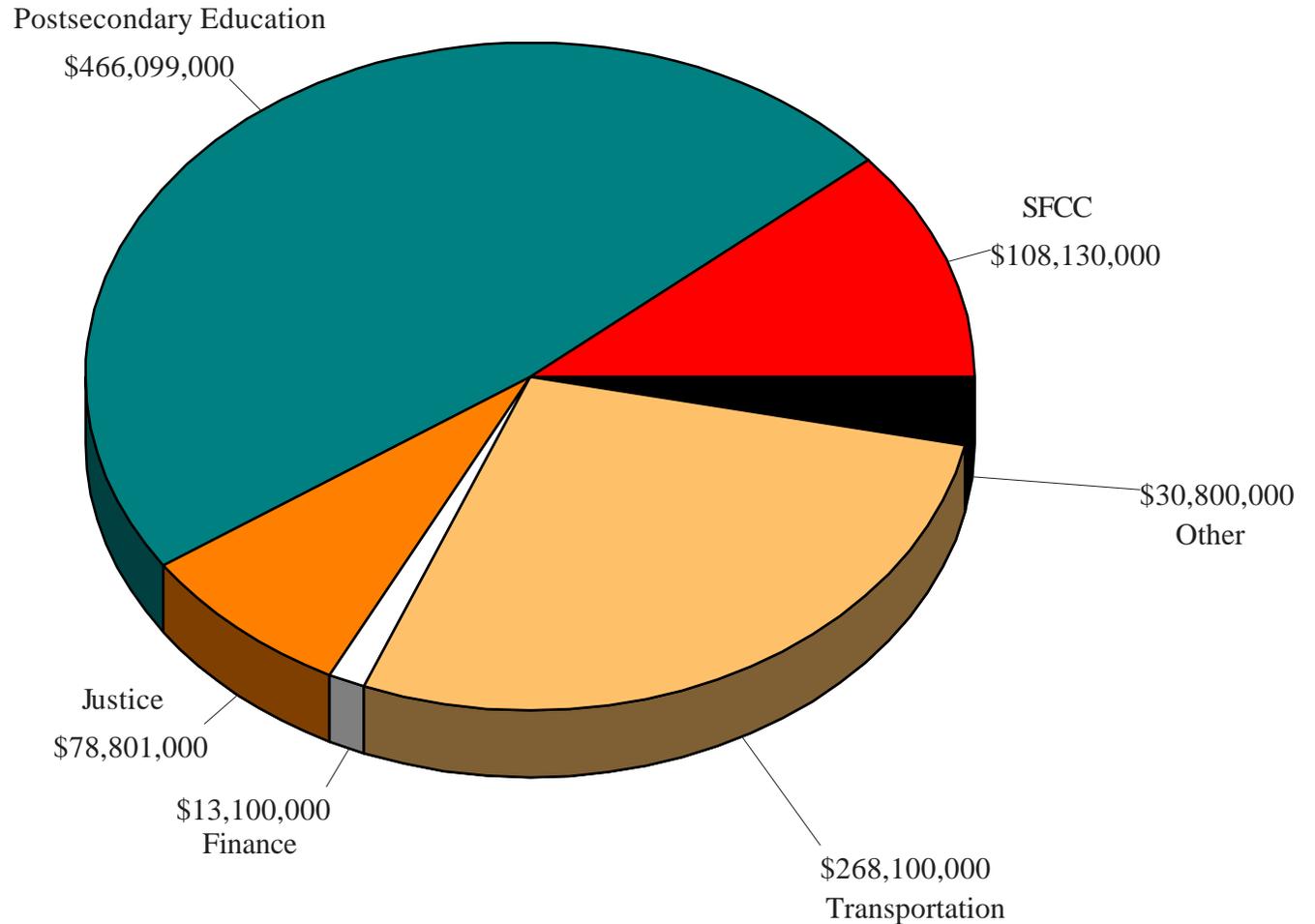
<u>CABINET/AGENCY</u>	<u>PROJECT TITLE</u>	<u>PROJECT/ POOL AUTHORIZATION</u>	<u>CABINET/AGENCY TOTALS</u>
<b>GENERAL GOVERNMENT</b>			
MILITARY AFFAIRS	DES-2-WAY COMMUNICATIONS	\$ 1,200,000	
DLG	FLOOD CONTROL MATCHING	5,000,000	\$ 6,200,000
<b>JUSTICE CABINET</b>			
STATE POLICE	INTEGRATED CRIMINAL APPREHENSION PROGRAM	1,583,000	
STATE POLICE	KY ACCIDENT REPORTING SYSTEM	1,587,000	
STATE POLICE	BASIC RADIO SYSTEM	20,082,000	
STATE POLICE	LAGRANGE STATE POLICE POST	1,200,000	
STATE POLICE	HAZARD STATE POLICE POST	1,450,000	
JUVENILE JUSTICE	DETENTION FACILITIES #1	5,357,000	
JUVENILE JUSTICE	DETENTION FACILITIES #2	5,357,000	
JUVENILE JUSTICE	DETENTION FACILITIES #3	5,357,000	
JUVENILE JUSTICE	NEW MAXIMUM SECURITY FACILITY	8,410,000	
JUVENILE JUSTICE	EXPANSION-BREATHITT CO DETENTION CENTER	2,500,000	
CORRECTIONS	NEW PRISON - DESIGN	3,440,000	
CORRECTIONS	KCIW - PHASE 1 EXPANSION	16,434,000	
CORRECTIONS	BCC-200 BED MINIMUM	5,195,000	
CORRECTIONS	NTC - WATER STORAGE TANK	849,000	
			<b>78,801,000</b>
<b>POSTSECONDARY EDUCATION</b>			
POSTSECONDARY EDUCATION	CPE-DEFERRED MAINTENANCE/GOVERNMENT MANDATES POOL	20,613,000	
POSTSECONDARY EDUCATION	KCTCS-DEFERRED MAINTENANCE/GOVERNMENT MANDATES POOL	4,387,000	
POSTSECONDARY EDUCATION	KCTCS-AUTOMATED ADMINISTRATIVE SYSTEMS	3,200,000	
POSTSECONDARY EDUCATION	KCTCS-BELINDA MASON ACADEMIC/TECHNICAL BLDG - WHITESBURG	5,000,000	
POSTSECONDARY EDUCATION	KCTCS-CENTRAL REGIONAL POSTSECONDARY EDUCATION CENTER - PHASE 1	13,452,000	
POSTSECONDARY EDUCATION	KCTCS-HAZARD COMMUNITY COLLEGE CLASSROOM BLDG - PHASE 2	6,500,000	
POSTSECONDARY EDUCATION	KCTCS-KY TECHNICAL COLLEGE OF ARTS & CRAFTS	4,100,000	
POSTSECONDARY EDUCATION	KCTCS-SOUTH CENTRAL REGIONAL POSTSECONDARY EDUCATION CENTER	6,537,000	
POSTSECONDARY EDUCATION	KCTCS-KY. TECH DANVILLE: REGIONAL TECHNOLOGY CENTER	6,985,000	
POSTSECONDARY EDUCATION	KCTCS-MADISONVILLE COMM. COLLEGE-SCIENCE/TECHNICAL CL.RM.BLDG.	4,900,000	
POSTSECONDARY EDUCATION	KCTCS-MAYSVILLE C. C. & KY. TECH MAYSVILLE: NEW TECHNOLOGY CENTER	7,500,000	
POSTSECONDARY EDUCATION	KCTCS-NEW KY TECH SHELBY CO. CAMPUS & JEFFERSON COMM. COLL. EXT.	10,758,000	
POSTSECONDARY EDUCATION	KCTCS-NORTHEAST REGIONAL POSTSECONDARY EDUCATION CENTER	6,650,000	
POSTSECONDARY EDUCATION	KCTCS-SOMERSET C. C. & KY. TECH - ACADEMIC SUPPORT/TECH ED COMPLEX	10,258,000	
POSTSECONDARY EDUCATION	KCTCS-SOUTH REGIONAL POSTSECONDARY EDUCATION CENTER - PHASE 1	9,000,000	
POSTSECONDARY EDUCATION	KCTCS-SOUTHEAST REGIONAL POSTSECONDARY EDUCATION CENTER - PHASE 1	13,185,000	
POSTSECONDARY EDUCATION	KCTCS-WEST REGIONAL POSTSECONDARY EDUCATION CENTER - PHASE 2	6,650,000	
POSTSECONDARY EDUCATION	CVU TECHNOLOGY POOL	30,000,000	
POSTSECONDARY EDUCATION	RESEARCH EQUIPMENT/LAB REPLACEMENT/ACQUISITION	26,250,000	
POSTSECONDARY EDUCATION	NKU-NATURAL SCIENCE	36,500,000	
POSTSECONDARY EDUCATION	MOSU-BRECKINRIDGE HALL RENOVATION	14,000,000	
POSTSECONDARY EDUCATION	MOSU-WEST LIBERTY EXTENDED CAMPUS BLDG	6,000,000	
POSTSECONDARY EDUCATION	UK-MECHANICAL ENGINEERING FACILITY	19,600,000	
POSTSECONDARY EDUCATION	MUSU-CARR HEALTH/CUTCHIN RENOVATION	10,184,000	
POSTSECONDARY EDUCATION	EKU-STUDENT SERVICE/CLASSROOM BLDG	20,000,000	
POSTSECONDARY EDUCATION	KSU-HILL STUDENT CENTER RENOVATION/EXPANSION	8,250,000	
POSTSECONDARY EDUCATION	UL-RESEARCH BLDG (BELKNAP CAMPUS)	32,040,000	
POSTSECONDARY EDUCATION	WKU-POSTSECONDARY EDUCATION IMPROVEMENT ACT OF 1997 FACILITY	18,500,000	
POSTSECONDARY EDUCATION	UK-AGING/ALLIED HEALTH BLDG-PHASE 1	20,000,000	
POSTSECONDARY EDUCATION	AGENCY BOND POOL	35,000,000	
POSTSECONDARY EDUCATION	UK-CENTER FOR RURAL HEALTH	6,100,000	
POSTSECONDARY EDUCATION	UK-STADIUM EXPANSION (AGENCY FUND SUPPORTED BONDS)	24,000,000	
POSTSECONDARY EDUCATION	EKU-LAW ENFORCEMENT COMPLEX (AGENCY FUND SUPPORTED BONDS)	20,000,000	
			<b>466,099,000</b>
<b>TRANSPORTATION</b>			
TRANSPORTATION	NEW OFFICE BUILDING	68,100,000	
TURNPIKE AUTHORITY	ROAD BONDS	200,000,000	
			<b>268,100,000</b>
<b>FINANCE</b>			
KENTUCKY INFRASTRUCTURE	KIA-FUND A WASTE WATER	5,600,000	
KENTUCKY INFRASTRUCTURE	KIA-FUND F DRINKING WATER	5,000,000	
FINANCE	WINCHESTER STATE OFFICE BUILDING	2,500,000	
			<b>13,100,000</b>
<b>SECC</b>			
	NEW BOND POOL AUTHORIZATION	108,130,000	
			<b>108,130,000</b>
<b>PUBLIC PROTECTION</b>			
	PSC BLDG - ADDITIONAL FUNDING	1,100,000	
			<b>1,100,000</b>
<b>KHEAA</b>			
	NEW BUILDING (AGENCY FUND SUPPORTED BONDS)	9,000,000	
			<b>9,000,000</b>
<b>ECONOMIC DEVELOPMENT</b>			
	EDB - POOL	7,000,000	
			<b>7,000,000</b>
<b>KENTUCKY RIVER AUTHORITY</b>			
	KY RIVER WATER STORAGE ENHANCEMENTS (AGENCY FUND SUPPORTED BONDS)	2,000,000	
			<b>2,000,000</b>
<b>TOURISM</b>			
PARKS	DALE HOLLOW-GOLF COURSE	5,500,000	
			<b>5,500,000</b>
<b>GRAND TOTAL</b>			<b>\$ 965,030,000</b>

# Appendix E

## Surplus Expenditure Plan/New Debt Authorized FY1999 - FY2000

<u>CABINET/AGENCY</u>	<u>PROJECT TITLE</u>	<u>PROJECT/ POOL AUTHORIZATION</u>	<u>CABINET/AGENCY TOTALS</u>
<u>FINANCE</u>	VETERANS' NURSING HOME - E KY	\$ 4,725,000	
	VETERANS' NURSING HOME - W KY	4,725,000	
	HINDMAN EDUCATIONAL COMPLEX	3,000,000	
			<b>12,450,000</b>
<u>FAMILIES &amp; CHILDREN</u>	LINCOLN CO SENIOR CITIZENS CENTER	360,000	
			<b>360,000</b>
<u>ECONOMIC DEVELOPMENT</u>	NORTHERN KY AIRPORT	\$ 17,000,000	
	LOUISVILLE/JEFFERSON COUNTY INTERNATIONAL	20,000,000	
	COLUMBIA SEWER LINES	2,000,000	
	ADAIR COUNTY INDUSTRIAL PARK DEVELOPMENT FUND	500,000	
	GREEN COUNTY INDUSTRIAL PARK DEVELOPMENT FUND	460,000	
	RUSSELL COUNTY INDUSTRIAL PARK DEVELOPMENT FUND	100,000	
	RUSSELL COUNTY GAS LINE	2,000,000	
	LOUISVILLE RIVERFRONT	4,000,000	
	BOWLING GREEN - WARREN COUNTY AIRPORT	6,000,000	
	RADCLIFF/VINE GROVE INDUSTRIAL PARK	960,000	
	RIVERPARK CENTER - OWENSBORO	1,500,000	
	BLUEGRASS MUSEUM	1,500,000	
<u>EDUCATION/HUMANITIES</u>	FOUR RIVERS CENTER - PADUCAH	\$ 12,000,000	
	EAST KENTUCKY CENTER FOR SCIENCE, MATH & TECHNOLOGY	2,640,000	
			<b>14,640,000</b>
<u>TOURISM</u>	GREENBO STATE PARK WASTEWATER PLANT	\$ 1,000,000	
	ROUGH RIVER MARINA IMPROVEMENTS	800,000	
	BARREN RIVER - DOCK REPLACEMENT	450,000	
	AUDUBON GOLF COURSE EROSION	300,000	
	BOONESBOROUGH ELECTRIC UPGRADE	885,000	
	JEFFERSON DAVIS - REPAIR	450,000	
	CUMBERLAND FALLS - WATER LINES	550,000	
	WHITEHALL HVAC	175,000	
	BLUE LICKS LODGE	2,500,000	
	DALE HOLLOW LODGE	1,500,000	
	PINEVILLE GOLF COURSE	3,000,000	
	ARTISANS CENTER - BEREA	6,000,000	
	GOLF COURSE/ROAD - YATESVILLE LAKE	6,000,000	
	COUNTRY MUSIC HALL OF FAME	2,168,000	
COCA COLA MUSEUM	2,000,000		
			<b>27,778,000</b>
<u>POSTSECONDARY EDUCATION</u>	COLDSTREAM RESEARCH CAMPUS INFRASTRUCTURE	\$ 5,500,000	
	MUSU, RENOVATE ANIMAL, HEALTH TECHNOLOGY CENTER	700,000	
	KCTCS - MAYSVILLE CC EXTENSION CAMPUS AT CYNTHIANA	2,500,000	
			<b>8,700,000</b>
<u>DEPART LOCAL GOVERNMENT</u>	SPRINGFIELD WATER & WASTEWATER PROJECTS	\$ 2,000,000	
	VERSAILLES/WOODFORD COUNTY COMMUNITY CENTER	3,000,000	
	EDMONSON CO/CITY OF BROWNSVILLE NATURAL GAS LINE & INFRA	950,000	
	HARLAN CO INFRASTRUCTURE & RENOVATION PROJECTS POOL	1,000,000	
			<b>6,950,000</b>
<b>GRAND TOTAL</b>			<b>\$126,898,000</b>

# New Debt Authorized FY1999 - FY2000



New General Fund-supported Debt - \$600,830,000

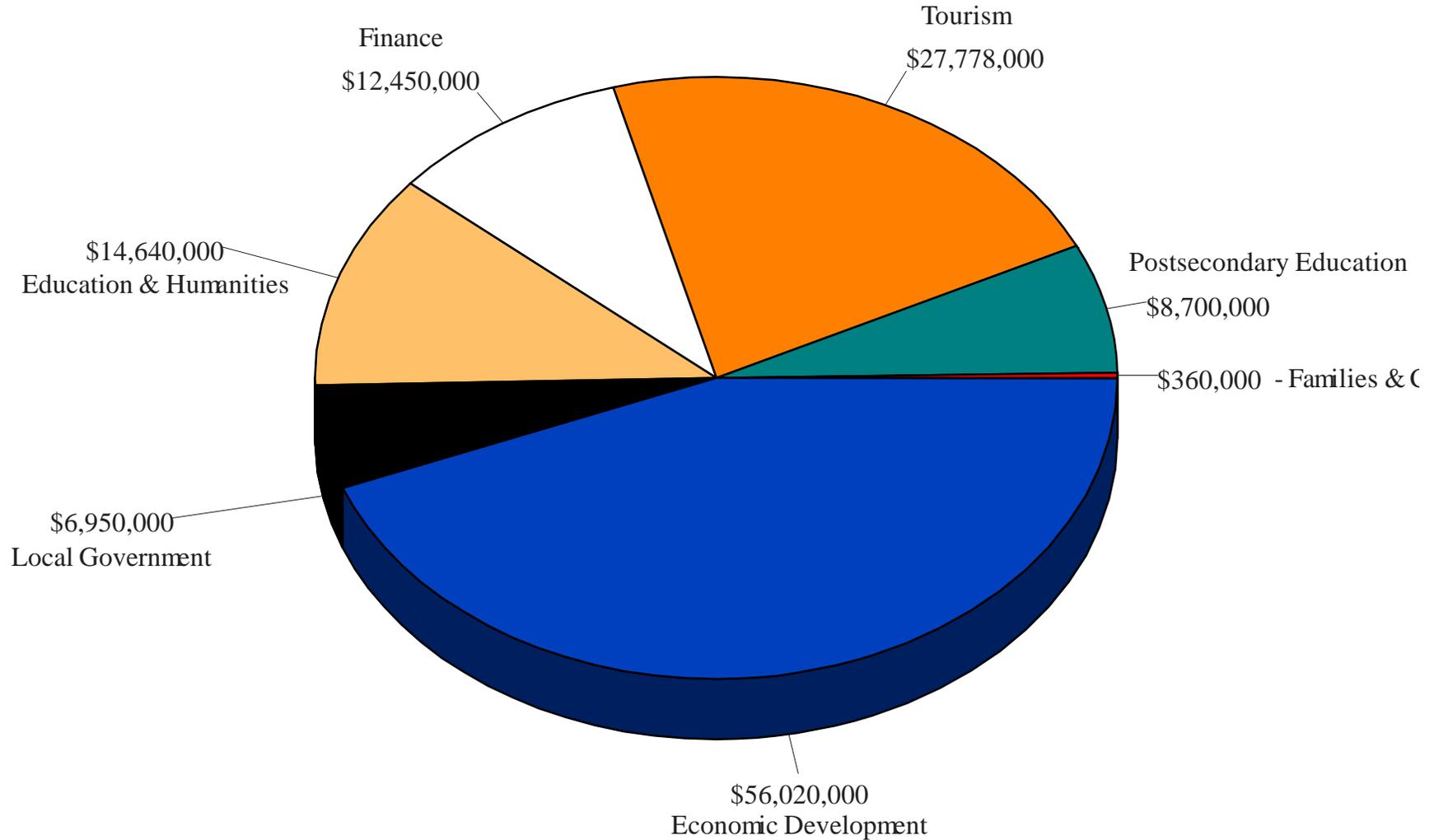
New Agency Fund-supported Debt - \$96,100,000

New Road Fund-supported Debt-\$268,100,000

**Total New Debt Authorized - \$965,030,000**

# Surplus Expenditure Plan

## New Debt Authorized - FY1999 - FY2000



**Total New Surplus Expenditure Plan Debt Authorized - \$126,898,000**

<h2 style="margin: 0;">Appendix F</h2> <h3 style="margin: 0;">University Rating Agency Information</h3>
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	<u>MOODY'S</u>	<u>STANDARD &amp; POOR'S</u>
<b>KENTUCKY</b>		
General Obligation	Aa	AA
<b>CONSOLIDATED EDUCATION</b>		
Eastern Kentucky University	A3	A
Kentucky State University	A3	NR
Morehead State University	A3	A
Murray State University	A3	A
Northern Kentucky University	A3	A-
University of Kentucky	A1	AA-
University of Louisville	A1	AA-
Western Kentucky University	A3	A-
<b>HOUSING &amp; DINING</b>		
Eastern Kentucky University	A3	BBB+
Kentucky State University	Baa1	NR
Morehead State University	Baa2	BBB+
Murray State University	NR	NR
Northern Kentucky University	Baa1	NR
University of Kentucky	A1	NR
University of Louisville	A1	NR
Western Kentucky University	Baa2	BBB+
<b>COMMUNITY COLLEGE</b>		
University of Kentucky	A1	AA-
<b>HOSPITAL</b>		
University of Kentucky	Aa2	NR

Legend: NR - Not Rated per Rating Agency