

Tourism, Arts and Heritage

Tourism, Arts and Heritage

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	47,468,200	56,539,600	54,271,800	57,728,500	59,236,000
State Salary and Compensation	269,600				
Current Year Appropriation	18,716,900		14,680,000		
Budget Reduction-General Fund	-15,000				
Total General Fund	66,439,700	56,539,600	68,951,800	57,728,500	59,236,000
Restricted Funds					
Balance Forward	90,546,966	93,998,026	105,127,600	98,858,400	100,219,600
Current Receipts	154,796,510	166,855,072	165,737,700	165,911,300	168,328,000
Non-Revenue Receipts	-17,565,318	7,616,617	-20,304,100	-7,160,800	-6,639,000
Fund Transfers		-6,600,000	-3,000,000		
Total Restricted Funds	227,778,159	261,869,715	247,561,200	257,608,900	261,908,600
Federal Fund					
Balance Forward	10,624,753	6,812,865	8,198,700	8,198,700	8,343,100
Current Receipts	17,036,822	17,690,207	18,190,700	19,228,700	19,919,100
Non-Revenue Receipts	-4,748,836	-388,120			
Total Federal Fund	22,912,738	24,114,953	26,389,400	27,427,400	28,262,200
Road Fund					
Regular Appropriation	350,000	393,400	410,500	439,800	445,200
Total Road Fund	350,000	393,400	410,500	439,800	445,200
TOTAL SOURCE OF FUNDS	317,480,597	342,917,668	343,312,900	343,204,600	349,852,000
EXPENDITURES BY CLASS					
Personnel Costs	128,140,214	137,913,914	141,034,300	144,160,200	145,484,700
Operating Expenses	70,913,901	78,420,616	81,987,300	77,592,600	79,699,800
Grants Loans Benefits	10,381,180	8,439,209	8,460,300	8,600,100	8,612,600
Debt Service	3,437,820	1,693,746	1,028,100	1,435,600	2,316,600
Capital Outlay	3,736,474	3,094,238	2,889,800	2,853,400	2,457,400
Construction	37,793	29,013			
TOTAL EXPENDITURES	216,647,382	229,590,735	235,399,800	234,641,900	238,571,100
EXPENDITURES BY FUND SOURCE					
General Fund	66,417,377	56,538,906	68,095,800	57,728,500	59,236,000
Restricted Funds	133,780,132	156,742,174	148,702,800	157,389,300	159,929,700
Federal Fund	16,099,873	15,916,254	18,190,700	19,084,300	18,960,200
Road Fund	350,000	393,400	410,500	439,800	445,200
TOTAL EXPENDITURES	216,647,382	229,590,735	235,399,800	234,641,900	238,571,100
EXPENDITURES BY UNIT					
Secretary	12,597,336	15,249,199	13,223,000	15,831,400	16,864,200
Artisans Center	2,334,530	2,400,445	2,381,900	2,424,200	2,435,000
Travel	3,079,723	3,111,753	3,051,600	3,051,800	3,077,700
Parks	80,028,241	88,163,917	89,715,400	84,758,400	85,615,400
Horse Park Commission	13,653,522	14,154,337	14,190,400	14,422,400	14,479,600
State Fair Board	42,942,790	44,101,288	47,281,300	46,246,300	48,134,800
Fish and Wildlife Resources	49,126,429	49,149,230	52,972,400	55,439,800	55,454,200
Historical Society	6,440,962	6,604,102	6,352,600	6,222,900	6,234,700
Arts Council	3,971,190	3,851,149	3,530,500	3,485,800	3,500,800
Heritage Council	1,671,156	1,774,778	1,804,200	1,845,800	1,859,600
Kentucky Center for the Arts	801,504	1,030,535	896,500	913,100	915,100
TOTAL EXPENDITURES	216,647,382	229,590,735	235,399,800	234,641,900	238,571,100

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

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

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

**Tourism, Arts and Heritage
Secretary**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,582,400	2,544,100	2,598,300	2,531,500	2,561,000
State Salary and Compensation	9,700				
Budget Reduction-General Fund	-15,000				
Total General Fund	2,577,100	2,544,100	2,598,300	2,531,500	2,561,000
Restricted Funds					
Balance Forward	6,483,558	8,011,903	1,635,400	907,600	1,200,200
Current Receipts	1,174,033	1,146,877	1,142,800	1,127,900	1,112,300
Non-Revenue Receipts	10,383,465	11,181,675	11,871,000	12,464,600	13,087,800
Fund Transfers		-6,000,000	-3,000,000		
Total Restricted Funds	18,041,056	14,340,455	11,649,200	14,500,100	15,400,300
TOTAL SOURCE OF FUNDS	20,618,156	16,884,555	14,247,500	17,031,600	17,961,300
EXPENDITURES BY CLASS					
Personnel Costs	4,284,584	4,195,181	4,238,100	4,292,200	4,324,200
Operating Expenses	2,991,773	7,517,109	6,079,900	8,634,200	9,635,000
Grants Loans Benefits	5,320,979	3,536,440	2,905,000	2,905,000	2,905,000
Capital Outlay		470			
TOTAL EXPENDITURES	12,597,336	15,249,199	13,223,000	15,831,400	16,864,200
EXPENDITURES BY FUND SOURCE					
General Fund	2,568,184	2,544,100	2,481,400	2,531,500	2,561,000
Restricted Funds	10,029,153	12,705,099	10,741,600	13,299,900	14,303,200
TOTAL EXPENDITURES	12,597,336	15,249,199	13,223,000	15,831,400	16,864,200
EXPENDITURES BY UNIT					
Executive Policy and Management	2,118,184	2,044,100	2,003,900	2,040,800	2,063,800
Capital Plaza Operations	747,191	665,974	700,000	917,700	921,000
Creative Services	777,476	780,892	688,500	659,400	665,900
Sports Authority	132,100	85,600	80,600	63,500	63,500
Tourism Meeting & Convention Marketing	8,753,013	11,672,633	9,750,000	12,150,000	13,150,000
Coal Severance Tourism	69,373				
TOTAL EXPENDITURES	12,597,336	15,249,199	13,223,000	15,831,400	16,864,200

The Office of the Secretary's appropriation unit comprises of:

Executive Policy and Management - The Executive Policy and Management unit directs planning and management of the agencies within the Cabinet. This program develops plans to assure orderly growth and improved management, recommends executive actions and legislative measures, and evaluates agency budget requests.

Creative Services - The Creative Services program performs a range of creative and productive services for agencies in state government, including audio and video production, graphic design, multimedia event services, and photography.

Frankfort Convention Center - The Frankfort Convention Center serves as both a small and large meeting facility, containing a 10,000 square foot arena with fixed seating space of 5,365. The small meeting facility space contains 1,575 square feet for governmental or business conference functions.

The Frankfort Convention Center also manages over 57,000 square feet of rental space for 10 state agencies and eight private businesses.

Sports Authority - The Kentucky Sports Authority, established pursuant to KRS 148.590, has a fourteen

member board with the primary responsibility to recruit, promote, assist, place, and develop sporting events, facilities, and programs throughout the Commonwealth, with the final goal of developing the economy, commerce, job opportunities, and revenue streams.

Tourism, Meeting, and Convention Marketing Fund – This fund is established by KRS 142.406 with revenues from a one percent transient room tax dedicated for the sole purpose of marketing and promoting tourism in the Commonwealth, including expenditures to market and promote events and venues related to meetings, conventions, trade shows, cultural activities, historical sites, recreation, entertainment, natural phenomena, areas of scenic beauty, craft marketing, and any other economic activity that brings tourists and visitors to the Commonwealth.

Tourism, Arts and Heritage

Artisans Center

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	353,200	389,200	406,300	399,000	404,400
State Salary and Compensation	2,000				
Total General Fund	355,200	389,200	406,300	399,000	404,400
Restricted Funds					
Balance Forward	46,657	85,520	112,900	112,900	110,900
Current Receipts	1,668,192	1,645,179	1,583,400	1,583,400	1,583,400
Total Restricted Funds	1,714,849	1,730,698	1,696,300	1,696,300	1,694,300
Road Fund					
Regular Appropriation	350,000	393,400	410,500	439,800	445,200
Total Road Fund	350,000	393,400	410,500	439,800	445,200
TOTAL SOURCE OF FUNDS	2,420,049	2,513,298	2,513,100	2,535,100	2,543,900
EXPENDITURES BY CLASS					
Personnel Costs	1,201,919	1,253,618	1,278,800	1,340,400	1,350,700
Operating Expenses	1,132,611	1,146,827	1,103,100	1,083,800	1,084,300
TOTAL EXPENDITURES	2,334,530	2,400,445	2,381,900	2,424,200	2,435,000
EXPENDITURES BY FUND SOURCE					
General Fund	355,200	389,200	388,000	399,000	404,400
Restricted Funds	1,629,330	1,617,845	1,583,400	1,585,400	1,585,400
Road Fund	350,000	393,400	410,500	439,800	445,200
TOTAL EXPENDITURES	2,334,530	2,400,445	2,381,900	2,424,200	2,435,000
EXPENDITURES BY UNIT					
Berea Artisans Center	2,334,530	2,400,445	2,381,900	2,424,200	2,435,000
TOTAL EXPENDITURES	2,334,530	2,400,445	2,381,900	2,424,200	2,435,000

The Kentucky Artisan Center at Berea is established to promote Kentucky arts and craft products and serve as a unique gateway for travelers, offering quality Kentucky arts, crafts, music, and other artisan products, along with authentic heritage experiences. The Artisan Center purchases for resale over 4,000 different artisan products from over 650 vendors in 100 counties statewide. Hospitality, café food service, KY travel information assistance, and rest stop services are also provided by the Center for over 265,000 visitors annually. The Center currently serves as the only mid-state rest area on I-75.

The Appalachian/Kentucky Artisans Gateway Center Authority (KRS 148.560-569) has an appointed, thirteen member board to direct operations of the Center and is attached to the Tourism Arts and Heritage Cabinet for administrative purposes.

Tourism, Arts and Heritage

Travel

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,056,800	3,094,400	3,152,400	3,010,700	3,036,600
State Salary and Compensation	11,600				
Total General Fund	3,068,400	3,094,400	3,152,400	3,010,700	3,036,600
Restricted Funds					
Balance Forward	100,317	100,583	97,000	69,400	41,800
Current Receipts	14,324	13,825	13,500	13,500	13,500
Total Restricted Funds	114,642	114,407	110,500	82,900	55,300
TOTAL SOURCE OF FUNDS	3,183,042	3,208,807	3,262,900	3,093,600	3,091,900
EXPENDITURES BY CLASS					
Personnel Costs	2,537,465	2,572,678	2,533,400	2,600,500	2,629,700
Operating Expenses	542,258	539,076	518,200	451,300	448,000
TOTAL EXPENDITURES	3,079,723	3,111,753	3,051,600	3,051,800	3,077,700
EXPENDITURES BY FUND SOURCE					
General Fund	3,065,664	3,094,371	3,010,500	3,010,700	3,036,600
Restricted Funds	14,059	17,382	41,100	41,100	41,100
TOTAL EXPENDITURES	3,079,723	3,111,753	3,051,600	3,051,800	3,077,700
EXPENDITURES BY UNIT					
Executive Policy and Management	1,067,599	1,194,471	1,136,100	1,159,400	1,173,200
Tourism Services	515,400	572,400	603,000	598,100	602,400
Marketing and Advertising	1,029,624	943,382	984,000	971,100	976,900
Communications and Promotions	467,100	401,500	328,500	323,200	325,200
TOTAL EXPENDITURES	3,079,723	3,111,753	3,051,600	3,051,800	3,077,700

The Department of Travel and Tourism was created to promote, develop, and provide support services for the tourism industry within the Commonwealth.

Executive Policy and Management - The Executive Policy and Management program establishes the policies and goals; coordinates the overall planning, management, and direction for the agency; and provides for the efficient administration of the Department and its programs.

Tourism Services - The Division of Tourism Services provides technical and design support to the overall marketing and promotions activities of the department. These activities provide graphic design support for development of both print and website promotions as well as technical support for website maintenance. Additionally, the division disseminates tourism information to tourists and potential visitors via a telephone system and fulfills visitor information through direct mail. Tourism Services provides assistance to travel planners calling the toll-free phone line requesting information as well as fulfilling requests for the Official Visitors Guide.

Marketing and Administration - The Division of Marketing and Administration is responsible for motivating travel to and within Kentucky. The Division maintains a database of all of the tourism related attractions, destinations and events throughout the state. These tourism assets are promoted through advertising via broadcast, print, and online media. Additionally, the Division participates in trade shows, events and conferences to showcase the state. The Division also collaborates with industry partners within the state and throughout the region to leverage marketing efforts.

The Tourism Marketing Incentive Program is a collaborative effort to utilize the one percent transient room tax funds, dedicated for the sole purpose of marketing and promoting tourism in the Commonwealth, efficiently and effectively.

The Division of Marketing and Administration staffs eight Welcome Centers throughout the state. The travel hosts at the Centers, located in Florence, Franklin, Grayson, Hopkinsville, Paducah, Simpsonville, Shepherdsville and Williamsburg offer helpful travel information and a positive image of Kentucky to tourists seeking assistance when they visit the state.

Communications and Promotions - The Division of Communications and Promotions works to complement the activities of the Department's advertising programs by engaging media and employing other strategies that publicize Kentucky's attractions and events as tourism destinations. These efforts primarily focus on generating earned broadcast and print media to support the marketing efforts of the department. This Division serves as the liaison with media sources, maintaining constant contact through e-newsletters, and a web-based media resource site. Assistance is provided to individual media representatives and travel writers in a variety of ways including, but not limited to, creating story ideas, making travel arrangements, providing photographs, video and fact verification. Regular press releases are prepared for the Department of Travel and Tourism and the Department of Parks to keep the public abreast of attractions and events in Kentucky. The goal of the division is to provide comprehensive support for projects and promotions developed through the department on behalf of the tourism industry in Kentucky.

Tourism, Arts and Heritage

Parks

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	28,883,000	33,572,800	33,511,500	35,202,000	36,044,800
State Salary and Compensation	129,400				
Current Year Appropriation	8,216,900		12,380,000		
Total General Fund	37,229,300	33,572,800	45,891,500	35,202,000	36,044,800
Restricted Funds					
Balance Forward	250,117	311,206	110,700	108,600	137,700
Current Receipts	47,916,049	48,940,010	49,243,200	49,253,000	49,253,800
Non-Revenue Receipts	-5,055,546	5,450,696	-5,421,400	332,500	231,200
Total Restricted Funds	43,110,619	54,701,913	43,932,500	49,694,100	49,622,700
TOTAL SOURCE OF FUNDS	80,339,919	88,274,713	89,824,000	84,896,100	85,667,500
EXPENDITURES BY CLASS					
Personnel Costs	49,246,424	54,097,356	54,947,900	54,080,600	54,321,600
Operating Expenses	29,122,616	32,573,000	33,739,400	29,273,200	29,350,200
Debt Service	1,600,229	1,412,246	1,028,100	1,404,600	1,943,600
Capital Outlay	35,859	84,239			
Construction	23,114	-2,924			
TOTAL EXPENDITURES	80,028,241	88,163,917	89,715,400	84,758,400	85,615,400
EXPENDITURES BY FUND SOURCE					
General Fund	37,228,828	33,572,800	45,891,500	35,202,000	36,044,800
Restricted Funds	42,799,413	54,591,117	43,823,900	49,556,400	49,570,600
TOTAL EXPENDITURES	80,028,241	88,163,917	89,715,400	84,758,400	85,615,400
EXPENDITURES BY UNIT					
General Administration and Support	12,609,015	13,155,416	14,482,000	14,330,900	15,072,400
Resort Parks	50,891,974	57,009,075	56,229,900	53,052,600	53,122,700
Recreation Parks and Historic Sites	14,557,116	15,883,914	16,965,500	15,312,200	15,353,100
Cafeterias	1,970,136	2,115,512	2,038,000	2,062,700	2,067,200
TOTAL EXPENDITURES	80,028,241	88,163,917	89,715,400	84,758,400	85,615,400

The Department of Parks operates the Kentucky State Park System under the authority of KRS Chapter 148. The Department strives to provide quality recreational facilities and to preserve and protect historically significant sites and natural phenomena in the Commonwealth of Kentucky.

The Vision for Kentucky State Parks is to provide quality recreation and hospitality experiences for people of all ages that enhance their appreciation for adventure, fun, education, and beauty through responsible stewardship of our Commonwealth's natural, historic and cultural resources, and with a professional staff committed to excellent service for our guests.

The Mission of Kentucky State Parks is to provide a sustainable system of parks that delivers quality programs, amenities, and services which create memorable experiences and a sense of place, contributes to the economic growth of the Commonwealth, and preserves the historic and natural integrity and traditions of our parks for existing and future generations.

The activities of the Department include the operation and maintenance of 17 resort parks, 22 recreational parks, 10 historic sites, three cafeterias in Frankfort, and other miscellaneous facilities, including one interstate park. The Park System provides overnight lodging to 431,000 guests, food service for 1,192,000 meals for dining patrons, camping for 560,000 guests, golf for 170,000 players, along with other park amenities and activities.

Resort Parks

The Resort Parks program encourages tourism and economic development in Kentucky by providing excellent overnight accommodations, quality food service, and recreational activities for visitors at the 17 resort parks. The resort parks and their locations are:

Barren River Resort Park - Barren County	Kenlake Resort Park - Marshall County
Blue Licks Battlefield State Park - Robertson County	Kentucky Dam Village Resort Park - Marshall County
Buckhorn Lake Resort Park - Perry County	Lake Barkley Resort Park - Trigg County
Carter Caves Resort Park - Carter County	Lake Cumberland Resort Park - Russell County
Cumberland Falls Resort Park - Whitley County	Natural Bridge Resort Park - Powell County
Dale Hollow Resort Park - Cumberland and Clinton Counties	Pennyrile Forest Resort Park - Christian County
General Butler Resort Park - Carroll County	Pine Mountain Resort Park - Bell County
Greenbo Lake Resort Park - Greenup County	Rough River Resort Park - Grayson County
Jenny Wiley Resort Park - Floyd County	

The Recreation Parks and Historic Sites program encourages tourism and economic development in Kentucky by providing modern recreational and camping facilities and preserving significant scenic and historic landmarks, as well as operating museums and shrines.

Recreation Park Facilities

Big Bone Lick State Park - Boone County	Lake Malone State Park - Muhlenberg County
Carr Creek State Park - Knott County	Levi Jackson Wilderness Road State Park - Laurel County
Columbus-Belmont Battlefield State Park - Hickman County	Lincoln Homestead State Park - Washington County
E. P. "Tom" Sawyer State Park - Jefferson County	Mineral Mound State Park - Lyon County
Fort Boonesborough State Park - Madison County	My Old Kentucky Home State Park - Nelson County
General Burnside State Park - Pulaski County	Nolin Lake State Park - Edmonson County
Grayson Lake State Park - Elliott and Carter Counties	Old Fort Harrod State Park - Mercer County
Green River Lake State Park - Taylor County	Paintsville Lake State Park - Johnson County
John James Audubon State Park - Henderson County	Pine Mountain Trail State Park - Harlan & Bell Counties
Kincaid Lake State Park - Pendleton County	Taylorsville Lake State Park - Spencer County
Kingdom Come State Park - Harlan County	Yatesville Lake State Park - Lawrence County

Historic Sites

Boone Station - Fayette County	Perryville Battlefield State Shrine - Boyle County
Dr. Thomas Walker State Shrine - Knox County	Waveland State Shrine - Fayette County
Isaac Shelby State Shrine - Lincoln County	White Hall State Shrine - Madison County
Jefferson Davis Monument State Shrine - Todd County	Wickliffe Mounds State Historic Site - Ballard County
Old Mulkey Meeting House State Shrine - Monroe County	William Whitley House State Shrine - Lincoln County

Cafeterias

The Cafeteria program provides food service in the Capitol Annex, Transportation Building, and the Health and Family Services Building for members of the General Assembly, state employees, and visitors to the state offices in Frankfort. The cafeterias also provide catering service for special local events.

General Administration and Support

The General Administration and Support program provides an organizational and administrative system to maintain and operate the 50 park system entities. Central administrative functions, such as accounting, purchasing, budgeting, and personnel, along with program operations support and central maintenance and minor construction support, are included in this program.

Policy

The [Budget of the Commonwealth](#) provides General Fund in the amount of \$12,380,000 in fiscal year 2016 to cover a cumulative shortfall that has accrued since fiscal year 2014 resulting from declining or flat revenues and rising fixed costs.

The Budget of the Commonwealth provides General Fund of \$376,500 in fiscal year 2017 and \$915,500 in fiscal year 2018 for debt service on new bonds included in the capital budget.

The Budget of the Commonwealth includes Restricted Funds in each fiscal year for a \$4,000 training incentive stipend for Park Rangers. The stipend payments are provided from the Kentucky Law Enforcement Foundation Program Fund.

**Tourism, Arts and Heritage
Horse Park Commission**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,390,800	2,471,800	2,510,800	2,395,800	2,417,600
State Salary and Compensation	4,500				
Total General Fund	2,395,300	2,471,800	2,510,800	2,395,800	2,417,600
Restricted Funds					
Balance Forward	908,790	199,716	752,700	970,100	996,300
Current Receipts	10,683,134	12,301,256	12,010,000	12,010,700	12,313,900
Non-Revenue Receipts	-133,987	-65,715		42,100	42,000
Total Restricted Funds	11,457,937	12,435,256	12,762,700	13,022,900	13,352,200
TOTAL SOURCE OF FUNDS	13,853,237	14,907,056	15,273,500	15,418,700	15,769,800
EXPENDITURES BY CLASS					
Personnel Costs	7,448,929	7,962,377	8,317,400	8,647,100	8,707,200
Operating Expenses	6,133,531	6,037,959	5,720,500	5,622,800	5,619,900
Capital Outlay	71,061	154,000	152,500	152,500	152,500
TOTAL EXPENDITURES	13,653,522	14,154,337	14,190,400	14,422,400	14,479,600
EXPENDITURES BY FUND SOURCE					
General Fund	2,395,300	2,471,800	2,397,800	2,395,800	2,417,600
Restricted Funds	11,258,222	11,682,537	11,792,600	12,026,600	12,062,000
TOTAL EXPENDITURES	13,653,522	14,154,337	14,190,400	14,422,400	14,479,600
EXPENDITURES BY UNIT					
Kentucky Horse Park	13,653,522	14,154,337	14,190,400	14,422,400	14,479,600
TOTAL EXPENDITURES	13,653,522	14,154,337	14,190,400	14,422,400	14,479,600

The Kentucky Horse Park (KRS 148.260) is comprised of 1,224 acres on which are situated over 110 structures, 34 miles of fencing and 260 campsites. Horse Park programs consist primarily of four main functions:

Equine Theme Park-The central area of the park contains tourist activities that include the Visitor Information Center, International Museum of the Horse, gift shop, restaurant, Parade of Breeds and Hall of Champions shows, horseback riding, horse drawn tours, and other activities. The expansion of the new indoor arena and outdoor stadium was completed in 2009.

Events-The Horse Park is the host venue for both equine and non-equine special events. Horse shows are central to the mission of the park and comprise the majority of special event activities. Eighty Seven annual equine events utilize 21 pole barns (1,086 stalls), a 1,200 seat covered arena, show office complex, six hunter-jumper rings, five dressage rings, a 7,800-yard cross country course, steeplechase course, and other ancillary structures. The park also hosts non-equine events that include soccer, high school cross country, dog shows, "Old Kentucky Nights" evening programs, "Southern Lights" holiday lights show, and many other events.

Campground-The popular campground is made up of 260 campsites with water/electric hookups, grocery store, two bathhouses, pool, tennis courts, playground, primitive camping, and covered pavilion. Each year more than 102,000 people camp at the Horse Park, generating more than \$1.3 million in direct annual income.

National Horse Center-Another area of remarkable growth has been the National Horse Center (NHC), a collection of the nation's and the state's leading equestrian organizations. The NHC now includes 33 distinct organizations contained in 11 office buildings. The NHC has solidified the key role of the Horse Park in making Kentucky the "Horse Capital of the World."

Policy

The Budget of the Commonwealth includes Restricted Funds in each fiscal year for a \$4,000 training incentive stipend for Mounted Patrol Officers. The stipend payments are provided from the Kentucky Law Enforcement Foundation Program Fund.

Tourism, Arts and Heritage

State Fair Board

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	176,000	3,897,100	1,736,900	4,382,200	4,902,200
State Salary and Compensation	89,900				
Current Year Appropriation	10,500,000		2,300,000		
Total General Fund	10,765,900	3,897,100	4,036,900	4,382,200	4,902,200
Restricted Funds					
Balance Forward	111,240	2,666,224	5,897,800	144,100	144,100
Current Receipts	47,736,640	43,969,915	43,244,400	41,864,100	43,232,600
Non-Revenue Receipts	-13,004,766	-534,189	-5,753,700		
Total Restricted Funds	34,843,113	46,101,949	43,388,500	42,008,200	43,376,700
TOTAL SOURCE OF FUNDS	45,609,013	49,999,049	47,425,400	46,390,400	48,278,900
EXPENDITURES BY CLASS					
Personnel Costs	22,652,685	25,031,584	24,708,500	25,495,400	26,069,100
Operating Expenses	16,286,084	16,452,729	19,505,900	17,561,900	18,621,600
Grants Loans Benefits	1,521,577	1,576,048	2,478,700	2,505,800	2,518,300
Debt Service	1,837,592	189,000		31,000	373,000
Capital Outlay	630,172	820,181	588,200	652,200	552,800
Construction	14,680	31,746			
TOTAL EXPENDITURES	42,942,790	44,101,288	47,281,300	46,246,300	48,134,800
EXPENDITURES BY FUND SOURCE					
General Fund	10,765,900	3,897,100	4,036,900	4,382,200	4,902,200
Restricted Funds	32,176,890	40,204,188	43,244,400	41,864,100	43,232,600
TOTAL EXPENDITURES	42,942,790	44,101,288	47,281,300	46,246,300	48,134,800
EXPENDITURES BY UNIT					
Kentucky Fair and Exposition Center	36,319,363	38,560,257	42,633,900	41,030,600	42,452,100
Kentucky International Convention Center	4,785,835	5,352,031	4,647,400	5,184,700	5,309,700
Debt Service	1,837,592	189,000		31,000	373,000
TOTAL EXPENDITURES	42,942,790	44,101,288	47,281,300	46,246,300	48,134,800

The Kentucky State Fair Board is composed of 17 members authorized in Senate Bill 191 during the 2016 Regular Session: the Governor, the Commissioner of Agriculture, the Dean of the College of Agriculture at the University of Kentucky, the State president of the Kentucky FFA, the State President of the Kentucky 4-H Organization, and 12 members appointed by the Governor. The Board manages and administers the funds, buildings, grounds, and equipment of both the Kentucky Exposition Center and the Kentucky International Convention Center in Louisville. A president is appointed by the Board to manage these centers and Fair Board properties.

Kentucky Exposition Center - The Kentucky Exposition Center provides facilities and services for conventions, trade shows, agricultural activities, athletic events, concerts, and cultural and commercial productions year-round. At this site, the State Fair Board produces its three major expositions during the year: the Kentucky State Fair, the National Farm Machinery Show, and the North American International Livestock Exposition.

The Kentucky Exposition Center is a completely air conditioned complex that includes 1.2 million square feet of exhibit and meeting space at ground level. It includes the 19,000-seat Freedom Hall Coliseum, identical East and West Exhibit Halls, East and West Exposition Wings, the South and North Wing Exposition facilities and Conference Centers, a smaller exposition pavilion, a 600-seat amphitheater, a 5,000 seat Livestock and Horse Show Arena, and a 37,000-seat stadium. Also serving the Kentucky Exposition Center are the adjacent Crowne Plaza, Hilton Gardens Inn, Cracker Barrel restaurant, Thornton's gas station and Executive Bowl, all of which are long term lessees of the State Fair Board.

Kentucky International Convention Center - The Kentucky International Convention Center provides facilities and services for intermediate-sized conventions, trade shows, association events, concerts, and cultural and commercial productions year-round. This facility is an integral and interdependent part of the overall redevelopment of downtown Louisville by both government and private enterprises.

The Center includes approximately 200,000 square feet of exhibit space, a 30,000 square foot ballroom, and nearly 70,000 square feet of meeting space along both sides of Third Street. The exhibit and meeting areas are linked by public concourses spanning Third Street.

The Center is served by the Hyatt and Cowger Parking Garages, which provide 1,300 enclosed parking spaces. The Cowger Garage also includes commercial space which is leased on a long term basis.

Policy

The Budget of the Commonwealth includes General Fund resources in the amount of \$2,300,000 in fiscal year 2015-2016, and \$1,900,000 in fiscal years 2016- 2017 and 2017-2018 to cover the cumulative and ongoing revenue shortfall due to the closure of the Kentucky International Convention Center for construction.

The Budget of the Commonwealth provides General Fund of \$31,000 in fiscal year 2016-2017 and \$373,000 in fiscal year 2017-2018 for debt service on new bonds included in the capital budget.

**Tourism, Arts and Heritage
Fish and Wildlife Resources**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	81,474,677	81,621,839	96,172,700	96,132,700	97,085,200
Current Receipts	44,706,223	57,967,792	57,561,100	59,082,100	59,831,900
Non-Revenue Receipts	-9,779,483	-8,505,850	-21,000,000	-20,000,000	-20,000,000
Total Restricted Funds	116,401,417	131,083,781	132,733,800	135,214,800	136,917,100
Federal Fund					
Balance Forward	10,547,281	6,807,704	8,192,300	8,192,300	8,326,000
Current Receipts	15,266,338	15,699,579	16,371,300	17,443,900	18,146,000
Non-Revenue Receipts	-4,659,063	-76,830			
Total Federal Fund	21,154,555	22,430,453	24,563,600	25,636,200	26,472,000
TOTAL SOURCE OF FUNDS	137,555,972	153,514,234	157,297,400	160,851,000	163,389,100
EXPENDITURES BY CLASS					
Personnel Costs	34,085,884	35,690,748	37,958,800	40,236,300	40,545,500
Operating Expenses	11,116,910	10,562,443	12,025,100	12,163,400	12,165,200
Grants Loans Benefits	924,253	860,503	839,400	991,400	991,400
Capital Outlay	2,999,382	2,035,347	2,149,100	2,048,700	1,752,100
Construction		190			
TOTAL EXPENDITURES	49,126,429	49,149,230	52,972,400	55,439,800	55,454,200
EXPENDITURES BY FUND SOURCE					
Restricted Funds	34,779,579	34,911,038	36,601,100	38,129,600	38,246,700
Federal Fund	14,346,851	14,238,192	16,371,300	17,310,200	17,207,500
TOTAL EXPENDITURES	49,126,429	49,149,230	52,972,400	55,439,800	55,454,200
EXPENDITURES BY UNIT					
Administration and Support	6,049,624	6,409,865	7,298,500	7,971,500	7,920,200
Wildlife Management	14,535,350	14,416,829	14,950,200	15,676,900	15,735,200
Fisheries Management	8,119,586	8,663,922	10,173,000	10,147,200	9,938,500
Information and Education	6,193,717	6,819,640	7,062,000	7,468,400	7,513,000
Law Enforcement	14,228,152	12,838,974	13,488,700	14,175,800	14,347,300
TOTAL EXPENDITURES	49,126,429	49,149,230	52,972,400	55,439,800	55,454,200

The Department of Fish and Wildlife Resources, established by KRS Chapter 150, is responsible for the conservation and management of fish and wildlife resources in Kentucky. A Departmental Commissioner is appointed by the Fish and Wildlife Commission. The Commission, which is responsible for Department policy, is a nine member bipartisan body appointed by the Governor from a list of candidates provided by sportsmen and women in each of nine districts.

Financial support of the Department is derived from the sale of hunting and fishing licenses, federal grants, interest income, fines and penalties assessed by the courts for violation of game and fish laws, and numerous other miscellaneous receipts.

The Department owns approximately 130,000 acres of land in Kentucky which are used to further its program activities. The acreage includes the State Game Farm, approximately 80 major wildlife management areas, two warm water hatcheries, and three summer camps. An additional 700,000 plus acres of land and water are under lease or license by the Department for wildlife management activities. The Daniel Boone National Forest provides an additional 600,000 acres of land for public use.

The Department consists of five program areas: Administration and Support, Wildlife Management, Fisheries Management, Information and Education, and Law Enforcement.

Wildlife Management - The Wildlife Management program manages, develops, and maintains statewide game

and non-game populations consistent with habitat availability on state owned lands, licensed wildlife management areas, and privately owned lands. Additionally, Wildlife Management conducts statewide surveys to determine the relative abundance of game and non-game wildlife, formulates hunting regulations based upon biological data and recreational demands, restores viable native wildlife species by restocking in suitable habitat, and evaluates the impact of land, water resource, and other construction projects on wildlife resources. Technical guidance is provided to private landowners for improvement of wildlife habitat. A fish and wildlife electronic information system is being maintained for use by state agencies that includes geographic information such as land types, vegetation conditions, and wildlife populations.

Fisheries Management - The Fisheries Management program manages Kentucky fishery resources to provide optimum fishing opportunities for anglers through research, surveys, fish stocking, regulation, and technical biological guidance. Fishery biologists manage and develop fish populations and their associated habitats in major impoundments, streams, rivers, and 100,000 acres of small lakes and ponds. In addition, technical guidance is provided to private pond owners. Research biologists provide support to management through evaluation of stocking and regulatory practices. The Environmental Section of the Fisheries Division manages the Kentucky Wetland Stream Mitigation Fund (referred to as the fees in-lieu of program) authorized by KRS 150.255 and by agreement with the U.S. Army Corps of Engineers. Corps 404 permits require mitigation when projects fill stream or wetland habitat. Funds are derived when 404 permit applicants can elect to pay a fee to satisfy mitigation requirements. These fees are used for identifying and restoring degraded streams with eroding banks and impacted habitat to stable conditions or restoring wetlands that have been drained.

Information and Education - The Information and Education program is responsible for educating and informing the public about our wildlife resources and the importance of conservation, and the recreational opportunities the fish and wildlife resources provide. The information and education program is essential to provide the general and sporting public timely and accurate information directly and through the media. Additionally, the dissemination of regulatory information is necessary for the sporting public to comply with applicable laws and regulations. The program also provides classroom instruction on wildlife conservation, hunter education, aquatic education; operates the Salato Wildlife Education Center; and administers three summer camps for children.

Law Enforcement - The Law Enforcement program enforces fish, wildlife, and boating laws. Officers assist other federal, state, and local agencies in enforcement of all criminal laws in the Commonwealth. Officers also provide assistance to the public during times of natural disasters such as floods, forest fires, and severe winter weather.

Administration and Support - Three separate divisions are included in the Administration and Support program area. The Division of Administrative Services manages the day-to-day operations of the Department including maintaining accounting records, ensuring proper purchasing and inventory procedures, and administering hunting and fishing license sales and revenue collections. The Public Affairs Division facilitates public involvement in departmental policy and regulations. The Engineering Division provides the labor and technical engineering services required for small construction projects, such as building small bridges, buildings, boat ramps, and roads. In addition, Engineering is responsible for surveying all property owned or being purchased by the Department.

Policy

The Budget of the Commonwealth includes Restricted Funds in each fiscal year for a \$4,000 training incentive stipend for Conservation Officers. These funds are provided from the Fish and Game Fund.

Tourism, Arts and Heritage

Historical Society

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,696,700	5,784,800	5,873,400	5,557,200	5,596,500
State Salary and Compensation	14,700				
Total General Fund	5,711,400	5,784,800	5,873,400	5,557,200	5,596,500
Restricted Funds					
Balance Forward	430,115	330,040	150,400	238,000	358,700
Current Receipts	438,484	486,367	545,400	578,500	588,500
Non-Revenue Receipts	-100,000	-10,000			
Total Restricted Funds	768,599	806,407	695,800	816,500	947,200
Federal Fund					
Balance Forward					10,700
Current Receipts	701,388	212,815	285,700	218,600	200,800
Non-Revenue Receipts	-410,385	-49,519			
Total Federal Fund	291,003	163,296	285,700	218,600	211,500
TOTAL SOURCE OF FUNDS	6,771,002	6,754,503	6,854,900	6,592,300	6,755,200
EXPENDITURES BY CLASS					
Personnel Costs	3,811,981	3,814,502	3,909,200	4,127,600	4,171,800
Operating Expenses	2,625,831	2,707,184	2,393,400	2,045,300	2,012,900
Grants Loans Benefits	3,150	82,415	50,000	50,000	50,000
TOTAL EXPENDITURES	6,440,962	6,604,102	6,352,600	6,222,900	6,234,700
EXPENDITURES BY FUND SOURCE					
General Fund	5,711,400	5,784,800	5,609,100	5,557,200	5,596,500
Restricted Funds	438,559	656,005	457,800	457,800	457,800
Federal Fund	291,003	163,296	285,700	207,900	180,400
TOTAL EXPENDITURES	6,440,962	6,604,102	6,352,600	6,222,900	6,234,700
EXPENDITURES BY UNIT					
Oral History and Educational Outreach	37,544	34,637	115,700	40,400	40,400
Research and Publications	95,000	100,000	99,600	99,200	99,200
Museums	20,969	130,737	78,500	76,000	76,000
Administration	6,287,449	6,338,728	6,058,800	6,007,300	6,019,100
TOTAL EXPENDITURES	6,440,962	6,604,102	6,352,600	6,222,900	6,234,700

The Kentucky Historical Society (KHS) engages people in the exploration of the Commonwealth's diverse heritage. Through comprehensive and innovative services, interpretive programs, and stewardship, it provides connections to the past, perspective on the present, and inspiration for the future.

The Kentucky Historical Society's statutory mandate, pursuant to KRS 171.311, is to collect and preserve for future generations materials and information regarding Kentucky's past; to disseminate knowledge and understanding of the state's history; and to produce for people of all backgrounds an increased awareness of, and appreciation for, the Commonwealth and its heritage. The agency operates four divisions: Administration, Research and Publications, Museums, and Oral History and Educational Outreach.

The Administration Division provides overall agency direction, planning, and management. It is comprised of the following functional teams: development, director's office, finance and human resources, and communications (which includes visitor services.)

The Research and Publications Division includes the following functional teams: research and interpretation, museum collections and exhibitions, and the design studio. The research and interpretation team publishes the Society's two journals—*The Register of the Kentucky Historical Society* and *Kentucky Ancestors*—and

assists with the publication of the quarterly newsletter, *The Chronicle*. The team also administers the historical marker program and the research fellows program. The museum collections and exhibitions team is responsible for the operation of the Historical Society's three museum facilities—the galleries located in the Thomas D. Clark Center for Kentucky History, the Kentucky Military History Museum, and the Old State Capitol. Since 1999, these facilities have hosted more than 1,000,000 visitors. The team is also responsible for the 200,000+ artifact collection. The design studio is responsible for museum exhibition design and production, along with the design and production of other KHS interpretive and promotional tools.

The Museum Division is responsible for special collections and reference services. The Museum division operates the Martin F. Schmidt Research Library housed in the History Center, which effectively serves genealogists and other researchers. It also cares for an array of manuscripts, maps, 200,000-plus photographs, 8,000 oral history recordings, and rare books.

The Oral History and Educational Outreach Division includes the following units: interpretive education, teacher/student outreach, and community services. Community Services consists of the local history program and the Cemetery Preservation program. Interpretive Education includes school tours, museum theatre, and other educational activities for adults and children. Since 1999, the KHS "history campus" has hosted more than 1,000,000 visitors. The primary outreach programs for students include the Kentucky Junior Historical Society and National History Day. Much of the KHS professional development for teachers is presented through Teaching American History grants awarded by the U.S. Department of Education.

Tourism, Arts and Heritage

Arts Council

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,797,700	3,017,300	2,796,200	2,625,700	2,640,700
State Salary and Compensation	5,400				
Total General Fund	2,803,100	3,017,300	2,796,200	2,625,700	2,640,700
Restricted Funds					
Balance Forward	626,258	449,427	4,200		
Current Receipts	172,194	178,027	147,400	151,600	151,600
Non-Revenue Receipts	125,000	100,000			
Fund Transfers		-600,000			
Total Restricted Funds	923,452	127,453	151,600	151,600	151,600
Federal Fund					
Balance Forward	6,602	5,161	6,400	6,400	6,400
Current Receipts	692,624	711,776	708,500	708,500	708,500
Total Federal Fund	699,226	716,937	714,900	714,900	714,900
TOTAL SOURCE OF FUNDS	4,425,778	3,861,690	3,662,700	3,492,200	3,507,200
EXPENDITURES BY CLASS					
Personnel Costs	1,345,802	1,713,679	1,510,000	1,605,300	1,616,300
Operating Expenses	523,363	457,524	509,600	408,900	412,900
Grants Loans Benefits	2,102,025	1,679,946	1,510,900	1,471,600	1,471,600
TOTAL EXPENDITURES	3,971,190	3,851,149	3,530,500	3,485,800	3,500,800
EXPENDITURES BY FUND SOURCE					
General Fund	2,803,100	3,017,300	2,670,400	2,625,700	2,640,700
Restricted Funds	474,025	123,349	151,600	151,600	151,600
Federal Fund	694,065	710,500	708,500	708,500	708,500
TOTAL EXPENDITURES	3,971,190	3,851,149	3,530,500	3,485,800	3,500,800
EXPENDITURES BY UNIT					
Arts Council	1,541,640	1,924,057	1,629,900	1,635,900	1,650,900
Support Grants	1,894,018	1,700,945	1,691,200	1,642,000	1,642,000
Arts Marketing	535,532	226,147	209,400	207,900	207,900
TOTAL EXPENDITURES	3,971,190	3,851,149	3,530,500	3,485,800	3,500,800

The Kentucky Arts Council's legislated purpose is to develop and promote a broadly conceived state policy of support for the arts in Kentucky, pursuant to KRS 153.210 to 153.235. As the official state arts agency, the Kentucky Arts Council (KAC) is the sole Kentucky state agency designated to receive partnership funding from the National Endowment for the Arts for any programs related to the arts. All of the KAC's programs, services, initiatives, events and activities support its mission to "create opportunities for the people of Kentucky to value, participate in, and benefit from the arts".

The Kentucky Arts Council manages a multitude of programs, activities and services for the Commonwealth by working in partnership with arts organizations, educational facilities, communities, local government, and individual artists. The work of the KAC encourages the growth and stability of the arts across the state, the promotion of cultural tourism and economic development, the enhancement of quality of life in Kentucky, and the provision of strong arts education programs.

Major program areas include community arts development, arts infrastructure capacity building, individual artists, folk arts, arts education, and arts marketing. The KAC offers an extensive array of technical assistance and training programs, public events, information services and resources, business development services, sales and performance venues, and grant programs to help ensure that the arts community in Kentucky is strong and viable. The grant funds invested by the KAC across the Commonwealth serves as an important catalyst in community building, and leverages significant funding from other sources.

**Tourism, Arts and Heritage
Heritage Council**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	729,200	736,900	747,300	711,300	717,100
State Salary and Compensation	2,400				
Total General Fund	731,600	736,900	747,300	711,300	717,100
Restricted Funds					
Balance Forward	115,236	221,570	193,800	175,000	144,700
Current Receipts	287,238	205,826	246,500	246,500	246,500
Total Restricted Funds	402,474	427,396	440,300	421,500	391,200
Federal Fund					
Balance Forward	70,870				
Current Receipts	376,472	1,066,036	825,200	857,700	863,800
Non-Revenue Receipts	320,613	-261,771			
Total Federal Fund	767,955	804,266	825,200	857,700	863,800
TOTAL SOURCE OF FUNDS	1,902,029	1,968,562	2,012,800	1,990,500	1,972,100
EXPENDITURES BY CLASS					
Personnel Costs	1,385,827	1,481,923	1,531,900	1,605,500	1,619,300
Operating Expenses	203,734	206,598	185,800	153,800	153,800
Grants Loans Benefits	81,595	86,257	86,500	86,500	86,500
TOTAL EXPENDITURES	1,671,156	1,774,778	1,804,200	1,845,800	1,859,600
EXPENDITURES BY FUND SOURCE					
General Fund	722,297	736,900	713,700	711,300	717,100
Restricted Funds	180,904	233,612	265,300	276,800	278,700
Federal Fund	767,955	804,266	825,200	857,700	863,800
TOTAL EXPENDITURES	1,671,156	1,774,778	1,804,200	1,845,800	1,859,600
EXPENDITURES BY UNIT					
Kentucky Heritage Council	1,671,156	1,774,778	1,804,200	1,845,800	1,859,600
TOTAL EXPENDITURES	1,671,156	1,774,778	1,804,200	1,845,800	1,859,600

The Kentucky Heritage Council (the State Historic Preservation Office) administers a comprehensive state historic preservation program with structure in three areas; The Site Protection Program, The Site Identification and Evaluation Program and The Site Development Program.

The Council administers national historic preservation activities in Kentucky, monitors projects and distributes grants involving federal funds, offers programs and services involving all aspects of historic preservation, and provides technical assistance to local governments, the public, and other agencies.

Major program activities include surveying historic sites, nominating sites to the National Register of Historic Places, administering the Kentucky Main Street program in partnership with Renaissance on Main, overseeing federal and state historic preservation tax credit programs and restoration grants programs, conducting archaeological investigations, and reviewing all federally funded, licensed, and permitted projects.

Attached to the Heritage Council for administration and programmatic services are the African American Heritage Commission, Native American Heritage Commission, Military Heritage Commission, and the Kentucky Historic Preservation Review Board. The Kentucky Heritage Council is administered in accordance with KRS 171.3801.

**Tourism, Arts and Heritage
Kentucky Center for the Arts**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	802,400	1,031,200	938,700	913,100	915,100
Total General Fund	802,400	1,031,200	938,700	913,100	915,100
TOTAL SOURCE OF FUNDS	802,400	1,031,200	938,700	913,100	915,100
EXPENDITURES BY CLASS					
Personnel Costs	138,713	100,267	100,300	129,300	129,300
Operating Expenses	235,191	220,168	206,400	194,000	196,000
Grants Loans Benefits	427,600	617,600	589,800	589,800	589,800
Debt Service		92,500			
TOTAL EXPENDITURES	801,504	1,030,535	896,500	913,100	915,100
EXPENDITURES BY FUND SOURCE					
General Fund	801,504	1,030,535	896,500	913,100	915,100
TOTAL EXPENDITURES	801,504	1,030,535	896,500	913,100	915,100
EXPENDITURES BY UNIT					
Kentucky Center for the Arts	373,904	412,935	306,700	323,300	325,300
Governor's School for the Arts	427,600	617,600	589,800	589,800	589,800
TOTAL EXPENDITURES	801,504	1,030,535	896,500	913,100	915,100

Kentucky Center for the Arts (“The Kentucky Center”) is the Commonwealth’s premier performing arts center. The Kentucky Center serves over 400,000 people each year. It is the performance home of the state’s largest orchestra, opera, ballet, Broadway and children’s theatre productions. In addition, The Kentucky Center presents a variety of national and international artists.

The Kentucky Center houses three theaters: the 2,406-seat Robert S. Whitney Hall, the 619-seat Moritz von Bomhard Theater, and the 139-seat Boyd Martin Experimental Theater. The facility features a multi-tiered lobby, rehearsal halls, and spaces for social and business events.

The Kentucky Center provides a wide range of nationally recognized educational programs, including professional development for teachers, partnerships with schools and community centers, and opportunities for artists to work in classrooms. The Center is also a leader in providing award-winning access services that make the theater experience possible for patrons with disabilities. The Kentucky Center, in partnership with the Kentucky Arts Council, provides access and technical consulting services for arts and cultural organizations across Kentucky. The Kentucky Center’s management also provides theatrical consulting services throughout the state.

The Governor’s School for the Arts (GSA) is a model program, recognized nationally by the President’s Committee on the Arts and Humanities and the National Endowment of the Arts. GSA was established in 1987 to address the needs of an underserved Kentucky population: Kentucky’s artistically gifted and talented young people. Whereas opportunities for advanced academic work has been widely available to Kentucky’s academically gifted students, opportunities to pursue advanced work in the arts have been considerably more limited, particularly for geographically and/or economically marginalized students. GSA not only plays a vital role in preparing students for their pursuit of careers in the arts, but also prepares them for all facets of professional life requiring leadership, critical thinking, exceptional communication skills and understanding of the multi-cultural world. GSA is a model program, recognized nationally by the President’s Committee on the Arts & Humanities and the National Endowment for the Arts. The school currently serves 256 students.

Policy

The Budget of the Commonwealth includes additional General Fund in the amount of \$27,800 in fiscal year 2016-2017 and fiscal year 2017-2018 for the Governor’s School for the Arts.

Transportation

Transportation

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,678,200	6,228,200	6,228,200	6,228,200	6,228,200
Special Appropriation		7,800,000		10,000,000	10,000,000
Continuing Approp-General Fund	299,419	107,012	197,100		
Budget Reduction-General Fund	-52,400				
Total General Fund	5,925,219	14,135,212	6,425,300	16,228,200	16,228,200
Restricted Funds					
Balance Forward	165,118,133	866,575,744	410,525,900	474,721,900	594,670,900
Current Receipts	110,594,657	109,406,979	125,283,400	134,152,300	134,334,200
Non-Revenue Receipts	1,080,797,855	-3,398,531	195,441,200	124,945,000	-55,000
Fund Transfers	-13,042,524	-7,818,000	-8,564,800	-6,416,100	-6,418,900
Total Restricted Funds	1,343,468,121	964,766,191	722,685,700	727,403,100	722,531,200
Federal Fund					
Balance Forward	32,978	26,934			
Current Receipts	716,509,821	758,287,264	751,246,200	740,779,100	755,708,900
Non-Revenue Receipts	-4,022,984	5,322,732			
Total Federal Fund	712,519,814	763,636,930	751,246,200	740,779,100	755,708,900
Road Fund					
Regular Appropriation	1,476,593,100	1,488,045,300	1,443,678,300	1,361,366,500	1,380,512,200
Surplus Expenditure Plan	17,718,003		6,338,100		
Continuing Approp-Road Fund	697,317,189	616,086,784			
Budget Reduction-Road Fund	-3,688,207		-30,832,500		
Other	-4,933,814	-13,714,628	-61,952,200		
Total Road Fund	2,183,006,271	2,090,417,456	1,357,231,700	1,361,366,500	1,380,512,200
TOTAL SOURCE OF FUNDS	4,244,919,425	3,832,955,789	2,837,588,900	2,845,776,900	2,874,980,500
EXPENDITURES BY CLASS					
Personnel Costs	459,790,633	504,464,212	478,750,000	491,650,800	470,039,100
Operating Expenses	292,551,614	334,772,074	300,118,600	307,407,400	307,400,800
Grants Loans Benefits	283,142,243	270,128,550	257,035,700	234,906,700	234,494,100
Debt Service	207,286,062	225,179,487	231,251,900	244,988,700	273,439,400
Capital Outlay	20,611,090	8,356,889	655,000	491,700	450,600
Construction	1,460,081,455	1,613,645,458	1,073,021,900	968,177,700	994,750,200
TOTAL EXPENDITURES	2,723,463,097	2,956,546,671	2,340,833,100	2,247,623,000	2,280,574,200
EXPENDITURES BY FUND SOURCE					
General Fund	5,818,084	13,937,334	6,425,300	16,228,200	16,228,200
Restricted Funds	476,892,378	554,240,233	247,963,800	132,732,200	131,730,500
Federal Fund	712,492,880	763,636,929	751,246,200	740,779,100	755,708,900
Road Fund	1,528,259,756	1,624,732,175	1,335,197,800	1,357,883,500	1,376,906,600
TOTAL EXPENDITURES	2,723,463,097	2,956,546,671	2,340,833,100	2,247,623,000	2,280,574,200
EXPENDITURES BY UNIT					
General Administration and Support	66,850,504	70,790,074	73,238,300	76,967,400	77,293,000
Aviation	8,305,261	10,891,173	29,361,400	24,964,800	23,427,000
Debt Service	142,415,705	149,595,679	150,430,100	156,899,900	162,220,000
Highways	2,016,545,697	2,249,472,341	1,664,504,300	1,579,906,300	1,605,765,500
Public Transportation	32,563,930	30,137,393	51,427,400	32,151,300	32,215,800
Revenue Sharing	400,063,048	398,210,266	328,632,300	330,812,900	332,030,200
Vehicle Regulation	37,599,116	40,699,746	43,239,300	45,920,400	47,622,700
Transfer to Capital Projects	19,119,836	6,750,000			
TOTAL EXPENDITURES	2,723,463,097	2,956,546,671	2,340,833,100	2,247,623,000	2,280,574,200

The Transportation Cabinet is responsible for maintaining and improving transportation services in the Commonwealth. All modes of transportation are addressed by the Cabinet, including air transportation, railroads, waterways, public transit, and highways. The Secretary of Transportation, who is appointed by the Governor, heads the organization. The duties and responsibilities of the Cabinet are found in Titles XV and XVI of the Kentucky Revised Statutes.

The Cabinet receives funding from the state Road Fund, proceeds from highway bonds issued by the Kentucky Turnpike Authority, and federal aid apportionments for highways. Other revenue sources include agency receipts, non highway federal aid, the state General Fund, and a federal fund leveraging mechanism titled Grant Anticipation Revenue Vehicle (GARVEE) bonds. The revenue components of the Road Fund are the motor fuels tax, motor vehicle usage tax, license and privilege taxes, interest income, and miscellaneous departmental fees, permits, and sales.

Seven major budget units comprise the Transportation Cabinet: General Administration and Support, Aviation, Public Transportation, Revenue Sharing, Highways, Vehicle Regulation, and Debt Service.

Organizationally, the agency is divided into four departments: Aviation, Vehicle Regulation, Rural and Municipal Aid, and Highways. Each department is headed by a commissioner directly responsible to the Secretary. Other organizational units include the Office of Support Services, the Office of Transportation Delivery, the Office of Audits, the Office of Human Resource Management, the Office of Information Technology, the Office of Legal Services, the Office of Public Affairs, the Office of Budget and Fiscal Management, the Office for Civil Rights and Small Business Development, and the Office of Inspector General. These units report to the Office of the Secretary. The following offices report to the State Highway Engineer in the Department of Highways: the Office of Project Development, the Office of Project Delivery and Preservation, the Office of Highway Safety, and Highway District Offices One through Twelve. The Office of Local Programs and the Office of Rural and Secondary Roads report to the Commissioner of Rural and Municipal Aid.

The Transportation Cabinet has its origin as an agency of the Commonwealth of Kentucky in 1912 when the General Assembly established the Department of Highways. Legislation in 1974 created the Department of Transportation by consolidating the Departments of Highways, Motor Transportation, and Aeronautics, plus certain transportation-related functions of the Department of Public Safety and the Department of Revenue. The 1982 General Assembly established the Transportation Cabinet as the successor to the Department of Transportation, and it assumed all of the duties formerly associated with the Department.

**Transportation
General Administration and Support**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	500,000	500,000	500,000	500,000	500,000
Budget Reduction-General Fund	-51,100				
Total General Fund	448,900	500,000	500,000	500,000	500,000
Restricted Funds					
Balance Forward	108,494	123,494	168,900	114,200	59,500
Current Receipts	1,776,522	1,678,796	1,994,400	2,072,600	2,093,300
Non-Revenue Receipts	-49,932	46,537			
Total Restricted Funds	1,835,084	1,848,827	2,163,300	2,186,800	2,152,800
Road Fund					
Regular Appropriation	67,740,400	70,871,200	72,006,800	74,340,100	74,651,200
Budget Reduction-Road Fund			-968,600		
Total Road Fund	67,740,400	70,871,200	71,038,200	74,340,100	74,651,200
TOTAL SOURCE OF FUNDS	70,024,384	73,220,027	73,701,500	77,026,900	77,304,000
EXPENDITURES BY CLASS					
Personnel Costs	27,074,732	28,867,420	30,401,600	32,788,000	33,107,800
Operating Expenses	32,362,810	34,446,915	35,229,400	36,393,100	36,412,400
Grants Loans Benefits	453,938	503,336	504,800	501,000	501,000
Debt Service	6,797,450	6,400,989	6,846,500	7,113,600	7,107,400
Capital Outlay	148,349	550,794	231,000	146,700	139,400
Construction	13,226	20,621	25,000	25,000	25,000
TOTAL EXPENDITURES	66,850,504	70,790,074	73,238,300	76,967,400	77,293,000
EXPENDITURES BY FUND SOURCE					
General Fund	448,777	500,000	500,000	500,000	500,000
Restricted Funds	1,711,590	1,679,966	2,049,100	2,127,300	2,141,800
Road Fund	64,690,137	68,610,108	70,689,200	74,340,100	74,651,200
TOTAL EXPENDITURES	66,850,504	70,790,074	73,238,300	76,967,400	77,293,000
EXPENDITURES BY UNIT					
Office of the Secretary	5,086,778	5,571,071	6,382,000	6,734,600	6,802,500
Legal Services	5,009,410	5,447,434	5,762,200	6,105,200	6,155,500
Office of Human Resource Management	3,615,267	3,990,029	4,630,700	4,817,400	4,852,800
Office of Support Services	21,049,519	20,268,377	21,624,200	22,198,300	22,278,900
Technology	28,298,579	31,296,711	30,178,600	32,224,800	32,274,400
Office of Audits	3,790,950	4,216,452	4,660,600	4,887,100	4,928,900
TOTAL EXPENDITURES	66,850,504	70,790,074	73,238,300	76,967,400	77,293,000

The General Administration and Support appropriation unit provides management and administrative services and ensures efficient day to day operations. This unit includes the Office of Secretary and nine other offices.

The Office of Budget and Fiscal Management, the Office for Civil Rights and Small Business Development, the Office of Legal Services, the Office of Public Affairs, the Office of Inspector General, the Office of Human Resource Management, the Office of Support Services, the Office of Audits, and the Office of Information Technology provide leadership, management, and staff support to the Transportation Cabinet and provide the Secretary with the managerial tools necessary to operate the Cabinet.

The Office of the Secretary is the central point of contact with the general public and external organizations and serves as the main policymaking arm of the Cabinet. The Office of Budget and Fiscal Management and the Office of Audits manage the planning and use of the Cabinet's financial resources. The Office for Civil Rights and Small Business Development conducts programs to provide women and minorities an equal opportunity for

employment and to compete for highway construction contracts. The Office of Legal Services provides the agency with the required legal representation before administrative boards and all levels of the court system. The Office of Public Affairs is responsible for the Cabinet's communications with employees, the news media, and the general public. The Office of Inspector General exists to provide the Cabinet a mechanism for both employees and Kentuckians to report incidences of wrongdoing regarding the Cabinet's service. The Office of Human Resource Management is responsible for the Cabinet's human resources policies and personnel utilization and development programs. The Office of Support Services provides oversight and management of the Cabinet's statewide facilities, including all ongoing capital projects not associated with highway construction. Beginning in April 2013, the Office of Support Services began providing production print services for the Executive Branch through its Division of Graphic Design and Printing, a function previously performed by the Commonwealth Office of Technology. The Office of Information Technology is responsible for the technological application development and system support functions for the Cabinet.

Policy

The Budget of the Commonwealth includes Road fund in the amount of \$289,500 in fiscal year 2016-2017 and \$295,000 in fiscal year 2017-2018 for operating costs of the Kentucky Business One-Stop Portal.

The General Fund appropriation provides funding for the improvement of public river ports in the Commonwealth. The Secretary of Transportation, in conjunction with the Kentucky Water Transportation Advisory Board, shall determine how to distribute the funds.

**Transportation
Aviation**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
SOURCE OF FUNDS					
General Fund					
Special Appropriation				10,000,000	10,000,000
Total General Fund				10,000,000	10,000,000
Restricted Funds					
Balance Forward	6,604,134	8,549,013	14,976,900	1,335,700	160,900
Current Receipts	12,611,480	15,860,075	12,631,900	12,671,700	12,671,700
Non-Revenue Receipts	-1,005,874	-942,500			
Fund Transfers	-3,408,000	-468,000	-1,464,800	-2,216,100	-2,218,900
Total Restricted Funds	14,801,740	22,998,588	26,144,000	11,791,300	10,613,700
Federal Fund					
Balance Forward	32,977	26,934			
Current Receipts	15,235	92,388	1,836,900	663,500	213,700
Non-Revenue Receipts		167,818			
Total Federal Fund	48,212	287,139	1,836,900	663,500	213,700
Road Fund					
Regular Appropriation	2,771,100	2,862,000	2,884,500	2,670,900	2,676,100
Continuing Approp-Road Fund	330,188	157,257			
Budget Reduction-Road Fund			-100,000		
Total Road Fund	3,101,288	3,019,257	2,784,500	2,670,900	2,676,100
TOTAL SOURCE OF FUNDS	17,951,240	26,304,985	30,765,400	25,125,700	23,503,500
EXPENDITURES BY CLASS					
Personnel Costs	2,327,588	2,620,112	3,881,600	3,669,900	3,248,100
Operating Expenses	1,076,695	1,162,224	1,094,000	1,061,700	1,060,400
Grants Loans Benefits	3,279,049	5,323,891	22,397,700	18,244,600	17,131,400
Debt Service	996,725	1,826,069	1,830,500	1,832,200	1,830,700
Capital Outlay	132,360	7,412			
Construction	492,845	-48,535	157,600	156,400	156,400
TOTAL EXPENDITURES	8,305,261	10,891,173	29,361,400	24,964,800	23,427,000
EXPENDITURES BY FUND SOURCE					
General Fund				10,000,000	10,000,000
Restricted Funds	6,252,727	8,021,645	24,808,300	11,630,400	10,537,200
Federal Fund	21,279	287,139	1,836,900	663,500	213,700
Road Fund	2,031,256	2,582,388	2,716,200	2,670,900	2,676,100
TOTAL EXPENDITURES	8,305,261	10,891,173	29,361,400	24,964,800	23,427,000
EXPENDITURES BY UNIT					
Commonwealth Aviation	4,914,277	6,707,708	25,027,900	20,560,700	19,010,700
Capital City Airport	2,394,259	2,357,396	2,503,000	2,571,900	2,585,600
Aviation Administration	996,725	1,826,069	1,830,500	1,832,200	1,830,700
TOTAL EXPENDITURES	8,305,261	10,891,173	29,361,400	24,964,800	23,427,000

In accordance with KRS Chapter 183, the Transportation Cabinet supports the Commonwealth's Aviation program. There are two divisions within the Department of Aviation: Commonwealth Aviation and Capital City Airport. The Commonwealth Aviation division is charged with the Air Regulatory program and the Airport Development program. The Air Regulatory program is responsible for inspecting and determining the safety and efficiency of all of the Commonwealth's public use airport and heliport facilities. Pursuant to KRS 183.861, the Kentucky Airport Zoning Commission protects the navigable airspace within the state by evaluating applications for construction, issuing permits, and maintaining updated airport zoning maps. The Commission is attached to the Air Regulatory program for administrative purposes. The Airport Development program provides for administration, planning and management of airport construction, and maintenance of local airports. Airport

Development also provides technical and financial assistance to the state's 59 public use airports, including updating and distributing the state aeronautical charts and airport directories.

The Capital City Airport is a public use airport located in Frankfort, Kentucky. Capital City Airport is home to 81 aircraft, including the fleet owned and operated by state government and the National Guard located in Frankfort.

Policy

The Budget of the Commonwealth suspends the provisions of KRS 183.525 and transfers \$383,900 in fiscal year 2016-2017 and \$388,200 in fiscal year 2017- 2018 from the Kentucky Aviation Economic Development Fund to the General Fund to support General Fund supported aviation bonds authorized by the 2005 General Assembly.

The Budget of the Commonwealth suspends the provisions of KRS 183.525 and transfers \$994,000 in fiscal year 2016-2017 and \$994,500 in fiscal year 2017-2018 from the Kentucky Aviation Economic Development Fund to the Road Fund to support Road Fund supported aviation bonds authorized by the 2008 General Assembly.

The Budget of the Commonwealth suspends the provisions of KRS 183.525 and transfers \$838,200 in fiscal year 2016-2017 and \$836,200 in fiscal year 2017-2018 from the Kentucky Aviation Economic Development Fund to the Road Fund to support Road Fund supported aviation bonds authorized by the 2010 General Assembly.

The Budget of the Commonwealth includes General Fund in the amount of \$10,000,000 in each year of the biennium for the Kentucky Aviation Economic Development program to support the development, rehabilitation, and maintenance of publicly owned or operated aviation facilities and for other aviation programs within the Commonwealth that will benefit publicly owned or operated aviation facilities. The 2016 General Assembly enacted this Special Appropriation in House Bill 10.

**Transportation
Debt Service**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
SOURCE OF FUNDS					
Road Fund					
Regular Appropriation	168,161,600	154,035,300	170,387,700	160,382,900	165,825,600
Total Road Fund	168,161,600	154,035,300	170,387,700	160,382,900	165,825,600
TOTAL SOURCE OF FUNDS	168,161,600	154,035,300	170,387,700	160,382,900	165,825,600
EXPENDITURES BY CLASS					
Personnel Costs	50,000				
Debt Service	142,365,705	149,595,679	150,430,100	156,899,900	162,220,000
TOTAL EXPENDITURES	142,415,705	149,595,679	150,430,100	156,899,900	162,220,000
EXPENDITURES BY FUND SOURCE					
Road Fund	142,415,705	149,595,679	150,430,100	156,899,900	162,220,000
TOTAL EXPENDITURES	142,415,705	149,595,679	150,430,100	156,899,900	162,220,000
EXPENDITURES BY UNIT					
Economic Development Lease Rental	142,415,705	149,595,679	150,430,100	156,899,900	162,220,000
TOTAL EXPENDITURES	142,415,705	149,595,679	150,430,100	156,899,900	162,220,000

The Debt Service program is the budget entity through which lease rental payments are made on the revenue bonds the Commonwealth has issued to finance major highway construction projects.

KRS Chapter 175 authorizes the Turnpike Authority of Kentucky to issue revenue bonds to construct, maintain, repair, and operate designated roads of the Toll Road System, the Resource Recovery Road System, and the Economic Development Road System.

The first of these systems, the Toll Road System, was constructed during the mid-1960s and early 1970s. All of the Toll Road bonds that were issued to construct the state's parkways are now retired.

The Resource Recovery Road System began in the late 1970s, and most of the system's roads were built during the 1980s. The most significant project was KY 80. The final lease rental payment for the Resource Recovery Road bonds was made in fiscal year 2008-2009.

The Economic Development Road System was established and funded through a series of bond issues. The first was a \$300 million issue sold in 1984. The second was a relatively small sale of \$36.6 million in 1987. The third and largest was a \$600 million program which was implemented in bond sales during 1990, 1993, and 1995. The projects constructed with the \$600 million series were designated as "Revitalization Projects" and are now complete. The fourth issue was authorized by the 1998 General Assembly in the amount of \$200 million. The bonds were sold in 1999 and projects funded with those proceeds are now complete. The 2005 General Assembly authorized the fifth series of Economic Development Road bonds in the amount of \$450 million. The bond projects associated with the 2005 series were split to support three initiatives: \$300 million for projects in the adopted Six-Year Highway Plan; \$100 million to fund County Road Aid projects; and \$50 million to support Municipal Road Aid projects. The 2006 General Assembly authorized an additional \$350 million in Economic Development Road Bonds. The entire 2006 series was authorized to support projects in the adopted Six-Year Highway Plan. The seventh issue was authorized by the 2008 General Assembly in the amount of \$50 million for projects associated with Base Re-alignment and Closure (BRAC) activities in and around Fort Knox. The 2009 General Assembly authorized bonds in the amount of \$400 million to support projects in the adopted Six-Year Highway Plan. The 2010 Special Session of the General Assembly authorized \$112 million in BRAC bonds to complete the projects in Fort Knox and \$400 million in bonds for projects included in the Biennial Highway Construction Plan. All but \$125 million of the \$400 million in bonds authorized by the 2010 Special Session of the General Assembly have been issued.

Through lease agreements with the Turnpike Authority of Kentucky and the Asset and Liability Commission, the Transportation Cabinet provides funds to pay the Toll Road, Resource Recovery Road, and the Economic Development Road revenue bonds.

In the Debt Service program, funds are reserved exclusively for semi-annual lease rental payments to meet the principal and interest requirements of these outstanding bonds, along with any administrative costs of the Turnpike Authority.

Policy

The American Recovery and Reinvestment Act of 2009 created a new debt instrument for tax-exempt municipal bond issuers, called Build America Bonds. Municipal bond issuers could issue Build America Bonds for eligible tax-exempt purposes on a permanent basis only. The Commonwealth was eligible for a subsidy for bonds issued as Build America Bonds prior to December 31, 2010. Subsidies from the Build America Bonds shall lapse to the Road Fund. The amount of the Road Fund lapse is \$3,483,000 in fiscal year 2016-2017 and \$3,605,600 in fiscal year 2017-2018.

**Transportation
Highways**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	148,814,807	851,857,602	390,221,800	469,589,000	591,174,600
Current Receipts	77,829,037	72,888,211	91,666,500	99,674,000	99,814,200
Non-Revenue Receipts	1,081,446,410	-2,095,318	195,500,000	125,000,000	
Total Restricted Funds	1,308,090,254	922,650,495	677,388,300	694,263,000	690,988,800
Federal Fund					
Balance Forward					
Current Receipts	686,160,215	730,369,001	699,967,300	709,785,100	725,106,300
Non-Revenue Receipts	-4,183,107	5,171,365			
Total Federal Fund	681,977,108	735,540,366	699,967,300	709,785,100	725,106,300
Road Fund					
Regular Appropriation	791,578,000	821,913,600	779,181,500	767,032,800	777,426,900
Surplus Expenditure Plan	17,718,003		6,338,100		
Continuing Approp-Road Fund	570,208,043	493,407,496			
Budget Reduction-Road Fund	-3,688,207		-28,781,900		
Total Road Fund	1,375,815,839	1,315,321,096	756,737,700	767,032,800	777,426,900
TOTAL SOURCE OF FUNDS	3,365,883,200	2,973,511,957	2,134,093,300	2,171,080,900	2,193,522,000
EXPENDITURES BY CLASS					
Personnel Costs	406,613,731	447,929,936	416,471,800	425,674,300	403,982,200
Operating Expenses	234,937,472	277,033,408	242,905,300	247,741,700	247,804,700
Grants Loans Benefits	28,720,017	21,672,348	8,034,200	8,034,200	8,034,200
Debt Service	53,980,683	64,213,750	69,000,000	76,000,000	97,500,000
Capital Outlay	1,210,545	849,625	424,000	345,000	311,200
Construction	1,291,083,250	1,437,773,274	927,669,000	822,111,100	848,133,200
TOTAL EXPENDITURES	2,016,545,697	2,249,472,341	1,664,504,300	1,579,906,300	1,605,765,500
EXPENDITURES BY FUND SOURCE					
Restricted Funds	456,232,652	532,428,709	207,799,300	103,088,400	103,232,300
Federal Fund	681,977,108	735,540,366	699,967,300	709,785,100	725,106,300
Road Fund	878,335,938	981,503,266	756,737,700	767,032,800	777,426,900
TOTAL EXPENDITURES	2,016,545,697	2,249,472,341	1,664,504,300	1,579,906,300	1,605,765,500
EXPENDITURES BY UNIT					
Research	3,767,126	3,315,722	4,817,400	4,817,400	4,817,400
Construction	1,558,623,641	1,723,910,179	1,179,915,300	1,077,116,000	1,100,372,200
Maintenance	337,351,042	393,971,233	342,439,100	351,145,800	352,760,500
Engineering Administration	12,743,934	13,636,354	14,497,600	15,142,400	15,262,200
Planning	11,652,591	13,154,883	15,230,300	15,688,000	16,115,900
Highway Operations	26,775,893	29,570,585	30,774,400	36,403,500	36,680,000
Equipment Services	56,180,616	62,542,665	66,237,600	68,950,900	69,083,500
Highway Safety	9,450,855	9,370,719	10,592,600	10,642,300	10,673,800
TOTAL EXPENDITURES	2,016,545,697	2,249,472,341	1,664,504,300	1,579,906,300	1,605,765,500

The Highways appropriation unit is the largest program in the Transportation Cabinet. There are eight programs in the Department of Highways: Research, Construction, Maintenance, Engineering Administration, Highway Planning, Highway Operations, Highway Safety and Equipment Services. The Construction program is divided into five subprograms: Bond Funded Construction, State Funded Construction, Federal Funded Construction, Toll Bond Funded Construction, and the Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan program.

The Department of Highways is responsible for the construction, reconstruction, and maintenance of the State Primary Road System through authority granted by KRS 177.020. The Department is headed by a commissioner

who is appointed by the Governor on recommendation of the Secretary of Transportation. This agency administers all of the programs within the Highways appropriation unit.

Combined travel by all motor vehicles over Kentucky's 78,000 miles of roads and streets equals over 47.6 billion vehicle-miles. The State Primary Road System carries about 85 percent of all traffic. This network consists of approximately 27,500 miles of interstate highways, resource recovery roads, parkways, economic development roads, primary, secondary, rural, and unclassified roads, and approximately 9,000 state maintained bridges. Kentucky's interstate system, consisting of approximately 800 miles, carries 27 percent of all travel.

**Transportation
Highways
Research**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
SOURCE OF FUNDS					
Federal Fund					
Current Receipts	3,477,126	3,025,722	3,383,400	3,383,400	3,383,400
Total Federal Fund	3,477,126	3,025,722	3,383,400	3,383,400	3,383,400
Road Fund					
Regular Appropriation	1,434,000	1,434,000	1,434,000	1,434,000	1,434,000
Continuing Approp-Road Fund	2,285,237				
Budget Reduction-Road Fund	-3,429,237				
Total Road Fund	290,000	1,434,000	1,434,000	1,434,000	1,434,000
TOTAL SOURCE OF FUNDS	3,767,126	4,459,722	4,817,400	4,817,400	4,817,400
EXPENDITURES BY CLASS					
Personnel Costs	3,469,126	3,017,722	4,519,400	4,519,400	4,519,400
Operating Expenses	298,000	298,000	298,000	298,000	298,000
TOTAL EXPENDITURES	3,767,126	3,315,722	4,817,400	4,817,400	4,817,400
EXPENDITURES BY FUND SOURCE					
Federal Fund	3,477,126	3,025,722	3,383,400	3,383,400	3,383,400
Road Fund	290,000	290,000	1,434,000	1,434,000	1,434,000
TOTAL EXPENDITURES	3,767,126	3,315,722	4,817,400	4,817,400	4,817,400

The Research program is primarily a problem-solving service available to the Department of Highways. The program provides studies of traffic safety and operations, pavement mechanics and performance, materials characteristics and behavior, and transportation policies. The Research function is mandated by the Commonwealth's use of federal highway funds in accordance with Title 23 of the Federal Code which requires the use of 25 percent of funds for highway research and development. The Transportation Cabinet partners with the University of Kentucky Transportation Center to carry out research functions. The partnership conducts workshops on highway maintenance and management; traffic engineering, computerized signalization, signal technician certification, incident management/traffic mitigation, and provides on-demand technical assistance. The program maintains a lending library, including both written and audio-visual materials. The program also publishes a quarterly newsletter.

The Research program funds the Kentucky Transportation Center at one tenth of one percent of the motor fuels tax collections, not to exceed \$190,000 per year from the State Road Fund pursuant to KRS 177.320(4). An additional \$100,000 per year from the Revenue Sharing appropriation unit is transferred to the Kentucky Transportation Center.

**Transportation
Highways
Construction**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	135,215,344	835,538,359	375,580,300	458,442,100	585,252,100
Current Receipts	16,012,438	8,595,776	25,228,600	28,056,700	26,381,700
Non-Revenue Receipts	1,081,464,853	-1,716,821	195,500,000	125,000,000	
Total Restricted Funds	1,232,692,635	842,417,314	596,308,900	611,498,800	611,633,800
Federal Fund					
Current Receipts	667,434,418	710,733,341	678,551,200	687,884,300	702,750,400
Non-Revenue Receipts	-4,633,139	5,013,595			
Total Federal Fund	662,801,279	715,746,936	678,551,200	687,884,300	702,750,400
Road Fund					
Regular Appropriation	417,941,500	433,646,800	385,941,100	362,985,000	371,375,100
Surplus Expenditure Plan	17,718,003		6,338,100		
Continuing Approp-Road Fund	507,199,234	443,931,681			
Budget Reduction-Road Fund			-28,781,900		
Other		-6,731,000			
Total Road Fund	942,599,767	870,847,481	363,497,300	362,985,000	371,375,100
TOTAL SOURCE OF FUNDS	2,838,093,682	2,429,011,731	1,638,357,400	1,662,368,100	1,685,759,300
EXPENDITURES BY CLASS					
Personnel Costs	192,170,889	217,927,137	179,319,200	175,370,100	150,891,200
Operating Expenses	18,536,643	16,209,166	27,908,100	27,884,300	27,884,300
Grants Loans Benefits	25,742,244	18,676,310	8,034,200	8,034,200	8,034,200
Debt Service	53,980,683	64,213,750	69,000,000	76,000,000	97,500,000
Capital Outlay	401,272	52,098			
Construction	1,267,791,911	1,406,831,717	895,653,800	789,827,400	816,062,500
TOTAL EXPENDITURES	1,558,623,641	1,723,910,179	1,179,915,300	1,077,116,000	1,100,372,200
EXPENDITURES BY FUND SOURCE					
Restricted Funds	397,154,277	466,837,060	137,866,800	26,246,700	26,246,700
Federal Fund	662,801,279	715,746,936	678,551,200	687,884,300	702,750,400
Road Fund	498,668,086	541,326,183	363,497,300	362,985,000	371,375,100
TOTAL EXPENDITURES	1,558,623,641	1,723,910,179	1,179,915,300	1,077,116,000	1,100,372,200
EXPENDITURES BY UNIT					
Bond Funded Construction	369,032,248	205,079,853	11,620,100		
State Funded Construction	486,232,612	530,123,794	351,020,700	350,507,900	358,897,900
Federal Funded Construction	686,261,099	729,762,117	717,274,500	726,608,100	741,474,300
Toll Bond Funded Construction	17,097,682	88,003,926			
TIFIA Loan		170,940,488	100,000,000		
TOTAL EXPENDITURES	1,558,623,641	1,723,910,179	1,179,915,300	1,077,116,000	1,100,372,200

The Construction program is the largest single funding component within the Highways appropriation unit. It encompasses all construction and major reconstruction of roadways in the State Primary Road System. The Construction Program is divided into five sub-programs: Bond Funded Construction, State Funded Construction, Federal Funded Construction, Toll Bond Funded Construction, and the TIFIA Loan program. KRS 45.750(3) exempts road projects, including associated equipment and land acquisition purchases, from the capital construction statutes outlined in KRS Chapter 45.760 - 45.810.

Several different road systems constructed in the Commonwealth over the last 40 years have used Bond Funded Construction. General obligation bonds were sold to finance the original construction of the Interstate System. The Turnpike Authority of Kentucky sold revenue bonds to fund construction of the toll road system that crisscrosses the state. Tolls on these parkways were removed once the bonds were paid. Resource recovery bonds were sold in the late 1970s for construction of the Resource Recovery Road System, a network of

highways over which coal resources could be efficiently hauled. The Turnpike Authority received authorization to sell bonds in 1984, 1987, 1990, 1993, 1995, 1999, 2005, 2006, 2008, 2009, and 2010 for projects identified as part of the Economic Development Road System. The Authority received authorization in 2008 and 2010 to issue bonds to support road projects specifically related to the Base Re-alignment and Closure (BRAC) activities in and around Fort Knox. All of the roads constructed using proceeds from Turnpike Authority bonds are built by the Cabinet on behalf of the Authority, and then are leased to the Cabinet until the bonds are retired. At that time they are transferred to the Cabinet and become a part of the state highway system.

The State Funded Construction program provides for many highway improvement needs, emergency needs, industrial access roads, parkway and primary road pavement rehabilitation, and other projects for which federal funding is not available. The state resurfacing program is a part of this sub-program area and provides for resurfacing of roads in the state maintained highway system. The Highway Construction Contingency account, authorized in KRS 45.247, is also included in the State-Funded Construction program.

The Federal Construction program addresses the major construction, reconstruction, and rehabilitation needs for nearly 12,000 miles of interstate, primary, secondary, urban systems, and Appalachian routes across the state. This funding is provided under Titles 23 and 40 of the US Code. From fiscal year 2005 to fiscal year 2008, \$440 million in Grant Anticipation Revenue Vehicle (GARVEE) bonds were appropriated to support interstate projects along I-64, I-75, and I-65. In addition, GARVEE bonds totaling \$336 million were authorized in 2008 and 2010 for the Louisville Bridges project. The 2010 Special Session of the General Assembly authorized \$330 million in GARVEE bonds for the US-68/KY-80 Lake Barkley and Kentucky Lake Bridges Project. For display purposes, the GARVEE bonds are located in the Bond Funded Construction program. However, the debt service to support the GARVEE bonds is located in the Federal Fund Construction program.

House Bill 4 from the 2009 Special Session of the General Assembly created the Kentucky Public Transportation Infrastructure Authority (KPTIA) to facilitate the construction, financing, operation, and oversight of mega-projects. According to the Federal Highway Administration, mega-projects are projects that have a total cost of \$500 million or more. The Authority has the power to finance mega-projects through the use of tolls, funds from any GARVEE, funds appropriated by the state or federal government, and any other funds pledged for their purpose. The Toll Bond Funded program and the TIFIA Loan program provide funding for one of KPTIA's projects, the Louisville-Southern Indiana Ohio River Bridges mega-project. The Commonwealth is working jointly with the state of Indiana on this \$2.6 billion project, which will reconstruct "spaghetti junction" in downtown Louisville, rehabilitate the existing Kennedy Bridge, and construct two new bridges – the Downtown I-65 bridge and the East End I-265 bridge. Kentucky is responsible for the completion of the downtown portion of the project and is financing the majority of the total cost with toll bonds and a TIFIA loan backed by the federal government. Kentucky's portion of the project is set to be complete in Fall 2017.

Policy

The Budget of the Commonwealth authorizes the Secretary of Transportation to continue the Cash Management program, formerly known as the Pre-financing Road Projects program, authorized by the Appropriations Act since the 2000-2002 biennium. The Cash Management program allows the Cabinet to expedite projects in the Biennial Highway Construction Plan by managing Road Fund cash, while ensuring that expenditures remain within enacted appropriations.

**Transportation
Highways
Maintenance**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
SOURCE OF FUNDS					
Restricted Funds					
Current Receipts	2,909,531	3,419,863	3,687,900	3,687,900	3,687,900
Non-Revenue Receipts	-18,746	-378,195			
Total Restricted Funds	2,890,785	3,041,668	3,687,900	3,687,900	3,687,900
Road Fund					
Regular Appropriation	323,212,500	334,723,000	338,751,200	347,457,900	349,072,600
Continuing Approp-Road Fund	60,723,572	49,475,815			
Other		6,731,000			
Total Road Fund	383,936,072	390,929,815	338,751,200	347,457,900	349,072,600
TOTAL SOURCE OF FUNDS	386,826,857	393,971,483	342,439,100	351,145,800	352,760,500
EXPENDITURES BY CLASS					
Personnel Costs	146,697,422	157,590,331	157,441,000	166,997,600	168,849,600
Operating Expenses	189,245,034	235,323,482	183,666,200	183,547,800	183,523,500
Grants Loans Benefits	590	946			
Capital Outlay	410,945	69,805			
Construction	997,050	986,670	1,331,900	600,400	387,400
TOTAL EXPENDITURES	337,351,042	393,971,233	342,439,100	351,145,800	352,760,500
EXPENDITURES BY FUND SOURCE					
Restricted Funds	2,890,785	3,041,668	3,687,900	3,687,900	3,687,900
Road Fund	334,460,256	390,929,565	338,751,200	347,457,900	349,072,600
TOTAL EXPENDITURES	337,351,042	393,971,233	342,439,100	351,145,800	352,760,500

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

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

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

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

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

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

**Transportation
Highways
Engineering Administration**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
SOURCE OF FUNDS					
Road Fund					
Regular Appropriation	13,338,100	14,216,600	14,497,600	15,142,400	15,262,200
Total Road Fund	13,338,100	14,216,600	14,497,600	15,142,400	15,262,200
TOTAL SOURCE OF FUNDS	13,338,100	14,216,600	14,497,600	15,142,400	15,262,200
EXPENDITURES BY CLASS					
Personnel Costs	10,992,491	11,193,345	12,563,500	13,287,300	13,440,900
Operating Expenses	1,349,294	1,716,696	1,510,100	1,510,100	1,510,100
Grants Loans Benefits	886	80			
Capital Outlay	398,328	691,919	424,000	345,000	311,200
Construction	2,935	34,315			
TOTAL EXPENDITURES	12,743,934	13,636,354	14,497,600	15,142,400	15,262,200
EXPENDITURES BY FUND SOURCE					
Road Fund	12,743,934	13,636,354	14,497,600	15,142,400	15,262,200
TOTAL EXPENDITURES	12,743,934	13,636,354	14,497,600	15,142,400	15,262,200

There are nine divisions organized under the State Highway Engineer's Office.

The Division of Construction supervises highway construction projects, providing administrative support for central office and district construction projects. It also assists the Division of Materials staff in sampling and testing materials used in construction projects.

The Division of Materials establishes standards and controls relating to the quality of materials for the construction, maintenance, and operation of highways and bridges. The Division also develops, coordinates, and controls testing procedures that are conducted in the field.

The Division of Structural Design develops and prepares contract plans for all highway structures, as well as any special structures that the Transportation Cabinet builds as part of Kentucky's system of roads. The Division also designs and prepares plans for structural repair and rehabilitation of existing bridges, as well as the design of all overhead sign structures.

The Division of Highway Design, in conjunction with the district design offices, is responsible for the required design activities of the Cabinet's Six-Year Road Plan projects, including the preparation, assembly, and reproduction of construction plans for a project's award.

The Division of Environmental Analysis provides all environmental studies and documents required by federal agencies for federal-aid transportation projects and for state funded projects that require federal permits. The division ensures compliance with all federal laws and regulations.

The Division of Right-of-Way and Utilities acquires property required for the construction and reconstruction of highways. This function involves obtaining title reports, performing appraisals and appraisal reviews, conducting negotiations, providing relocation assistance, facilitating property management, and initiating condemnation procedures on properties affected by proposed projects.

The Division of Program Management is responsible for developing Kentucky's Biennial Six-Year Road Plan.

The Division of Planning provides the day-to-day administration and support for personnel involved in the Highway Planning program activities, including management, clerical support, training, and other overhead expenditures.

The Division of Professional Services is responsible for procuring the Cabinet's professional services relating to road contracts. This division advertises for engineering services, administers the pre-qualification process for consulting services, provides assistance to selection committees for contract awards, negotiates fees for

consulting work sought by the Cabinet, and routinely confers with the Finance and Administration Cabinet and the Legislative Research Commission with respect to contract awards.

**Transportation
Highways
Planning**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
SOURCE OF FUNDS					
Federal Fund					
Balance Forward					
Current Receipts	10,582,082	12,021,312	12,498,000	12,955,700	13,383,600
Total Federal Fund	10,582,082	12,021,312	12,498,000	12,955,700	13,383,600
Road Fund					
Regular Appropriation	2,706,900	2,722,100	2,732,300	2,732,300	2,732,300
Total Road Fund	2,706,900	2,722,100	2,732,300	2,732,300	2,732,300
TOTAL SOURCE OF FUNDS	13,288,982	14,743,412	15,230,300	15,688,000	16,115,900
EXPENDITURES BY CLASS					
Personnel Costs	11,004,155	12,252,941	14,608,100	15,122,000	15,560,200
Operating Expenses	637,562	687,690	622,200	566,000	555,700
Construction	10,874	214,252			
TOTAL EXPENDITURES	11,652,591	13,154,883	15,230,300	15,688,000	16,115,900
EXPENDITURES BY FUND SOURCE					
Federal Fund	10,582,082	12,021,313	12,498,000	12,955,700	13,383,600
Road Fund	1,070,509	1,133,571	2,732,300	2,732,300	2,732,300
TOTAL EXPENDITURES	11,652,591	13,154,883	15,230,300	15,688,000	16,115,900

The Planning program is responsible for administrative and technical support and implements transportation planning activities statewide. The program is charged with a variety of statewide planning initiatives including: rail planning, carpooling, alternative fuel, bikeway, pedway, and ferry operations. In addition, it coordinates the Kentucky Scenic Highway and Byway System, manages the traffic data collection and processing equipment, maintains the Highway Information System, and coordinates air quality conformity with several state and federal agencies.

Highway Planning evaluates state-maintained streets and highways to ensure that available federal and state funds are utilized to maximum efficiency. The Planning unit maintains an inventory of all roadway classifications and prepares city, county, and state road maps for sale and distribution. The program also furnishes statistics required by the Federal Highway Administration and state and local government decision-makers.

Metropolitan Planning maintains and distributes federal funding to nine metropolitan planning organizations (MPOs) to implement the continuing, comprehensive, and cooperative planning process, which is mandated by federal law. The MPOs study the impact of transportation operations in urbanized areas concerning congestion management, air quality, environmental issues, public involvement, land use and development, and public transportation.

Area Development Districts (ADDs) Assistance administers a regional planning and public participation process in the state's 15 ADDs as part of the Cabinet's overall statewide transportation planning process, as required by 23 USC and 23 CFR 450. The Cabinet contracts with each ADD for activities in support of the regional and statewide planning process, including public involvement, data collection, analysis, identification of needs, project recommendations, regional prioritization of projects, and technical assistance and review.

**Transportation
Highways
Highway Operations**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
SOURCE OF FUNDS					
Restricted Funds					
Current Receipts				4,195,900	4,207,200
Total Restricted Funds				4,195,900	4,207,200
Road Fund					
Regular Appropriation	28,238,300	30,206,100	30,774,400	32,207,600	32,472,800
Total Road Fund	28,238,300	30,206,100	30,774,400	32,207,600	32,472,800
TOTAL SOURCE OF FUNDS	28,238,300	30,206,100	30,774,400	36,403,500	36,680,000
EXPENDITURES BY CLASS					
Personnel Costs	26,693,392	29,143,760	30,896,100	32,375,800	32,534,600
Operating Expenses	67,338	408,657	-121,700	4,027,700	4,145,400
Grants Loans Benefits	2,400				
Capital Outlay		2,007			
Construction	12,763	16,161			
TOTAL EXPENDITURES	26,775,893	29,570,585	30,774,400	36,403,500	36,680,000
EXPENDITURES BY FUND SOURCE					
Restricted Funds				4,195,900	4,207,200
Road Fund	26,775,893	29,570,585	30,774,400	32,207,600	32,472,800
TOTAL EXPENDITURES	26,775,893	29,570,585	30,774,400	36,403,500	36,680,000

In accordance with KRS Chapter 176, the Highway Operations program provides leadership, management, and central administrative support and funding for central office and district operations for the Transportation Cabinet's Department of Highways. The Commissioner of Highways oversees the Department, which includes the State Highway Engineer's Office, three offices which include 14 divisions, and 12 district offices across the state. In the 12 district offices, the Chief District Engineer manages the road project functions and reports to the State Highway Engineer.

The State Highway Engineer's Office manages and coordinates the engineering functions of the Cabinet, reviews management, engineering, and personnel reports and recommendations from the engineering and professional divisions, staff and Deputy State Highway Engineers. In addition, the Office administers the Cabinet's Engineering Scholarship program and the Engineering Graduate Training program, coordinates the Research program, and manages special projects, such as the Louisville Bridges project.

Contract procurement activities are also a part of the Highway Operations program and include prequalifying road contractors, advertising bids for road construction projects, awarding contracts, and issuing work orders and monitoring required contract provisions.

Policy

Beginning in fiscal year 2016-2017, the Transportation Cabinet will begin collecting a portion of the toll revenue from the Louisville-Southern Indiana Ohio River Bridges project to fund toll system operations and maintenance and administrative costs of the Kentucky Public Transportation Infrastructure Authority (KPTIA). The toll revenue, which will be collected in a new enterprise fund within the Transportation Cabinet, and the costs that it supports are included in the above restricted funds.

**Transportation
Highways
Equipment Services**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	13,581,792	16,288,547	14,618,100	11,130,500	5,908,100
Current Receipts	58,887,068	60,872,571	62,750,000	63,728,500	65,537,400
Total Restricted Funds	72,468,860	77,161,118	77,368,100	74,859,000	71,445,500
TOTAL SOURCE OF FUNDS	72,469,162	77,160,816	77,368,100	74,859,000	71,445,500
EXPENDITURES BY CLASS					
Personnel Costs	11,343,701	12,264,010	12,432,500	13,238,300	13,386,800
Operating Expenses	22,569,168	20,554,701	23,121,800	24,029,300	24,013,400
Grants Loans Benefits	30				
Capital Outlay		33,795			
Construction	22,267,716	29,690,160	30,683,300	31,683,300	31,683,300
TOTAL EXPENDITURES	56,180,616	62,542,665	66,237,600	68,950,900	69,083,500
EXPENDITURES BY FUND SOURCE					
Restricted Funds	56,180,616	62,542,665	66,237,600	68,950,900	69,083,500
TOTAL EXPENDITURES	56,180,616	62,542,665	66,237,600	68,950,900	69,083,500

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

**Transportation
Highways
Highway Safety**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	17,671	30,696	23,400	16,400	14,400
Current Receipts	20,000			5,000	
Total Restricted Funds	37,671	30,696	23,400	21,400	14,400
Federal Fund					
Current Receipts	4,666,589	4,588,626	5,534,700	5,561,700	5,588,900
Non-Revenue Receipts	450,031	157,770			
Total Federal Fund	5,116,621	4,746,396	5,534,700	5,561,700	5,588,900
Road Fund					
Regular Appropriation	4,706,700	4,965,000	5,050,900	5,073,600	5,077,900
Total Road Fund	4,706,700	4,965,000	5,050,900	5,073,600	5,077,900
TOTAL SOURCE OF FUNDS	9,860,992	9,742,092	10,609,000	10,656,700	10,681,200
EXPENDITURES BY CLASS					
Personnel Costs	4,242,555	4,540,691	4,692,000	4,763,800	4,799,500
Operating Expenses	2,234,432	1,835,015	5,900,600	5,878,500	5,874,300
Grants Loans Benefits	2,973,867	2,995,013			
TOTAL EXPENDITURES	9,450,855	9,370,719	10,592,600	10,642,300	10,673,800
EXPENDITURES BY FUND SOURCE					
Restricted Funds	6,974	7,315	7,000	7,000	7,000
Federal Fund	5,116,621	4,746,396	5,534,700	5,561,700	5,588,900
Road Fund	4,327,259	4,617,008	5,050,900	5,073,600	5,077,900
TOTAL EXPENDITURES	9,450,855	9,370,719	10,592,600	10,642,300	10,673,800

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

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

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

Transportation
Public Transportation

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,178,200	5,728,200	5,728,200	5,728,200	5,728,200
Continuing Approp-General Fund	299,419	107,012	197,100		
Budget Reduction-General Fund	-1,300				
Total General Fund	5,476,319	5,835,212	5,925,300	5,728,200	5,728,200
Restricted Funds					
Balance Forward		56,721	100,100		
Current Receipts	562,000	660,000	560,000	692,600	698,700
Total Restricted Funds	562,000	716,721	660,100	692,600	698,700
Federal Fund					
Balance Forward					
Current Receipts	26,689,344	23,882,618	44,842,000	25,730,500	25,788,900
Total Federal Fund	26,689,344	23,882,618	44,842,000	25,730,500	25,788,900
TOTAL SOURCE OF FUNDS	32,727,663	30,434,551	51,427,400	32,151,300	32,215,800
EXPENDITURES BY CLASS					
Personnel Costs	1,723,629	1,742,566	2,008,800	2,094,600	2,110,500
Operating Expenses	75,402	110,534	121,800	121,800	121,800
Grants Loans Benefits	30,764,899	28,284,293	49,296,800	29,934,900	29,983,500
TOTAL EXPENDITURES	32,563,930	30,137,393	51,427,400	32,151,300	32,215,800
EXPENDITURES BY FUND SOURCE					
General Fund	5,369,307	5,638,145	5,925,300	5,728,200	5,728,200
Restricted Funds	505,279	616,630	660,100	692,600	698,700
Federal Fund	26,689,344	23,882,618	44,842,000	25,730,500	25,788,900
TOTAL EXPENDITURES	32,563,930	30,137,393	51,427,400	32,151,300	32,215,800
EXPENDITURES BY UNIT					
Public Transportation	31,699,130	29,152,660	50,442,600	31,133,900	31,192,300
Multi-Modal Transportation	424,800	424,733	424,800	424,800	424,800
Human Services Delivery	440,000	560,000	560,000	592,600	598,700
TOTAL EXPENDITURES	32,563,930	30,137,393	51,427,400	32,151,300	32,215,800

The Public Transportation appropriation unit is comprised of three programs: Public Transportation, Multi-Modal, and Human Services Transportation Delivery. The Public Transportation program offers technical and financial assistance to public transportation providers and the metropolitan planning organizations throughout the state through the following federal programs: Sections 5303, 5307, 5309, 5310, 5311, 5316, and 5317. Federal Funds, combined with General Fund and local matching funds, allow public transit authorities to acquire buses and vans.

Also included in the Public Transportation program is funding for Non-public School Transportation, a program that provides grants to non-public schools so that they may offer bus service to their students.

The Multi-Modal program partners with the 15 area development districts with respect to regional and statewide transportation planning processes. This partnership generates public involvement with respect to identifying and prioritizing needs and assists in the project recommendation process, including the coordination of the Statewide Transportation Plan, the State Transportation Improvement program, and the Six-Year Highway Plan.

The Human Service Transportation Delivery program is a partnership between the Transportation Cabinet, the Medicaid program, the Office for Vocational Rehabilitation, and the Office for the Blind. This partnership provides non-emergency medical transportation, jobs access transportation, and transportation to day care facilities. The program also partners with the Veterans' Program Trust Fund to provide transportation services for veterans.

Policy

The Budget of the Commonwealth provides for the use of Toll Credits to be used by the Office of Transportation Delivery and public transit authorities as the match for federal funds.

**Transportation
Revenue Sharing**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
SOURCE OF FUNDS					
General Fund					
Special Appropriation		7,800,000			
Total General Fund		7,800,000			
Restricted Funds					
Balance Forward	1,519,863				
Total Restricted Funds	1,519,863				
Road Fund					
Regular Appropriation	405,482,300	396,861,000	390,753,800	330,812,900	332,030,200
Continuing Approp-Road Fund	120,822,931	122,522,031			
Budget Reduction-Road Fund			-169,300		
Other	-4,933,814	-13,714,628	-61,952,200		
Total Road Fund	521,371,417	505,668,403	328,632,300	330,812,900	332,030,200
TOTAL SOURCE OF FUNDS	522,891,280	513,468,403	328,632,300	330,812,900	332,030,200
EXPENDITURES BY CLASS					
Personnel Costs	3,104,877	3,442,649	3,670,100	3,754,700	3,770,800
Operating Expenses	12,677,263	9,061,897	2,989,700	2,981,000	2,979,800
Grants Loans Benefits	215,788,785	210,135,605	176,802,200	178,192,000	178,844,000
Construction	168,492,124	175,570,114	145,170,300	145,885,200	146,435,600
TOTAL EXPENDITURES	400,063,048	398,210,266	328,632,300	330,812,900	332,030,200
EXPENDITURES BY FUND SOURCE					
General Fund		7,799,189			
Restricted Funds	1,519,863				
Road Fund	398,543,185	390,411,077	328,632,300	330,812,900	332,030,200
TOTAL EXPENDITURES	400,063,048	398,210,266	328,632,300	330,812,900	332,030,200
EXPENDITURES BY UNIT					
County Road Aid	151,699,426	146,427,676	124,292,200	125,097,400	125,554,900
Rural Secondary	183,829,525	185,042,952	150,780,800	151,757,600	152,312,600
Municipal Aid	63,845,559	63,504,617	52,297,800	52,636,600	52,829,100
Energy Recovery	243,537	2,628,779	454,000	458,000	460,000
Rural and Municipal Aid	445,001	606,242	807,500	863,300	873,600
TOTAL EXPENDITURES	400,063,048	398,210,266	328,632,300	330,812,900	332,030,200

There are five components of the Revenue Sharing program: the County Road Aid program, authorized by KRS 179.410 - 179.440; the Rural Secondary Aid program, authorized by KRS 177.320; the Municipal Road Aid program, authorized by KRS 177.365 – 177.366; the Energy Recovery Road program, authorized by KRS 177.977-177.978; and other Special Programs.

The County Road Aid, Rural Secondary Aid, and Municipal Aid programs receive a portion of the state's motor fuels tax collections. The County Road Aid program receives 18.3 percent of motor fuels tax collections which is distributed to counties for the construction, reconstruction and maintenance of county roads and bridges. The Rural Secondary Aid program receives 22.2 percent of motor fuels tax collections, and funds are used to repair and maintain rural and secondary roads. Funds for both programs are allocated through a formula known as the "formula of fifths," as stated in KRS 177.360. Each county receives a portion of the statewide total as follows: one fifth is divided evenly among all counties, one fifth is divided proportionately based on the amount of rural population in each county, one fifth is distributed on the basis of rural road mileage in each county, and two fifths is apportioned according to each county's share of the total land area in the state.

The Municipal Road Aid program is funded by 7.7 percent of motor fuels tax collections. Distribution is made through a formula based upon the population contained in each city or unincorporated urban area.

Pursuant to KRS 183.220(3), two and one-tenth cents (\$0.021) of the tax collected under the motor fuel tax are excluded from the calculations of revenue sharing distributions as prescribed in KRS 177.320(1) (the Rural Secondary program), KRS 177.320(2) (the County Road Aid program), and KRS 177.365 (the Municipal Road Aid program).

Forty percent of the revenues collected from extended vehicle weight fees support the Energy Recovery Road System. Funds are distributed to the counties for the county-maintained portion of that system. The fund distribution is based on (1) the ratio of miles of roads in each county within this system to the total system miles, and (2) the ratio of the total tons of coal transported over the roads in each county to the total tons reported for the entire state. The Transportation Cabinet has the authority to expend the remaining 60 percent on the roads in the system.

The Special Programs budget unit includes the Commissioner's Office, the Office of Local Programs, the Kentucky Bicycle and Bikeway Commission, and the Bicycle and Pedestrian Program.

Policy

The Motor Fuels revenue estimate for the fiscal biennium 2016-2018, upon which the Road Fund appropriations in the Revenue Sharing program are based, is \$747,300,000 in fiscal year 2016-2017 and \$749,800,000 for fiscal year 2017-2018.

**Transportation
Vehicle Regulation**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	8,070,835	5,988,914	5,058,200	3,683,000	3,275,900
Current Receipts	17,815,618	18,319,897	18,430,600	19,041,400	19,056,300
Non-Revenue Receipts	407,251	-407,251	-58,800	-55,000	-55,000
Fund Transfers	-9,634,524	-7,350,000	-7,100,000	-4,200,000	-4,200,000
Total Restricted Funds	16,659,180	16,551,561	16,330,000	18,469,400	18,077,200
Federal Fund					
Balance Forward					
Current Receipts	3,645,027	3,943,257	4,600,000	4,600,000	4,600,000
Non-Revenue Receipts	160,123	-16,451			
Total Federal Fund	3,805,150	3,926,806	4,600,000	4,600,000	4,600,000
Road Fund					
Regular Appropriation	25,762,700	31,769,200	28,464,000	26,126,900	27,902,200
Budget Reduction-Road Fund			-812,700		
Total Road Fund	25,762,700	31,769,200	27,651,300	26,126,900	27,902,200
TOTAL SOURCE OF FUNDS	46,227,030	52,247,567	48,581,300	49,196,300	50,579,400
EXPENDITURES BY CLASS					
Personnel Costs	18,896,077	19,861,528	22,316,100	23,669,300	23,819,700
Operating Expenses	11,421,972	12,957,097	17,778,400	19,108,100	19,021,700
Grants Loans Benefits	4,135,555	4,209,077			
Debt Service	3,145,500	3,143,000	3,144,800	3,143,000	4,781,300
Capital Outlay		199,059			
Construction	11	329,984			
TOTAL EXPENDITURES	37,599,116	40,699,746	43,239,300	45,920,400	47,622,700
EXPENDITURES BY FUND SOURCE					
Restricted Funds	10,670,266	11,493,283	12,647,000	15,193,500	15,120,500
Federal Fund	3,805,150	3,926,806	4,600,000	4,600,000	4,600,000
Road Fund	23,123,700	25,279,657	25,992,300	26,126,900	27,902,200
TOTAL EXPENDITURES	37,599,116	40,699,746	43,239,300	45,920,400	47,622,700
EXPENDITURES BY UNIT					
Commissioner	1,129,000	949,970	1,370,000	1,441,000	1,454,100
Drivers Licensing	12,824,443	12,730,122	13,261,800	13,667,300	14,486,400
Motor Carriers	5,471,424	6,655,488	7,369,000	7,807,900	8,703,700
Motor Vehicle Licensing	16,154,517	18,268,650	19,023,600	20,642,900	20,678,900
Customer Service	1,060,472	1,097,797	1,156,300	1,191,000	1,197,500
Motor Vehicle Commission	959,260	997,719	1,058,600	1,170,300	1,102,100
TOTAL EXPENDITURES	37,599,116	40,699,746	43,239,300	45,920,400	47,622,700

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

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

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

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

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

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

Policy

The 2015 General Assembly created the Ignition Interlock License program for drunk driving offenders as outlined in Senate Bill 133. The Transportation Cabinet administers the application process for the program for a fee that is deposited into the Road Fund. The above appropriation includes \$238,000 in fiscal year 2016-2017 and \$250,900 in fiscal year 2017-2018 for administration of the program. Restricted Funds collected under the provisions of KRS 45.345 and KRS 138.710(2) may be used to administer the Ignition Interlock License program.

Statewide

**Statewide
Budget Reserve Trust Fund**

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
SOURCE OF FUNDS					
General Fund					
Surplus Expenditure Plan	25,600,851		82,514,310		
Special Appropriation			63,500,000		
Continuing Approp-General Fund	121,722,555	77,093,936	77,093,936	209,447,000	152,735,500
Budget Reduction-General Fund	-21,200,270				
Other	-49,029,200		-13,661,200		
Total General Fund	77,093,936	77,093,936	209,447,046	209,447,000	152,735,500
TOTAL SOURCE OF FUNDS	77,093,936	77,093,936	209,447,046	209,447,000	152,735,500
EXPENDITURES BY CLASS					
TOTAL EXPENDITURES					
EXPENDITURES BY FUND SOURCE					
TOTAL EXPENDITURES					
EXPENDITURES BY UNIT					
TOTAL EXPENDITURES					

The Budget Reserve Trust Fund is the Commonwealth's "Rainy Day Fund." KRS 48.705 provides for deposits to the Budget Reserve Trust Fund from direct appropriations, excess receipts, and unexpended appropriations, up to five percent of actual General Fund revenue receipts. These funds are appropriated and available in the event that actual General Fund revenue receipts during the biennium are not sufficient to meet the General Fund appropriation levels authorized in the budget. These funds are also available as a resource for Necessary Governmental Expenses when there is no General Fund surplus.

Policy

A deposit of \$82,514,310 to the Budget Reserve Trust Fund was made from the fiscal year 2015 General Fund surplus. House Bill 510 from the 2015 General Assembly directed an additional deposit of \$63,500,000, sourced from an additional fund transfer to the General Fund. The 2014-16 enacted budget withdrew \$13,661,200 in fiscal year 2016.

The net effect is a balance in fiscal year 2016 of \$209.4 million in the Budget Reserve Trust Fund, representing 2.1 percent of budgeted revenues.

The Budget of the Commonwealth appropriated \$56,711,500 from the Budget Reserve Trust Fund to General Fund expenditure uses in fiscal year 2018 bringing the budgeted balance to \$152,735,500.

The Budget of the Commonwealth directs any General Fund surplus to the Budget Reserve Trust Fund, the Kentucky Permanent Pension Fund, and the unfunded pension liabilities through the General Fund Surplus Expenditure Plan, after allowing for sufficient resources for items authorized as necessary government expenses.

Legislative Branch

Legislative Branch

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	53,800,100	56,437,200	60,139,500	59,311,100	63,206,600
Continuing Approp-General Fund	13,673,020	14,481,683	13,890,400	12,954,400	11,159,800
Budget Reduction-General Fund	-287,600				
Total General Fund	67,185,520	70,918,883	74,029,900	72,265,500	74,366,400
Restricted Funds					
Balance Forward	1,347,625	1,528,350	2,549,802	2,549,802	2,549,802
Current Receipts	180,725	30,673	120,000	75,000	175,000
Fund Transfers		-526,871			
Total Restricted Funds	1,528,350	1,032,151	2,669,802	2,624,802	2,724,802
Federal Fund					
Balance Forward			900		
Total Federal Fund			900		
TOTAL SOURCE OF FUNDS	68,713,870	71,951,034	76,700,602	74,890,302	77,091,202
EXPENDITURES BY CLASS					
Personnel Costs	41,541,014	43,918,540	45,921,800	45,100,200	48,812,900
Operating Expenses	11,113,015	10,437,504	12,326,800	12,356,400	12,554,300
Capital Outlay	49,806	742,872	975,000	240,000	240,000
TOTAL EXPENDITURES	52,703,836	55,098,915	59,223,600	57,696,600	61,607,200
EXPENDITURES BY FUND SOURCE					
General Fund	52,703,836	55,098,915	59,102,700	57,621,600	61,432,200
Restricted Funds			120,000	75,000	175,000
Federal Fund			900		
TOTAL EXPENDITURES	52,703,836	55,098,915	59,223,600	57,696,600	61,607,200
EXPENDITURES BY UNIT					
Legislative Branch	52,703,836	55,098,915	59,223,600	57,696,600	61,607,200
TOTAL EXPENDITURES	52,703,836	55,098,915	59,223,600	57,696,600	61,607,200

Judicial Branch

Judicial Branch

	Actual FY 2014	Actual FY 2015	Revised FY 2016	Enacted FY 2017	Enacted FY 2018
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	315,602,000	334,049,600	337,449,600	363,245,100	365,212,700
Continuing Approp-General Fund	8,973,113	1,786,934	1,803,500	119,800	119,800
Budget Reduction-General Fund	-1,500,000				
Total General Fund	323,075,113	335,836,534	339,253,100	363,364,900	365,332,500
Restricted Funds					
Balance Forward	17,345,144	17,398,411	12,681,100	502,300	560,900
Current Receipts	31,919,579	24,701,442	22,400,000	21,490,000	20,828,500
Non-Revenue Receipts	13,545,574	12,967,914	12,250,000	16,223,100	15,837,100
Total Restricted Funds	62,810,297	55,067,767	47,331,100	38,215,400	37,226,500
Federal Fund					
Current Receipts	3,512,446	3,566,740	3,491,600	2,593,000	1,440,400
Total Federal Fund	3,512,446	3,566,740	3,491,600	2,593,000	1,440,400
TOTAL SOURCE OF FUNDS	389,397,856	394,471,041	390,075,800	404,173,300	403,999,400
EXPENDITURES BY CLASS					
Personnel Costs	203,084,924	216,698,929	222,966,100	239,460,900	240,052,700
Operating Expenses	167,026,787	163,187,081	166,387,600	163,931,700	163,653,300
Capital Outlay	100,000	100,000	100,000	100,000	100,000
TOTAL EXPENDITURES	370,211,711	379,986,010	389,453,700	403,492,600	403,806,000
EXPENDITURES BY FUND SOURCE					
General Fund	321,287,379	334,032,614	339,133,300	363,245,100	365,212,700
Restricted Funds	45,411,886	42,386,656	46,828,800	37,654,500	37,152,900
Federal Fund	3,512,446	3,566,740	3,491,600	2,593,000	1,440,400
TOTAL EXPENDITURES	370,211,711	379,986,010	389,453,700	403,492,600	403,806,000
EXPENDITURES BY UNIT					
Judicial Branch	370,211,711	379,986,010	389,453,700	403,492,600	403,806,000
TOTAL EXPENDITURES	370,211,711	379,986,010	389,453,700	403,492,600	403,806,000