AN ACT relating to appropriations providing financing for the operations, maintenance, support, and functioning of the government of the Commonwealth of Kentucky and its various officers, cabinets, departments, boards, commissions, institutions, subdivisions, agencies, and other state supported activities.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

PART I

OPERATING BUDGET

There is appropriated out of the General Fund, Road Fund, restricted funds accounts, or federal funds accounts for the fiscal year ending June 30, 1998, and for the fiscal year beginning July 1, 1998, and ending June 30, 1999, and for the fiscal year beginning July 1, 1999, and ending June 30, 2000, the following discrete sums, or so much thereof as may be necessary. Appropriated funds are included pursuant to KRS 48.700 and 48.710. Each appropriation is made by source of respective fund or funds accounts. Appropriations for the following officers, cabinets, departments, boards, commissions, institutions, subdivisions, agencies, and budget units of the state government, and any and all other activities of the government of the Commonwealth, are subject to the provisions of Chapters 12, 42, 45, and 48 of the Kentucky Revised Statutes and compliance with the conditions and procedures set forth in this Act. For column display purposes in this Act, 1999-00 represents fiscal year 1999-2000.

A. GOVERNMENT OPERATIONS

Budget Units

1. EXECUTIVE OFFICE OF THE GOVERNOR

a. Office of the Governor

	1998-99	1999-00	
General Fund		9,189,500	9,540,000
Restricted Funds		400,000	400,000
Total	9,589,500	9,940,000	

Included in the above General Fund appropriation in each year of the biennium is $18,000 for the Governor's expense allowance and $10,000 for the Lieutenant Governor's expense allowance to meet additional expenses associated with the position of Governor of Kentucky and the position of Lieutenant Governor as specified in KRS 64.710.

b. Governor's Office for Policy and Management

	1998-99	1999-00	
General Fund		2,820,500	3,058,000
Restricted Funds		40,000	40,000
Total	2,860,500	3,098,000	

c. State Planning Fund

	1998-99	1999-00	
General Fund		500,000	500,000

The Governor is authorized to expend funds for the improvement and advancement of governmental purposes and activities. Included in the above General Fund appropriation is a $25,000 grant in each fiscal year to be awarded to the Bluegrass State Games to assist with planning and production of the games.

TOTAL - EXECUTIVE OFFICE OF THE GOVERNOR

	1998-99	1999-00	
General Fund		12,510,000	13,098,000
Restricted Funds		440,000	440,000
TOTAL		12,950,000	13,538,000

2. SECRETARY OF STATE

	1998-99	1999-00	
General Fund		2,254,300	2,354,300
Restricted Funds		142,500	145,500
Total	2,396,800	2,499,800	

3. BOARD OF ELECTIONS

		1998-99	1999-00	
General Fund			4,099,800	4,172,100
Restricted Funds			40,000	40,000
Total		4,139,800	4,212,100	

Included in the above General Fund appropriation is $2,801,500 in fiscal year 1998-1999 and $2,835,000 in fiscal year 1999-2000 to pay the state's share of county election expenses (KRS 117.345) and the state's share of voter registration expenses (KRS 116.145 and KRS 117.343). Any unexpended balance remaining at the close of each fiscal year shall lapse to the credit of the General Fund Surplus Account. Any amount that the state is required to pay in excess of the above amounts under the provisions of KRS 116.145 and KRS 117.343 shall be deemed necessary governmental expenses and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705). Included in the above General Fund appropriation is up to $10,000 in each fiscal year for a reward program to deter election fraud and unlawful activities related to elections.

Special elections and additional precincts due to redistricting shall be deemed necessary governmental expenses and be paid from the General Fund Surplus Account (KRS 48.700).

4. TREASURY

		1998-99	1999-00	
General Fund			2,228,500	2,285,200

Included in the General Fund appropriation above is a Restricted Funds source replacement of $166,500 in fiscal year 1998-99 and $166,500 in fiscal year 1999-2000 for discontinued annual funding for services performed for the Cabinet for Families and Children by the Treasury Department.

5. ATTORNEY GENERAL

1997-98	1998-99	1999-00

General Fund		12,236,500	12,710,200
Restricted Funds		5,976,500	6,256,500
Federal Funds	56,000	1,639,500	1,595,500
Total 56,000	19,852,500	20,562,200	

Included in the above General Fund appropriation is $200,000 in fiscal year 1998-99 and $200,000 in fiscal year 1999-2000 for the Victim Witness Protection Program. Notwithstanding KRS 45.229, any funds appropriated for the Victim Witness Protection Program in fiscal year 1998-99 shall not lapse and shall be carried forward into fiscal year 1999-2000.

6. UNIFIED PROSECUTORIAL SYSTEM

a. Commonwealth's Attorneys

1997-98	1998-99	1999-00	
General Fund		19,055,000	20,092,400
Restricted Funds	22,500	130,000	150,000
Federal Funds	3,000	634,000	667,500
Total 25,500	19,819,000	20,909,900	

Included in the above General Fund appropriation is $267,600 in fiscal year 1998-99 and $354,700 in fiscal year 1999-2000 to allow part-time Commonwealth's Attorneys to become full-time. Notwithstanding KRS 45.229, any unexpended balance of funds provided for part-time Commonwealth's Attorneys to become full-time totaling $267,600 at the end of fiscal year 1998-99 may provide for staff positions for the Prosecutorial Advisory Council subject to the interim appropriation revision process in KRS 48.630.

Included in the above General Fund appropriation is $247,500 in fiscal year 1998-99 and $330,000 in fiscal year 1999-2000 for 15 additional victims advocates.

There is appropriated from the General Fund in fiscal year 1998-99 and fiscal year 1999-2000 the necessary funds, subject to the conditions and procedures provided in this Act, which are required to provide additional staff to handle workload generated from new judgeships contingent upon the passage of enabling legislation. These funds shall be made available from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

b. County Attorneys

	1997-98	1998-99	1999-00
General Fund		17,429,200	18,349,000
Restricted Funds	30,200	35,000	35,000
Federal Funds	55,000	163,500	172,500
Total	85,200	17,627,700	18,556,500

There is appropriated from the General Fund in fiscal year 1998-99 and fiscal year 1999-2000 the necessary funds, subject to the conditions and procedures provided in this Act, which are required to provide additional staff to handle workload generated from new judgeships contingent upon the passage of enabling legislation. These funds shall be made available from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

TOTAL - UNIFIED PROSECUTORIAL SYSTEM

	1997-98	1998-99	1999-00
General Fund		36,484,200	38,441,400
Restricted Funds	52,700	165,000	185,000
Federal Funds	58,000	797,500	840,000
TOTAL	110,700	37,446,700	39,466,400

7. AUDITOR OF PUBLIC ACCOUNTS

	1998-99	1999-00
General Fund	5,515,800	5,749,400
Restricted Funds	3,783,500	3,978,500
Total	9,299,300	9,727,900

Notwithstanding KRS 43.200, no funding is provided for Auditor's scholarships.

8. AGRICULTURE

	1998-99	1999-00	
General Fund		23,979,100	19,575,000
Restricted Funds		2,407,500	2,403,000
Federal Funds		1,894,100	1,898,000
Total	28,280,700	23,876,000	

Included in the above General Fund appropriation is $456,300 in each fiscal year for Murray State University and $370,000 in each fiscal year for the University of Kentucky for the diagnostic laboratories at each institution.

Included in the above General Fund appropriation is $800,000 in each fiscal year for regional university agriculture programs, to be equally distributed among the four universities.

Included in the above General Fund appropriation is $100,000 in each fiscal year for the Agriculture/Economic Development joint trade office in Mexico. Notwithstanding KRS 45.229, any unexpended funds for the Mexico Trade Office shall be continued into the succeeding fiscal year, and the Cabinet for Economic Development shall assist in seeking and obtaining matching funds for the joint office.

Included in the above General Fund appropriation is $500,000 in each fiscal year for the Youth Tobacco Enforcement Program pursuant to KRS 438.330 and KRS 438.335. The Alcohol Beverage Control agency shall jointly participate in the program's enforcement.

Included in the above General Fund appropriation is $5,641,500 for fiscal year 1998-99 and $916,500 for fiscal year 1999-2000 for the new Agricultural Marketing Initiative. Notwithstanding KRS 45.229, any unexpended portion of $5,641,500 in fiscal year 1998-99 shall be continued into the succeeding fiscal year.

Included in the above General Fund appropriation is $75,000 in each fiscal year for personnel and operating expenditures necessary to implement the Farm Safety Initiative.

9. MILITARY AFFAIRS

	1998-99	1999-00	
General Fund		10,256,500	10,854,300
Restricted Funds		10,333,500	10,699,500
Federal Funds		8,958,500	8,960,000
Total	29,548,500	30,513,800	

There is appropriated from the General Fund the necessary funds to be expended, subject to the conditions and procedures provided in this Act, which are required as a result of the Governor's call of the Kentucky National Guard to active duty when an emergency or exigent situation has been declared to exist by the Governor. These necessary funds shall be made available from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

There is appropriated from the General Fund the necessary funds, subject to the conditions and procedures in this Act, which are required to match federal aid to which the state would be eligible in the event of a presidentially-declared disaster or emergency. These necessary funds shall be made available from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

Included in the above General Fund appropriation is an additional amount of $200,000 in fiscal year 1998-99 and $300,000 in fiscal year 1999-2000 for Disaster and Emergency Services County Offices.

Also included in the above General Fund appropriation is $175,000 in fiscal year 1999-2000 for debt service for bonds to replace the communications system for the Division of Disaster and Emergency Services.

10. PERSONNEL BOARD

	1998-99	1999-00	
General Fund		526,200	544,200
Restricted Funds		5,000	5,000

Total	531,200	549,200	

11. LOCAL GOVERNMENT

	1997-98	1998-99	1999-00	
General Fund		196,500	10,646,900	10,182,900
Restricted Funds			456,000	456,000
Federal Funds			38,381,000	38,685,500
Total 196,500		49,483,900	49,324,400	

Included in the above General Fund appropriation is $478,000 in fiscal year 1999-2000 for debt service for bonds for the Local Match Participation Program for statewide flood control projects.

Included in the above General Fund appropriation is an additional amount of $433,000 in fiscal year 1998-99 and $433,000 in fiscal year 1999-2000 for the Joint Funding Administration.

12. SPECIAL FUNDS

a. Local Government Economic Assistance Fund

	1998-99	1999-00	
General Fund		31,746,100	33,182,500

b. Local Government Economic Development Fund

	1998-99	1999-00	
General Fund		27,284,100	32,192,000

The above appropriations from the General Fund are based on the official estimate of the Secretary of the Finance and Administration Cabinet for severance tax collections during the biennium, distributed in accordance with KRS 42.450 to 42.495. Moneys transferred from the General Fund to the Local Government Economic Development Fund shall be calculated at the percentage of thirty-five percent (35%) effective July 1, 1998, and thirty-eight percent (38%) effective July 1, 1999, notwithstanding provisions set forth in KRS 42.4582. If actual severance tax receipts are different from the official estimate, the amount to be allotted to the Local Government Economic Assistance Fund shall be determined in accordance with KRS 42.450 to 42.495 and the amount to be allotted to the Local Government Economic Development Fund shall continue to be calculated at the percentages specified in this paragraph and otherwise in accordance with KRS 42.450 to 42.495.

Notwithstanding KRS 42.4582, the quarterly calculation and transfer of moneys from the General Fund to the Local Government Economic Development Fund pursuant to KRS 42.4582 shall be made only after each quarterly installment of the annual appropriation of $1,026,000 in fiscal year 1998-99 and $1,664,400 in fiscal year 1999-2000 has been credited to the Osteopathic Scholarship program within the Council on Postsecondary Education.

Notwithstanding KRS 42.4585, the quarterly calculation and transfer of the funds pursuant to KRS 42.4585 shall be made only after each quarterly installment of the annual appropriation of $1,026,000 in fiscal year 1998-99 and $1,664,400 in fiscal year 1999-2000 has been credited to the Osteopathic Scholarship program within the Council on Postsecondary Education.

Notwithstanding KRS 42.4585, effective July 1, 1998, the amount transferred annually from the Local Government Economic Development Fund into the Local Government Economic Assistance Fund under the provisions of KRS 42.4585 shall not be less than an amount equal to fourteen percent (14%) of the severance and processing taxes on coal collected annually and otherwise in accordance with KRS 42.450 to 42.495.

Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal producing counties through the Local Government Economic Development Fund pursuant to KRS 42.4592 shall be made only after each quarterly installment of the annual appropriation of $450,000 has been credited to the East Kentucky Corporation through a grant from the Cabinet for Economic Development in each year of the biennium.

Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal producing counties through the Local Government Economic Development Fund pursuant to KRS 42.4592 shall be made only after each quarterly installment of the annual appropriation of $350,000 has been credited to the West Kentucky Corporation through a grant from the Cabinet for Economic Development in each year of the biennium.

Notwithstanding KRS 42.4592, the quarterly calculation of the allocation of moneys to coal producing counties through the Local Government Economic Development Fund pursuant to KRS 42.4592 shall be made only after each quarterly installment of the annual appropriation of $325,000 in fiscal year 1998-99 and $320,000 in fiscal year 1999-2000, has been credited to the Coal County Development Office within the Cabinet for Economic Development.

Notwithstanding KRS 42.4592, the quarterly calculation for the allocation of moneys to coal producing counties through the Local Government Economic Development Fund pursuant to KRS 42.4592 shall be made only after each quarterly installment of the annual appropriation of $510,000 in fiscal year 1998-99 and $525,000 in fiscal year 1999-2000 has been credited to the Kentucky Appalachian Commission within the Office of the Governor.

Notwithstanding KRS 42.4586, the quarterly calculation of the allocation of moneys to coal producing counties through the Local Government Economic Development Fund to coal producing counties pursuant to KRS 42.4592 shall be made only after each quarterly installment of the annual appropriation of $916,300 has been credited to the Secondary Wood Products Development Fund in each year of the biennium.

Notwithstanding KRS 42.4588(2) and (4), the fiscal courts of the coal producing counties enumerated in this paragraph receiving allocations through the Local Government Economic Development Fund pursuant to KRS 42.4592 are authorized to expend Local Government Economic Development Program moneys for public purposes identified by the respective fiscal courts of the coal producing counties in the manner and amounts enumerated: Bell County - Pineville Water System Fire Hydrant Project - $100,000, Bell County Historical Society Museum - $100,000, Pine Mountain State Park Lake Development - $500,000; Breathitt County - Breathitt County Craft Development Human Resources Center - $1,500,000; Floyd County - Prestonsburg Recreational Park and Golf Course - $1,000,000, Big Sandy Area Development District is provided $50,000 each for the McDowell, the Mud Creek, the Betsy Layne, and the Wayland Civic/Community/Senior Citizens Centers for maintenance, expansion, and capital expenditures - $200,000; Harlan County - $4,350,000 for the following projects and related expenses: Sleepy Hollow Golf Course - $600,000, Kingdom Come Economic Industrial Development Authority purchase of industrial site and industrial spec building - $450,000, Benham Inn - $1,600,000, Operating costs for the Benham Inn and Coal Mine Museum - $250,000 in fiscal year 1998-99 and $250,000 in fiscal year 1999-2000, City of Lynch water and sewer lines for industrial site - $200,000, Harlan County Civic and Tourism Development Center - $500,000 in fiscal year 1998-99 and fiscal year 1999-2000; Henderson County - Riverfront Improvement - $500,000; Hopkins County - Dawson Springs Tradewater Trail Project - $75,000; Jackson County - Area Vocational School - $500,000; Johnson County - Homeplace Economic Development Program for renovation, maintenance, and capital expenditures - $300,000; Knott County - $4,000,000 for the following projects and related expenses: Red Fox Resort Development - $1,000,000, Hindman Branch of the Hazard Community College Development - $2,000,000, Knott County Central Community Recreational Field Renovation - $250,000, Knott County Youth Development Center - $250,000, Operation of the Arts and Crafts Complex in Knott County - $250,000 in fiscal year 1998-99 and $250,000 in fiscal year 1999-2000; Leslie County - Community Development Training Center - $4,000,000; Letcher County - Red Fox Golf Course - $700,000, Jenkins High School Renovation -

$1,500,000, Letcher County Recreational/Industrial Development Park in Whitesburg - $500,000, City of Jenkins Welcome Center - $500,000; McCreary County - Construction of McCreary County Branch of the Somerset Community College - up to $500,000; Martin County - Improve Water Treatment Plant - $3,000,000, Healthcare Clinic - $1,000,000; Muhlenburg County - Muhlenburg Technology Center - $200,000; Ohio County - Bill Monroe Museum - $800,000; Perry County - Red Fox Golf Course - $700,000; Pike County - Civic Center - $7,000,000, Improvements at Fishtrap Reservoir - $1,000,000, Water Treatment Facility at Russell Fork Area of Fishtrap Reservoir - $2,000,000, South Williamson Treatment Plant - $1,000,000, Pikeville Marketing Center - $300,000; Webster County - Upgrade Water Plant - $2,000,000; Wayne County - Monticello downtown renovation/historical museum - up to $115,000; and Union County - Camp Breckinridge Museum - $1,000,000. The $250,000 in each fiscal year provided to the Arts and Crafts Foundation for the Knott County operation of the Arts and Crafts Complex is contingent upon the submission and approval by the Knott County Fiscal Court of a line item, detailed budget prior to the obligation or expenditure of any funds. The source of funding identified in this paragraph shall not come from moneys deposited under KRS 42.4592(1)(c).

These projects are determined by the General Assembly to be important to the furtherance of the policy objectives and economic development purposes for which the Local Government Economic Development Program was established. Total expenditures from this source in fiscal year 1998-99 and fiscal year 1999-2000 shall not exceed the amounts listed in the preceding paragraph for any project or any county enumerated above. No project in any coal county receiving funds from the Local Government Economic Development Fund, pursuant to KRS 42.4592, shall commit or expend such funds except upon prior written public approval of the Fiscal Court as reported to the Kentucky Department for Local Government and the Kentucky Cabinet for Economic Development.

Pursuant to the authority authorized in KRS 42.485, the continuing appropriation amount from fiscal year 1997-98 to fiscal year 1998-99 and from fiscal year 1998-99 to fiscal year 1999-2000 shall equal the cash balance in the Local Government Economic Development and Local Government Economic Assistance Funds accounts at the close of the preceding fiscal year.

c. Area Development Fund

	1998-99	1999-00	
General Fund		1,000,000	1,000,000

Notwithstanding KRS 48.185, funds appropriated from the General Fund for the Area Development Fund shall be limited to these amounts.

TOTAL - SPECIAL FUNDS

	1998-99	1999-00	
General Fund		60,030,200	66,374,500

13. COMMISSION ON HUMAN RIGHTS

	1998-99	1999-00	
General Fund		1,905,400	1,962,400
Restricted Funds		8,500	8,500
Federal Funds		189,500	189,500
Total	2,103,400	2,160,400	

14. COMMISSION ON WOMEN

1997-98	1998-99	1999-00	
General Fund	65,000	246,100	253,600

15. KENTUCKY RETIREMENT SYSTEMS

1997-98	1998-99	1999-00	
Restricted Funds	1,047,000	14,588,600	15,613,500

16. KENTUCKY KARE HEALTH INSURANCE AUTHORITY

	1998-99	1999-00	

Restricted Funds	1,003,000	1,042,500

17. REGISTRY OF ELECTION FINANCE

	1998-99	1999-00
General Fund	2,368,600	2,409,000
Restricted Funds	357,000	
Total	2,725,600	2,409,000

Any amount in excess of $1,000,000 in either fiscal year 1998-99 or 1999-2000 necessary to support the state share of Gubernatorial campaign financing (KRS 121A.030 and 121A.080) required for payment under the provisions of KRS 121A.030 and 121A.080 shall be deemed necessary governmental expenses and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

18. OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS

a. Board of Accountancy

	1998-99	1999-00
Restricted Funds	555,500	561,500

b. Alcohol and Drug Counselors

	1998-99	1999-00
Restricted Funds	76,000	77,500

c. Board of Architects

	1998-99	1999-00
Restricted Funds	162,500	202,500

d. Board of Art Therapists

	1998-99	1999-00
Restricted Funds	6,500	7,000

e. Kentucky Athletic Commission

	1998-99	1999-00

	Restricted Funds	60,500	66,500
f.	Board of Auctioneers		
		1998-99	1999-00
	Restricted Funds	259,500	268,500
g.	Board of Barbering		
		1998-99	1999-00
	Restricted Funds	215,000	222,500
h.	Board of Chiropractic Examiners		
		1998-99	1999-00
	Restricted Funds	132,000	139,500
i.	Board of Dentistry		
		1998-99	1999-00
	Restricted Funds	343,000	364,500
j.	Board of Dietitians and Nutritionists		
		1998-99	1999-00
	Restricted Funds	36,500	37,500
k.	Board of Embalmers and Funeral Directors		
		1998-99	1999-00
	Restricted Funds	161,500	170,500
l.	Board of Engineers and Land Surveyors		
		1998-99	1999-00
	Restricted Funds	998,000	1,033,000
m.	Board of Geologists		
		1998-99	1999-00
	Restricted Funds	61,500	68,000
n.	Board of Hairdressers and Cosmetologists		
		1998-99	1999-00

Restricted Funds	891,500	876,000

o. Board of Hearing Instrument Specialists

	1998-99	1999-00
Restricted Funds	29,000	32,000

p. Board of Landscape Architecture

	1998-99	1999-00
Restricted Funds	45,000	47,000

q. Board of Marriage and Family

	1998-99	1999-00
Restricted Funds	21,000	22,000

r. Board of Medical Licensure

	1998-99	1999-00
Restricted Funds	1,604,000	1,669,500

s. Board of Nursing

	1998-99	1999-00
Restricted Funds	2,720,000	2,739,000

Included in the above Restricted Funds appropriation is $290,000 in fiscal year 1998-99 and $200,000 in fiscal year 1999-2000 for the Nursing Incentive Scholarship Program.

t. Nursing Home Administrators Licensure Board

	1998-99	1999-00
Restricted Funds	73,000	80,500

u. Board of Occupational Therapy

	1998-99	1999-00
Restricted Funds	40,000	41,500

v. Board of Ophthalmic Dispensers

	1998-99	1999-00

	Restricted Funds	26,000	27,000
w.	Board of Optometric Examiners		
		1998-99	1999-00
	Restricted Funds	129,500	135,500
x.	Board of Pharmacy		
		1998-99	1999-00
	Restricted Funds	594,500	621,000
y.	Board of Physical Therapy		
		1998-99	1999-00
	Restricted Funds	249,500	255,000
z.	Board of Podiatry		
		1998-99	1999-00
	Restricted Funds	9,500	9,500
aa.	Professional Counselors		
		1998-99	1999-00
	Restricted Funds	12,000	14,000
ab.	Board of Psychology		
		1998-99	1999-00
	Restricted Funds	178,000	190,500
ac.	Real Estate Appraisers Board		
		1998-99	1999-00
	Restricted Funds	357,000	370,000
ad.	Real Estate Commission		
		1998-99	1999-00
	Restricted Funds	1,969,000	2,043,000

Included in the above Restricted Funds appropriation is $827,500 in fiscal year 1998-99 and $852,500 in fiscal year 1999-2000 for Real Estate Education and Recovery.

ae. Board of Respiratory Care

	1998-99	1999-00	
Restricted Funds		58,000	58,500

af. Board of Social Workers

	1998-99	1999-00	
Restricted Funds		85,000	94,000

ag. Board of Speech Pathologists and Audiologists

	1998-99	1999-00	
Restricted Funds		60,500	62,000

ah. Board of Veterinary Examiners

	1998-99	1999-00	
Restricted Funds		86,500	95,000

TOTAL - OCCUPATIONAL AND PROFESSIONAL BOARDS AND COMMISSIONS

	1998-99	1999-00	
Restricted Funds		12,306,500	12,701,500

19. GOVERNMENTAL SERVICES CENTER

	1998-99	1999-00	
Restricted Funds		1,237,000	1,276,000

20. EXECUTIVE BRANCH ETHICS COMMISSION

	1998-99	1999-00	
General Fund		270,700	281,400
Restricted Funds		3,000	3,000
Total	273,700	284,400	

21. MISCELLANEOUS APPROPRIATIONS

a. Judgments

	1998-99	1999-00	
General Fund		10,000,000	-0-

The above appropriation is for the payment of judgments as may be rendered against the Commonwealth by courts and orders of the State Personnel Board and where applicable, shall be subject to the provisions of KRS Chapter 45, and for the payment of medical malpractice judgments against the University of Kentucky and the University of Louisville in accordance with KRS 164.941 and 164.892. Notwithstanding KRS 45.229, any remaining appropriation in the Judgments account at the end of fiscal year 1997-1998 or fiscal year 1998-1999 shall not lapse but shall be carried forward into fiscal years 1998-99 and 1999-2000, respectively.

b. Attorney General Expense

	1998-99	1999-00
General Fund	150,000	150,000

c. Board of Claims Awards

	1998-99	1999-00
General Fund	300,000	300,000

Funds are appropriated from the General Fund for the repayment of awards or judgments made by the Board of Claims against departments, boards, commissions, and other agencies maintained by appropriations out of the General Fund. However, awards under $1,000, in cases where the operating agency admits negligence, shall be paid from funds available for the operations of the agency.

d. Guardian Ad Litem

	1998-99	1999-00
General Fund	2,000,000	2,000,000

Included in the above appropriation is funding for fees to be paid to the guardian ad litem appointed by the court pursuant to KRS 311.732. The fee shall be fixed by the court and shall not exceed $500.

e. Prior Year Claims

	1998-99	1999-00

General Fund	400,000	400,000

f. Unredeemed Checks Refunded

	1998-99	1999-00
General Fund	300,000	300,000

Checks written by the State Treasurer and not cashed within the statutory period may be presented to the State Treasurer for reissuance in accordance with KRS 41.370.

g. Involuntary Commitments ICF/MR

	1998-99	1999-00
General Fund	60,000	60,000

h. Frankfort in Lieu of Taxes

	1998-99	1999-00
General Fund	195,000	195,000

i. Frankfort Cemetery

	1998-99	1999-00
General Fund	2,500	2,500

j. Police Officers and Firefighters--Life Insurance

	1998-99	1999-00
General Fund	300,000	300,000

Funds are appropriated for payment of benefits for state and local police officers and firefighters in accordance with KRS 61.315.

k. Master Commissioners--Employers Retirement

	1998-99	1999-00
General Fund	260,000	280,000

l. Master Commissioners--Social Security

	1998-99	1999-00
General Fund	161,000	166,000

m. Workers' Compensation

	1998-99	1999-00
General Fund	275,000	290,000

Funds are appropriated for workers' compensation premiums for fee officers in counties over 70,000 in population.

n. Medical Malpractice Liability Insurance Reimbursements

	1998-99	1999-00
General Fund	60,000	60,000

TOTAL - MISCELLANEOUS APPROPRIATIONS

	1998-99	1999-00
General Fund	14,463,500	4,503,500

Included in the above appropriations is $0 in fiscal year 1998-99 and $0 in fiscal year 1999-2000 for refunding money paid into the State Treasury, which may later be determined not to be a lawful collection by the state. No money shall be refunded, however, after it has been paid into the State Treasury except by authority of the head of the department or agency to whom the money was originally paid and with the approval of the Secretary of the Finance and Administration Cabinet, subject to the conditions and procedures provided in this Act.

Funds required to pay the costs of items included within the Miscellaneous Appropriations category are appropriated, and any required expenditure over the above amounts is to be paid first from any available balance in the Judgments appropriation and then from either the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in this Act.

22. KENTUCKY VETERANS' CENTER (NURSING HOME)

	1998-99	1999-00
General Fund	5,618,300	5,909,400
Restricted Funds	10,677,000	11,304,500

Total	16,295,300	17,213,900

TOTAL - GOVERNMENT OPERATIONS

	1997-98	1998-99	1999-00
General Fund	261,500	205,640,600	201,660,800
Restricted Funds	1,099,700	63,930,100	66,558,500
Federal Funds	114,000	51,860,100	52,168,500
TOTAL	1,475,200	321,430,800	320,387,800

B. CABINET FOR ECONOMIC DEVELOPMENT

23. CABINET FOR ECONOMIC DEVELOPMENT

Budget Units

a. Secretary

	1998-99	1999-00
General Fund	3,483,000	4,491,000

Included in the above General Fund appropriations is $450,000 for the East Kentucky Jobs Creation Corporation and $350,000 for the West Kentucky Jobs Creation Corporation each fiscal year of the biennium. Both Corporations are required to submit a quarterly financial and status report to the Legislative Research Commission and to the Interim Joint Committee on Appropriations and Revenue. Also included in the above General Fund appropriations is $325,000 in fiscal year 1998-99 and $320,000 in fiscal year 1999-2000 for the Coal County Development Office. Notwithstanding KRS 42.4592, the General Fund appropriations for the East Kentucky Corporation, the West Kentucky Corporation, and the Coal County Development Office will be funded from the Local Government Economic Development Fund prior to any other statutory distribution from the Local Government Economic Development Fund.

b. Administration and Support

	1998-99	1999-00
General Fund	1,899,000	2,008,000

	Restricted Funds		254,000	223,000
	Total	2,153,000	2,231,000	
c.	Job Development			
		1998-99	1999-00	
	General Fund		2,333,000	2,413,000
d.	Financial Incentives			
		1998-99	1999-00	
	General Fund		2,739,000	3,353,000
	Restricted Funds		3,040,500	2,347,000
	Total	5,779,500	5,700,000	

Included in the General Fund appropriation above is $380,000 in fiscal year 1998-99 and $381,000 in fiscal year 1999-2000 for the Louisville Waterfront Development Corporation.

The General Fund appropriation for fiscal year 1997-98 and succeeding fiscal years for the Bluegrass State Skills Corporation shall be continued and not lapse to the General Fund Surplus Account, notwithstanding KRS 45.229.

Notwithstanding KRS 154.12-207, the Secretary is directed to take such action as may be necessary to execute contractual agreements for designated skills training and education projects for which funds have been specifically appropriated.

No commitment for employee training shall be made beyond the ability of the Cabinet to fund the project within the appropriation for the current biennium.

Balances remaining in the Special Revenue Fund accounts after all appropriations authorized in this bill, shall lapse to the Capital Construction Surplus Account at the end of each fiscal year.

The Bluegrass State Skills Corporation shall submit a quarterly financial report to the Governor's Office for Policy and Management, the Legislative Research Commission, and the Interim Joint Committee on Appropriations and Revenue.

e. Debt Service

	1998-99	1999-00	
General Fund			666,000

f. Community Development

	1998-99	1999-00	
General Fund		3,033,000	3,162,000
Restricted Funds		177,000	186,500
Federal Funds		179,000	160,000
Total	3,389,000	3,508,500	

Included in the above General Fund appropriation is $300,000 for the Kentucky Technology Service Grant program each fiscal year of the biennium.

TOTAL - CABINET FOR ECONOMIC DEVELOPMENT

	1998-99	1999-00	
General Fund		13,487,000	16,093,000
Restricted Funds		3,471,500	2,756,500
Federal Funds		179,000	160,000
TOTAL		17,137,500	19,009,500

C. EDUCATION

24. EDUCATION

Budget Units

a. Support Education Excellence in Kentucky (SEEK) Program

	1998-99	1999-00	
General Fund		2,114,755,500	2,184,668,000

Accumulated earnings for the Common School Fund shall be transferred in each fiscal year to the Support Education Excellence in Kentucky program.

The above appropriations include $1,524,123,500 in fiscal year 1998-99 and $1,573,075,600 in fiscal year 1999-2000 for the base SEEK program as defined by KRS

157.360. Funds appropriated to the Support Education Excellence in Kentucky program shall be allotted to school districts in accordance with KRS 157.310 to 157.440, except that the total of the funds allotted shall not exceed the appropriations for this purpose except as provided in this Act. Included in the appropriation for base SEEK is $174,743,900 in fiscal year 1998-99 and $189,859,500 in fiscal year 1999-2000 for pupil transportation, notwithstanding KRS 157.360(2)(c).

Included in the above appropriation is $120,236,800 in fiscal year 1998-99 and $118,834,100 in fiscal year 1999-2000 for the Tier I component as established by KRS 157.440.

Included in the above appropriation is $2,278,000 in fiscal year 1998-99 and $2,346,000 in fiscal year 1999-2000 for vocational transportation.

Included in the above appropriation is $19,623,000 in fiscal year 1998-99 and $20,545,000 in fiscal year 1999-2000 to provide secondary vocational education in state-operated vocational schools.

Included in the above appropriation is $43,150,300 in fiscal year 1998-99 and $41,137,800 in fiscal year 1999-2000 to provide facilities equalization funding pursuant to the provisions of KRS 157.620 and KRS 157.440.

Included in the above appropriation is $230,600,000 in fiscal year 1998-99 and $238,870,000 in fiscal year 1999-2000 to enable local school districts to provide the employer match for qualified employees as provided for by KRS 161.550.

b. Executive Policy and Management

	1998-99	1999-00	
General Fund		3,430,400	3,536,700
Restricted Funds		384,800	405,700
Federal Funds		510,000	526,000
Total	4,325,200	4,468,400	

c. Management Support Services

	1997-98	1998-99	1999-00	
General Fund		2,335,000	282,808,800	297,278,300
Restricted Funds			2,119,500	2,188,000
Federal Funds			135,865,200	139,926,000
Total	2,335,000	420,793,500	439,392,300	

Included in the above General Fund appropriation is $15,000,000 in fiscal year 1998-99 and $15,000,000 in fiscal year 1999-2000 for the education technology escrow account. Included in the General Fund appropriation for education technology is $105,000 in each fiscal year to continue the existing professional development program located at Murray State University which provides training and professional development for teachers in technology utilization. The Department of Education shall, under a contractual arrangement, provide $105,000 in each fiscal year to Murray State University for this purpose.

Included in the above General Fund appropriation is $10,800,000 in each fiscal year for reimbursement to local school districts for the Out-of-District Children Program. Included in the funding support for the Out-of-District Children Program is $50,000 in each fiscal year to support the educational costs associated with the establishment of a new day treatment program.

Included in the above General Fund appropriation is $216,843,500 in fiscal year 1998-99 and $230,797,000 in fiscal year 1999-2000 to provide health and life insurance coverage for employees of local school districts.

Included in the above General Fund appropriation is $2,336,000 in fiscal year 1998-99 and $2,406,000 in fiscal year 1999-2000 to enable the Department of Education to provide the employer match for qualified employees as provided by KRS 161.550.

Included in the above General Fund appropriation is $150,000 in each fiscal year to fund three (3) demonstration projects in Jefferson County Elementary Schools that employ literacy and direct instruction with other instructional methodologies to enhance student learning. The projects shall be a joint initiative between Jefferson County Public Schools and the Jefferson County Teacher Association. Each demonstration project shall be provided $50,000 in each fiscal year.

Included in the above General Fund appropriation is $2,300,000 in fiscal year 1997-98 to support the Literacy Development Grant Program as established pursuant to enabling legislation. Notwithstanding KRS 45.229, any funds available at the end of fiscal year 1997-98 for the Literacy Development Grant Program Fund shall not lapse but shall continue forward to fiscal year 1998-99.

d. Learning Results Services

	1998-99	1999-00	
General Fund		32,415,300	32,962,900
Restricted Funds		3,146,000	150,500
Total	35,561,300	33,113,400	

Included in the above General Fund appropriation is $10,000,000 in each fiscal year for the school rewards escrow account.

e. Learning Support Services

	1998-99	1999-00	
General Fund		174,015,200	195,229,200
Restricted Funds		2,100,000	2,160,500
Federal Funds		213,027,500	219,417,500
Total	389,142,700	416,807,200	

The above General Fund appropriation includes $40,702,900 in fiscal year 1998-99 and $43,554,800 in fiscal year 1999-2000 for Family Resource and Youth Services Centers. Also included in the above General Fund appropriation is $4,874,100 in fiscal year 1998-99 and $5,127,300 in fiscal year 1999-2000 for the Kentucky School for the Blind, and $8,332,900 in fiscal year 1998-99 and $8,895,900 in fiscal year 1999-2000 for the Kentucky School for the Deaf.

Included in the above General Fund appropriation is $50,000 in each fiscal year for the Advisory Council for Gifted and Talented Education.

Included in the above General Fund appropriation is $50,000 in each fiscal year to establish a Community After School Program in local school district number 441.

Included in the above General Fund appropriation is $5,000,000 in fiscal year 1998-99 and $10,000,000 in fiscal year 1999-2000 to support the Center for School Safety and safe school initiatives pursuant to enactment of enabling legislation. These funds shall be distributed as directed in Part IX, Special Provisions.

TOTAL - EDUCATION

1997-98	1998-99	1999-00	
General Fund	2,335,000	2,607,425,200	2,713,675,100
Restricted Funds		7,750,300	4,904,700
Federal Funds		349,402,700	359,869,500
TOTAL	2,335,000	2,964,578,200	3,078,449,300

D. EDUCATION, ARTS AND HUMANITIES CABINET

Budget Units

25. OFFICE OF THE SECRETARY

	1998-99	1999-00	
General Fund		2,544,100	2,632,600
Restricted Funds		94,000	97,000
Total	2,638,100	2,729,600	

Included in the above General Fund appropriation is $4,000 in each fiscal year for operating expenses related to the Martin Luther King Jr. Commission.

Included in the above General Fund appropriation is $1,127,500 in fiscal year 1998-99 and $1,161,500 in fiscal year 1999-2000 for the Governor's Scholars Program.

Included in the above General Fund appropriation is $318,500 in fiscal year 1998-99 and $328,000 in fiscal year 1999-2000 for the Governor's School for the Arts.

Included in the above General Fund appropriation is $200,000 in each fiscal year for the East Kentucky Center for Science, Mathematics, and Technology.

26. KENTUCKY ARTS COUNCIL

	1998-99	1999-00	
General Fund		4,095,800	4,216,600
Restricted Funds		362,500	369,500
Federal Funds		476,000	416,000
Total	4,934,300	5,002,100	

27. TEACHERS' RETIREMENT SYSTEM

	1998-99	1999-00	
General Fund		68,357,000	75,828,000
Restricted Funds		4,401,700	4,733,100
Total	72,758,700	80,561,100	

General Fund moneys are appropriated to comply with the obligations of the state under the Teachers' Retirement System statutes as provided in KRS 161.220 to 161.716, notwithstanding the provisions of KRS 161.550.

The above General Fund appropriation, in conjunction with those included elsewhere within this Act for the Teachers' Retirement System, is based upon estimated funds needed to meet the requirements of KRS 161.220 to 161.716, notwithstanding KRS 161.550. If these combined General Fund appropriations are in excess of these requirements, the excess funds shall lapse to the credit of the General Fund.

In accordance with KRS 161.420, in each fiscal year an amount not greater than four percent (4%) of the receipts of the state accumulation fund shall be set aside into the expense fund or expended for the administration of the retirement system. No General Fund moneys are provided in fiscal year 1998-99 or fiscal year 1999-2000 for the cost of administration.

Included in the above General Fund appropriation is $7,400,000 in fiscal year 1998-99 and $15,300,000 in fiscal year 1999-2000 to provide, when combined with the annual one and one-half (1.5%) percent retirement allowance increase as provided for under KRS 161.620, a total increase in retirement allowances of eligible system members and beneficiaries of three percent (3%) in fiscal year 1998-99 and an additional three percent (3%) in fiscal year 1999-2000.

Included in the above General Fund appropriation is $3,657,000 in fiscal year 1998-1999 and $7,828,000 in fiscal year 1999-2000 to provide the cost of amortizing the requirements of KRS 161.155 (sick leave), as permitted pursuant to KRS 161.553.

28. SCHOOL FACILITIES CONSTRUCTION COMMISSION

	1998-99	1999-00
General Fund	58,162,500	70,864,000

Included in the above General Fund appropriation is $56,971,500 in fiscal year 1998-99 and $56,860,600 in fiscal year 1999-2000 for debt service for bonds previously issued.

Included in the above General Fund appropriation is $2,548,500 in fiscal year 1998-99 and $4,251,400 in fiscal year 1999-2000 for debt service for previously authorized bonds.

Included in the above General Fund appropriation is $2,621,500 in fiscal year 1998-99 and $9,520,000 in fiscal year 1999-2000 for debt service for newly-authorized bonds. Offers of assistance for newly authorized bonds are limited to a total of $201,000,000 as set forth in Part II, Capital Projects. Bond sales prior to June 30, 2000, are limited to the amount that can be supported on an annual basis by the amount of debt service appropriated above.

Notwithstanding KRS 45.229, General Fund moneys in the amount of $4,200,000 shall continue forward from fiscal year 1997-98 to fiscal year 1998-99.

29. DEAF AND HARD OF HEARING

		1998-99	1999-00	
General Fund			775,300	853,200
Restricted Funds			200,000	200,000
Total		975,300	1,053,200	

30. KENTUCKY HERITAGE COUNCIL

		1998-99	1999-00	
General Fund			880,400	901,900
Restricted Funds			95,500	114,000
Federal Funds			792,000	792,000
Total		1,767,900	1,807,900	

31. KENTUCKY EDUCATIONAL TELEVISION

	1997-98	1998-99	1999-00	
General Fund			14,392,700	14,770,000
Restricted Funds		310,000	868,000	1,096,000
Federal Funds		311,000		
Total	621,000	15,260,700	15,886,000	

32. KENTUCKY HISTORICAL SOCIETY

	1997-98	1998-99	1999-00	
General Fund			5,333,600	5,756,100
Restricted Funds		75,000	399,500	490,000
Federal Funds			625,000	186,000
Total	75,000	6,358,100	6,432,100	

Included in the above General Fund appropriation is $2,918,000 in fiscal year 1998-99 and $3,268,500 in fiscal year 1999-2000 for the Kentucky History Center.

33. LIBRARIES AND ARCHIVES

a. General Operations

		1998-99	1999-00

General Fund		6,560,200	6,611,000
Restricted Funds		1,360,000	1,490,000
Federal Funds		1,477,500	1,499,000
Total	9,397,700	9,600,000	

b. Direct Local Aid

	1998-99	1999-00	
General Fund		6,443,000	6,614,500
Restricted Funds		8,500	9,000
Federal Funds		541,000	541,000
Total	6,992,500	7,164,500	

Included in the above General Fund appropriation is $2,688,500 in each fiscal year to award per capita grants at the rate of seventy-three cents, notwithstanding KRS 171.201.

TOTAL - LIBRARIES AND ARCHIVES

	1998-99	1999-00	
General Fund		13,003,200	13,225,500
Restricted Funds		1,368,500	1,499,000
Federal Funds		2,018,500	2,040,000
Total	16,390,200	16,764,500	

34. KENTUCKY CENTER FOR THE ARTS

	1998-99	1999-00	
General Fund		625,500	625,500

35. ENVIRONMENTAL EDUCATION COUNCIL

	1998-99	1999-00	
General Fund		53,000	
Restricted Funds		262,000	262,000
Total	315,000	262,000	

Included in the above General Fund appropriation is $53,000 in fiscal year 1998-99 to facilitate production of the Council's Master Plan.

TOTAL - EDUCATION, ARTS, AND HUMANITIES CABINET

1997-98	1998-99	1999-00	
General Fund		168,223,100	189,673,400
Restricted Funds	385,000	8,051,700	8,860,600
Federal Funds	311,000	3,911,500	3,434,000
TOTAL	696,000	180,186,300	201,968,000

E. CABINET FOR FAMILIES AND CHILDREN

Budget Units

36. SOCIAL INSURANCE

a. Administration

	1998-99	1999-00	
General Fund		54,959,700	55,027,200
Restricted Funds		40,180,500	43,195,500
Federal Funds		155,032,900	161,197,100
Total	250,173,100	259,419,800	

The Department for Social Insurance shall reimburse citizen members of the Public Assistance Appeals Board an amount not to exceed $75 per day plus travel expenses.

If any portion of the above General Fund appropriation in either fiscal year is deemed to be in excess of the necessary expenses for administration of the department, the amount may be used for Temporary Assistance for Needy Families (TANF) Benefits in accordance with the statutes governing the functions and activities of the Department for Social Insurance. In no instance shall these excess funds be used without prior written approval of the State Budget Director of the Governor's Office for Policy and Management to:

(1) Establish a new program.

(2) Expand the services of an existing program.

(3) Increase rates or payment levels in an existing program.

Any transfer authorized under this section shall be approved by the Secretary of the Finance and Administration Cabinet upon recommendation of the State Budget Director of the Governor's Office for Policy and Management and shall be reported to the Interim Joint Committee on Appropriations and Revenue.

Notwithstanding KRS 45.229, General Fund moneys in the amount of $1,500,000 shall continue from fiscal year 1998-99 into fiscal year 1999-2000.

b. Benefits

	1998-99	1999-00	
General Fund		77,047,500	73,773,500
Restricted Funds		5,640,000	1,960,000
Federal Funds		158,976,500	161,987,000
Total	241,664,000	237,720,500	

These funds are to be used for the payment of benefits in accordance with the statutes governing the functions and activities of the Department for Social Insurance.

Due to the demands placed upon the Cabinet to meet the increasing participation rates required for welfare reform, any General Fund appropriation unexpended in fiscal years 1997-98 and 1998-99 shall not lapse but shall be carried forward into the next fiscal year, notwithstanding KRS 45.229, in compliance with the General Provisions of this Act.

Any unexpended appropriations for Social Insurance - Benefits in excess of $5,000,000 in fiscal year 1997-98 and any unexpended appropriations in fiscal year 1998-99 shall be used to fund the federally mandated Medicaid - Temporary Assistance to Needy Families (TANF) systems de-link and the state match for the Welfare-to-Work program. Any remaining unexpended appropriations may be used for other welfare reform-related expenditures or for implementation of the $2.00 per day increase in the payment standard for Personal Care recipients within the Cabinet, subject to the approval of the State Budget Director of the Governor's Office for Policy and Management.

37. SOCIAL SERVICES

	1997-98	1998-99	1999-00	
General Fund		5,000,000	128,851,000	141,614,100
Restricted Funds			41,689,000	41,339,000
Federal Funds			141,908,700	143,607,400
Total	5,000,000	312,448,700	326,560,500	

Notwithstanding KRS 45.229, General Fund moneys in the amount of $3,279,900 shall continue forward from fiscal year 1998-99 to fiscal year 1999-2000.

38. AGING SERVICES

	1998-99	1999-00
General Fund	23,244,500	23,337,000
Restricted Funds	6,877,700	12,640,300
Federal Funds	16,844,500	16,844,500
Total	46,966,700	52,821,800

39. ADMINISTRATION SERVICES

	1998-99	1999-00	
General Fund		8,306,000	8,595,500
Restricted Funds		2,637,000	1,748,500
Federal Funds		6,889,000	7,095,500
Total	17,832,000	17,439,500	

TOTAL - CABINET FOR FAMILIES AND CHILDREN

	1997-98	1998-99	1999-00	
General Fund		5,000,000	292,408,700	302,347,300
Restricted Funds			97,024,200	100,883,300
Federal Funds			479,651,600	490,731,500

Total 5,000,000	869,084,500	893,962,100	

F. FINANCE AND ADMINISTRATION CABINET

40. FINANCE AND ADMINISTRATION CABINET

Budget Units

a. General Administration

	1998-99	1999-00	
General Fund		8,805,000	8,830,000
Restricted Funds		4,323,000	4,508,000
Federal Funds		58,133,000	58,132,000
Road Fund		125,000	125,000
Total	71,386,000	71,595,000	

Included in the above Restricted Funds appropriation is $351,000 in fiscal year 1998-99 and $362,000 in fiscal year 1999-2000 to fund the operating costs of the Office for Geographic Information Systems. These receipts will be derived from any state agency or university that directly benefits from the implementation of the Geographic Information Systems basemap technology. The Office of Geographic Information Systems shall recommend, and the Kentucky Information Resources Management (KIRM) Commission shall approve, the cost allocation plan. Upon approval by KIRM, the agencies and universities shall pay their proportional share of the plan.

Included in the above appropriations is $125,000 from the Road Fund and $466,000 in Restricted Funds in fiscal year 1998-99, and $125,000 from the Road Fund and $481,000 from Restricted Funds in fiscal year 1999-2000 to fund the Kentucky Information Resources Management Commission at a continuation level of funding. Should the Commission find it necessary to increase its level of spending, subject to the conditions and procedures in this Act, the additional expenses shall be offset by proposed charges to state agencies and university users.

Included in the above General Fund appropriation is $400,000 in fiscal year 1998-1999 for the Affordable Housing Trust Fund which shall be matched with $400,000 from the Kentucky Housing Corporation Housing Assistance Fund.

b. Debt Service

	1998-99	1999-00
General Fund	142,743,000	169,864,000

Included in the above General Fund appropriation is $1,012,000 in fiscal year 1999-2000 for new bonds for all KIA programs. Also included in the above General Fund appropriation is $889,000 in fiscal year 1998-1999 and $889,000 in fiscal year 1999-2000 for previously authorized but unissued bonds for all Kentucky Infrastructure Authority programs.

Also included in the above General Fund appropriation is $10,734,000 in fiscal year 1998-99 and $10,727,000 in fiscal year 1999-2000 for debt service on all previously issued bonds by the Kentucky Infrastructure Authority.

Included in the above General Fund appropriation is $11,000,000 in fiscal year 1999-2000 for the Statewide Infrastructure Bond Project authorized in this Act.

c. Administration

	1998-99	1999-00
General Fund	3,852,000	3,943,000
Restricted Funds	8,063,000	8,347,000
Road Fund	257,000	270,000
Total	12,172,000	12,560,000

d. Facilities Management

	1998-99	1999-00
General Fund	8,087,000	8,365,000
Restricted Funds	19,097,000	20,458,000
Total	27,184,000	28,823,000

e. Information Systems

	1998-99	1999-00
Restricted Funds	48,933,000	50,384,000

f. County Costs

	1998-99	1999-00
General Fund	16,186,000	16,186,000
Restricted Funds	1,327,000	1,327,000
Total	17,513,000	17,513,000

Included in the above General Fund appropriation is $5,431,000 in fiscal year 1998-99 and $5,431,000 in fiscal year 1999-00 for base court revenue. Funds required to pay county costs other than base court revenue funded by the General Fund are appropriated and additional funds may be allotted from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705) by the Secretary of the Finance and Administration Cabinet, subject to the conditions and procedures provided in this Act.

g. County Fees

	1998-99	1999-00
Restricted Funds	49,744,000	51,771,000

TOTAL - FINANCE AND ADMINISTRATION CABINET

	1998-99	1999-00
General Fund	179,673,000	207,188,000
Restricted Funds	131,487,000	136,795,000
Federal Funds	58,133,000	58,132,000
Road Fund	382,000	395,000
TOTAL	369,675,000	402,510,000

G. CABINET FOR HEALTH SERVICES

Budget Units

41. MEDICAID SERVICES

a. Administration

	1998-99	1999-00
General Fund	19,183,000	19,425,000
Restricted Funds	7,493,200	7,118,100
Federal Funds	22,375,000	23,278,500
Total	49,051,200	49,821,600

If any portion of the General Fund appropriation in either fiscal year is deemed to be in excess of the necessary expenses for administration of the Department, the amount may be used for Medicaid Benefits, in accordance with statutes governing the functions and activities of the Department for Medicaid Services. In no instance shall these excess funds be used without prior written approval of the State Budget Director of the Governor's Office for Policy and Management to:

(1) Establish a new program.

(2) Expand the services of an existing program.

(3) Increase rates or payment levels in an existing program.

Any transfer authorized under this section shall be approved by the Secretary of the Finance and Administration Cabinet upon recommendation of the State Budget Director of the Governor's Office for Policy and Management.

b. Benefits

	1998-99	1999-00
General Fund	616,996,000	640,355,400
Restricted Funds	225,629,500	183,769,600
Federal Funds	2,012,413,600	1,988,328,000
Total	2,855,039,100	2,812,453,000

These funds are to be used for the payment of benefits in accordance with the statutes governing the functions and activities of the Department for Medicaid Services.

Any General Fund appropriation unexpended in fiscal years 1997-98 and 1998-99 shall not lapse, but shall be carried forward into the next fiscal year, notwithstanding KRS 45.229.

It is the intent of the General Assembly that the Secretary of the Cabinet for Health Services be permitted to transfer from Medicaid Benefits to Medicaid Administration up to one half of one percent (.5%) or $4,000,000, whichever is less, of the combined General Fund and Restricted Funds appropriations to the Medicaid Administration budget to be used for technical assistance and costs associated with achieving Year 2000 compliance for the Medicaid Management Information System. The Secretary shall recommend any proposed transfer to the State Budget Director for review and concurrence prior to transfer. Upon concurrence of the State Budget Director and prior to the transfer, the Secretary shall present the proposed plan to the Interim Joint Committee on Appropriations and Revenue.

42. PUBLIC HEALTH

	1998-99	1999-00	
General Fund		55,277,300	56,291,700
Restricted Funds		10,088,000	9,408,000
Federal Funds		115,765,000	116,474,000
Total	181,130,300	182,173,700	

43. MENTAL HEALTH/MENTAL RETARDATION

	1998-99	1999-00	
General Fund		150,832,900	158,871,800
Restricted Funds		124,321,300	127,002,800
Federal Funds		35,150,500	34,990,000
Total	310,304,700	320,864,600	

44. CHILDREN WITH SPECIAL HEALTH CARE NEEDS

	1998-99	1999-00

General Fund		3,817,700	6,190,600
Restricted Funds		5,771,000	5,100,000
Federal Funds		5,887,000	4,497,000
Total	15,475,700	15,787,600	

45. CERTIFICATE OF NEED

	1998-99	1999-00	
General Fund		127,800	131,500
Restricted Funds		301,000	319,000
Total	428,800	450,500	

46. ADMINISTRATIVE SUPPORT

	1998-99	1999-00	
General Fund		22,410,700	22,904,800
Restricted Funds		5,150,000	5,040,500
Federal Funds		57,133,000	57,451,500
Total	84,693,700	85,396,800	

Any General Fund appropriation unexpended in fiscal year 1998-99 for the Children's Health Initiative Program within Administrative Support shall not lapse, but shall be carried forward into fiscal year 1999-2000, notwithstanding KRS 45.229.

TOTAL - CABINET FOR HEALTH SERVICES

	1998-99	1999-00	
General Fund		868,645,400	904,170,800
Restricted Funds		378,754,000	337,758,000
Federal Funds		2,248,724,100	2,225,019,000
TOTAL		3,496,123,500	3,466,947,800

H. JUSTICE CABINET

47. JUSTICE OPERATIONS

Budget Units

a. Justice Administration

	1998-99	1999-00	
General Fund		6,275,600	6,423,900
Restricted Funds		5,426,500	5,409,500
Federal Funds		12,791,000	12,993,000
Total	24,493,100	24,826,400	

Included in the above General Fund appropriation is $1,040,500 in fiscal year 1998-99 and $1,080,500 in fiscal year 1999-2000 for operation of the State Parole Board.

Included in the above General Fund appropriation is $1,500,000 in each fiscal year to provide free civil legal services for indigents.

Included within the above Restricted Funds appropriation is $240,000 in fiscal year 1998-99 and $230,000 in fiscal year 1999-2000 to support the Criminal Justice Council. These Restricted Funds shall come from the Kentucky Law Enforcement Foundation Program Fund (KLEFPF). Any provisions to the contrary codified in KRS 15.430, 42.190, or 136.392 are suspended.

b. State Police

	1997-98	1998-99	1999-00	
General Fund		1,158,500	63,724,300	78,097,700
Restricted Funds		731,300	6,572,400	7,119,500
Road Fund			35,000,000	30,000,000
Federal Funds			9,068,500	9,433,000
Total	1,889,800	114,365,200	124,650,200	

Included in the above General Fund appropriation is $1,158,500 in fiscal year 1997-98 for maintenance of essential operations related to the implementation of KRS 237.110. It is intended that a portion of this appropriation is transferred to the appropriate Restricted Funds account within the Department of State Police to offset a current year deficit in that account.

Included in the above Restricted Funds appropriation for fiscal year 1997-98 is $731,300 for the maintenance of operations and essential services of the Department of State Police.

Included in the above General Fund appropriation is $3,457,000 in fiscal year 1999-2000 for new debt service to fund the replacement of the basic radio system, the replacement of the integrated criminal apprehension program and the upgrade of the Kentucky Accident Reporting System.

Included within the above General Fund appropriation is $265,000 in fiscal year 1999-2000 for debt service to fund the construction of state police posts at La Grange and at Hazard.

There is appropriated from the General Fund to the Department of State Police, subject to the conditions and procedures provided in this Act, funds which are required as a result of the Governor's call of the Kentucky State Police to extraordinary duty when an emergency situation has been declared to exist by the Governor. Funding is authorized to be provided from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

c. Criminal Justice Training

	1998-99	1999-00	
General Fund		35,000	
Restricted Funds		25,682,500	29,288,000
Total	25,717,500	29,288,000	

Under the provisions of the Kentucky Law Enforcement Foundation Program Fund, an eligible local unit of government shall be entitled to receive a supplement to each qualified police officer's annual base salary from the Law Enforcement Foundation Program Fund, to be paid to each officer in addition to the officer's regular salary as prescribed by KRS 15.460 and KRS 15.500. Included in the above appropriation is $12,183,500 in fiscal year 1998-99 and $12,482,000 in fiscal year 1998-2000 for training incentive payments pursuant to KRS 15.430 and KRS 15.440 from receipts pursuant to KRS 136.392. Also included in the above Restricted Funds appropriation, and subject to passage of enabling legislation in the 1998 Regular Session of the General Assembly, is $1,269,100 in fiscal year 1998-99 and $2,530,900 in fiscal year 1999-2000 for an increase in training incentive payments to each participant. The increase equates to $250 per qualified police officer in fiscal year 1998-99 and an additional $250 per officer in fiscal year 1999-2000 for a total of $2,750 in fiscal year 1998-99 and $3,000 in fiscal year 1999-2000 for each participant. Also subject to the passage of enabling legislation, there is provided in the appropriation above $4,231,400 in fiscal year 1998-99 and $4,616,100 in fiscal year 1999-2000 to make additional funds available to provide the pay incentive to all eligible sheriffs and deputies who qualify as well as all eligible police officers employed by a postsecondary educational institution. Also pending the passage of legislation, there is provided in the appropriation above $403,000 in fiscal year 1998-99 and $364,000 in fiscal year 1999-2000 to establish a program to certify all law enforcement officers who meet certain professional criteria outlined in proposed legislation. If funds appropriated from the Kentucky Law Enforcement Foundation Program Fund (KLEFPF) for training incentive payments are not sufficient to ensure each participant a training incentive payment which is at least $2,750 in fiscal year 1998-99 and $3,000 in fiscal year 1999-2000, the General Assembly directs that any amounts available to KLEFPF be utilized to ensure the payment.

Any provisions to the contrary in KRS 15.430, 15.450, 42.190, or 136.392 are suspended.

Included in the above General Fund appropriation is $35,000 in fiscal year 1998-99 to support the Owsley County Sheriffs' Law Enforcement Program.

Also included in the appropriation above is $1,181,500 for debt service in fiscal year 1998-99 and $1,185,500 in fiscal year 1999-2000 for bonds previously issued. New debt service in the amount of $1,980,000 in fiscal year 1999-2000 is appropriated and included above for a new Law Enforcement Basic Training Complex on the campus of Eastern Kentucky University.

Notwithstanding KRS 15.430, 42.190, or 136.392, the fund balance reserve shall not exceed $2,000,000 at the end of fiscal year 1997-98.

Notwithstanding KRS 15.430, 42.190, or 136.392, funds unexpended at the end of fiscal year 1998-99 and fiscal year 1999-2000 shall not lapse but shall be carried forward into the following fiscal year.

d. Juvenile Justice

1997-98	1998-99	1999-00	
General Fund	2,000,000	56,596,400	69,009,400
Restricted Funds		9,114,400	11,254,500
Federal Funds		15,057,000	15,057,000
Total 2,000,000	80,767,800	95,320,900	

Included within the above General Fund appropriation is $2,000,000 in fiscal year 1997-98 for private child care costs incurred by the Department of Juvenile Justice. Also included within the above General Fund appropriation is $2,578,000 in fiscal year 1999-2000 for debt service for the construction of three additional juvenile detention facilities, a new maximum security facility, and expansion of the Breathitt County Detention Center.

It is intended that $69,000 in General Fund appropriation in fiscal year 1997-98 be transferred from the operating budget to the capital budget to be applied toward the scope of the capital construction project titled “40-Bed Boot Camp,” authorized in Part II of this Act.

Included in the above appropriation is $693,700 in each fiscal year for education-related costs for students in day treatment programs. These funds shall be transferred to the Kentucky Department of Education, Management Support Services for distribution for these purposes. The Department of Juvenile Justice shall not reduce the payments to any currently operating day treatment programs unless the reduction required by Part VI, General Fund Budget Reduction Plan, of this Act is implemented.

TOTAL - JUSTICE OPERATIONS

	1997-98	1998-99	1999-00	
General Fund		3,158,500	126,631,300	153,531,000
Restricted Funds		731,300	46,795,800	53,071,500
Road Fund			35,000,000	30,000,000
Federal Funds			36,916,500	37,483,000
Total	3,889,800	245,343,600	274,085,500	

48. CORRECTIONS

Budget Units

a. Corrections Management

	1998-99	1999-00	
General Fund		6,842,200	9,756,200
Restricted Funds		271,000	161,000
Total	7,113,200	9,917,200	

Included in the General Fund appropriation above is $2,473,000 in fiscal year 1999-2000 for new debt service to fund the construction of a 200-bed dorm at Blackburn Correctional Complex, Phase I Expansion at the Kentucky Correctional Institute for Women, the design and site acquisition for a medium security prison and the replacement of a water tank and water line at Northpoint Training Center.

b. Community Services and Local Facilities

	1997-98	1998-99	1999-00	
General Fund		4,129,000	63,939,400	69,833,700
Restricted Funds			326,000	336,000
Federal Funds			1,053,500	1,412,000
Total	4,129,000	65,318,900	71,581,700	

Included in the General Fund appropriation is $411,600 in fiscal year 1998-99 and $773,900 in fiscal year 1999-2000 to provide a $1,000 salary increase in fiscal year 1998-99 and an additional $1,250 salary increase in fiscal year 1999-2000 for probation and parole officers.

Included in the above General Fund appropriation is $4,129,000 in fiscal year 1997-98 for costs associated with housing additional inmates in county jails.

General Fund moneys are provided in the amount of $21,000 in fiscal year 1998-99 and $93,000 in fiscal year 1999-2000 to expand the Probation and Parole Career Ladder.

c. Adult Correctional Institutions

	1997-98	1998-99	1999-00
General Fund		167,353,000	179,801,100
Restricted Funds	2,684,900	21,848,300	22,681,500
Federal Funds		2,030,500	2,861,500
Total	2,684,900	191,231,800	205,344,100

Included in the Restricted Funds appropriation is $2,684,900 in fiscal year 1997-98 for the production of the final portion of the 1998 general issue of license plates in the Division of Correctional Industries.

Included in the General Fund appropriation is $2,761,400 in fiscal year 1998-99 and $5,460,100 in fiscal year 1999-2000 to provide a $1,000 salary increase in each year of the biennium, totaling a $2,000 salary increase over the biennium for security staff.

Included in the General Fund appropriation is $2,160,800 in each fiscal year for contracting an additional 200 minimum security beds for men at the Otter Creek Correctional Complex starting July 1, 1998.

d. Local Jail Support

	1998-99	1999-00
General Fund	14,568,500	14,568,500

Included in the General Fund appropriation is $888,000 in fiscal year 1998-99 and $888,000 in fiscal year 1999-2000 for medical care contracts to be distributed, upon approval of the Department of Corrections, to counties by the formula codified in KRS 441.206; $300,000 in fiscal year 1998-99 and $300,000 in fiscal year 1999-2000 is provided, on a partial reimbursement basis, for medical claims in excess of the statutory threshold pursuant to KRS 441.045. The funding support for medical contracts and catastrophic medical expenses for indigents shall be maintained in discrete accounts. Any medical claim which exceeds the statutory threshold may be reimbursed for that amount in excess of the statutory threshold. In no event shall this apply to expenses of an elective, as opposed to emergency, basis, and expenses shall be paid according to the Kentucky Medical Assistance Schedule.

TOTAL - CORRECTIONS

1997-98	1998-99	1999-00	
General Fund	4,129,000	252,703,100	273,959,500
Restricted Funds	2,684,900	22,445,300	23,178,500
Federal Funds		3,084,000	4,273,500
Total 6,813,900	278,232,400	301,411,500	

TOTAL - JUSTICE CABINET

1997-98	1998-99	1999-00	
General Fund	7,287,500	379,334,400	427,490,500
Restricted Funds	3,416,200	69,241,100	76,250,000
Road Fund		35,000,000	30,000,000
Federal Funds		40,000,500	41,756,500
TOTAL	10,703,700	523,576,000	575,497,000

I. LABOR

49. LABOR CABINET

Budget Units

a. General Administration and Support

	1998-99	1999-00	
General Fund		518,000	532,800
Restricted Funds		4,484,500	4,488,000
Total	5,002,500	5,020,800	

b. Workplace Standards

	1998-99	1999-00	
General Fund		1,780,700	1,834,500
Restricted Funds		146,921,500	148,658,000
Federal Funds		2,828,500	2,828,500
Total	151,530,700	153,321,000	

c. Workers Claims

	1998-99	1999-00	
Restricted Funds		14,994,000	15,637,000

d. Kentucky Occupational Safety and Health Review Commission

	1998-99	1999-00	
Restricted Funds		309,000	319,500
Federal Funds		174,500	174,500
Total	483,500	494,000	

TOTAL - LABOR CABINET

	1998-99	1999-00	
General Fund		2,298,700	2,367,300
Restricted Funds		166,709,000	169,102,500
Federal Funds		3,003,000	3,003,000
TOTAL		172,010,700	174,472,800

Budget Unit

50. KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION

	1998-99	1999-00	
General Fund		19,000,000	19,000,000
Restricted Funds		149,905,500	152,337,500
Total	168,905,500	171,337,500	

TOTAL - LABOR

	1998-99	1999-00	
General Fund		21,298,700	21,367,300
Restricted Funds		316,614,500	321,440,000
Federal Funds		3,003,000	3,003,000
TOTAL		340,916,200	345,810,300

J. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

51. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION CABINET

Budget Units

a. General Administration and Support

	1998-99	1999-00	
General Fund		8,703,200	9,026,200
Restricted Funds		352,000	435,500
Federal Funds		2,065,000	2,166,000
Total	11,120,200	11,627,700	

b. Environmental Protection

	1998-99	1999-00	
General Fund		21,647,200	22,183,800
Restricted Funds		20,196,000	21,336,000
Federal Funds		18,731,500	16,191,500
Total	60,574,100	59,711,300	

Notwithstanding KRS 224.43-320, no funds are provided in the above appropriations for the assignment of full-time inspectors to each municipal solid waste landfill operating in the Commonwealth.

Included in the above General Fund appropriation is $75,000 each year of the biennium for the annual Commonwealth Cleanup Campaign the fourth week of March.

c. Natural Resources

	1998-99	1999-00	
General Fund		13,494,700	13,666,300
Restricted Funds		5,522,500	5,053,500
Federal Funds		2,626,500	2,627,500
Total	21,643,700	21,347,300	

Not less than $240,000 of the General Fund appropriation for each fiscal year shall be set aside for emergency forest fire suppression. There is appropriated from the General Fund the necessary funds, subject to the conditions and procedures provided in this Act, which are required as a result of emergency fire suppression activities in excess of the $240,000 amount. Fire suppression costs in excess of $240,000 annually shall be deemed necessary governmental expenses and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

d. Surface Mining Reclamation and Enforcement

	1998-99	1999-00	
General Fund		9,922,200	10,188,100
Restricted Funds		5,793,000	5,988,000
Federal Funds		15,808,500	16,196,500
Total	31,523,700	32,372,600	

Included in the General Fund appropriation is $675,000 in each fiscal year for the return of permit and acreage fees per KRS 350.139; any required expenditure for this purpose in excess of this amount in either fiscal year is appropriated to the department.

e. Abandoned Mine Land Reclamation Projects

	1998-99	1999-00	
Federal Funds		22,456,000	22,456,000

The above appropriation represent estimates of the funds to be received and expended for this program. If additional funds become available, the funds are appropriated subject to the conditions and procedures provided in this Act.

TOTAL - NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION CABINET

	1998-99	1999-00	
General Fund		53,767,300	55,064,400
Restricted Funds		31,863,500	32,813,000
Federal Funds		61,687,500	59,637,500
TOTAL		147,318,300	147,514,900

Budget Units

52. KENTUCKY RIVER AUTHORITY

	1998-99	1999-00	
General Fund		359,000	369,000
Restricted Funds		1,511,000	1,750,000
Total	1,870,000	2,119,000	

Included in the above Restricted Funds appropriation is $194,000 in fiscal year 1998-99 and $388,000 in fiscal year 1999-2000 for debt service for $2,000,000 in previously authorized bonds and $2,000,000 in new bond authorization.

53. ENVIRONMENTAL QUALITY COMMISSION

	1998-99	1999-00	
General Fund		251,100	249,800
Restricted Funds		4,000	2,000
Total	255,100	251,800	

54. KENTUCKY NATURE PRESERVES COMMISSION

	1998-99	1999-00	
General Fund		840,200	786,300
Restricted Funds		637,500	612,500
Federal Funds		25,000	25,000
Total	1,502,700	1,423,800	

Included in the above General Fund appropriation is $40,000 in fiscal year 1998-99 and $41,000 in fiscal year 1999-2000 to employ a regional nature preserves manager for the Blanton Forest, Pine Mountain, Hi Lewis, Bad Branch, and Kingdom Come Nature Preserves.

TOTAL - NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

	1998-99	1999-00	
General Fund		55,217,600	56,469,500
Restricted Funds		34,016,000	35,177,500
Federal Funds		61,712,500	59,662,500
TOTAL		150,946,100	151,309,500

K. PERSONNEL CABINET

55. PERSONNEL CABINET

Budget Units

a. General Operations

	1997-98	1998-99	1999-00	
General Fund			3,309,400	3,297,100
Restricted Funds		200,000	5,858,500	5,741,000
Total	200,000	9,167,900	9,038,100	

Notwithstanding KRS 18A.015(2), 18A.015(3), and 18A.015(4), the Personnel Cabinet shall collect $2.00 per month per eligible employee in fiscal year 1998-99 and $2.25 per month per eligible employee in fiscal year 1999-2000 from the budgeted premium for life and health insurance from all employers of state employees defined in KRS 18A.225(1)(b) for duly authorized use by the Personnel Cabinet in administering its statutory and administrative responsibilities, including but not limited to administration of the Commonwealth's life and health insurance programs.

b. Public Employees Deferred Compensation Authority

1997-98	1998-99	1999-00	
Restricted Funds	350,000	3,552,000	3,692,500

c. Workers' Compensation Benefits and Reserve

	1998-99	1999-00	
Restricted Funds		16,872,000	17,666,000

The above appropriations represent estimates of the funds necessary to operate this program. If additional funds are required to adequately maintain this program, the necessary funds are appropriated, subject to the conditions and procedures provided in this Act.

TOTAL - PERSONNEL CABINET

1997-98	1998-99	1999-00	
General Fund		3,309,400	3,297,100
Restricted Funds	550,000	26,282,500	27,099,500
TOTAL	550,000	29,591,900	30,396,600

L. POSTSECONDARY EDUCATION

Budget Units

56. COUNCIL ON POSTSECONDARY EDUCATION

1997-98	1998-99	1999-00	
General Fund	700,000	54,251,200	102,794,400
Restricted Funds			528,000
Federal Funds		4,057,000	4,063,500
Total 700,000	58,308,200	107,385,900	

The General Assembly reaffirms its commitment to the spirit, intent, and goals of the Kentucky Postsecondary Improvement Act of 1997. The General Assembly recognizes the continued need to provide improved access to postsecondary education for all of Kentucky's citizens. The General Assembly continues to encourage collaboration among all of the state postsecondary institutions. The General Assembly supports the budget recommendations of the Council of Postsecondary Education.

Included in the above Restricted Funds appropriation in fiscal year 1999-2000 is debt service in the amount of $528,000 for the University of Kentucky Center for Rural Health in Hazard.

The above appropriation of $700,000 from the General Fund for fiscal year 1997-98 is provided to support the Literacy Development Grant Program Fund established by 1998 Senate Bill 186.

Any General Fund appropriation unexepended in fiscal year 1997-98 in the Literacy Development Grant Program Fund shall not lapse but shall be carried forward into fiscal year 1998-99, notwithstanding KRS 45.229.

Included in the above General Fund appropriation is $1,000,000 nonrecurring funding in each fiscal year for the Kentucky Rural Development Center. Included in the above General Fund appropriation is $50,000 in fiscal year 1998-99 and $100,000 in fiscal year 1999-2000 to establish a Professional Education Preparation Program (PEPP) at Pikeville Osteopathic Medical School comparable to the PEPP at the University of Kentucky and the University of Louisville.

The Postsecondary Education Improvement Act of 1997 fundamentally changed the funding mechanism for the postsecondary enterprise in the Commonwealth of Kentucky. In recognition that the limited time between the enactment of the Postsecondary Education Improvement Act of 1997 and the commencement of the 1998-2000 biennial budget process did not allow for sufficient time for the full consideration of programs not incorporated in the trust funds recommendation, the above General Fund appropriation for the Council on Postsecondary Education includes the following program items. Included in the above General Fund appropriation is $450,000 in fiscal year 1999-2000 to support a full complement of faculty and operational costs associated with the University of Kentucky College of Engineering's implementation of undergraduate engineering programs in Paducah. Included in the above General Fund appropriation is $1,470,000 in fiscal year 1998-99 and $1,500,000 in fiscal year 1999-2000 to replace Robinson Forest Trust funds previously used to support the Lees College Branch of Hazard Community College. Included in the above General Fund appropriation is $182,600 in each fiscal year to expand the services of the Labor Management Center at the University of Louisville's College of Business and Public Administration. Included in the above General Fund appropriation is $180,000 in fiscal year 1998-99 and $349,900 in fiscal year 1999-2000 to expand the University of Louisville's Family Residency Program in Glasgow. Included in the above General Fund appropriation is $30,000 in fiscal year 1998-99 for an analysis of student demand and the feasibility of a collaborative social work program at the University of Louisville with one or more institutions in the Louisville metropolitan area. This study will identify funding sources if such a program is deemed appropriate.

Included in the above General Fund appropriation is $125,000 in fiscal year 1998-99 and $180,000 in fiscal year 1999-2000 to be distributed to Murray State University for the purpose of making lease purchase payments on the Crisp Center.

Included in the above General Fund appropriation is $1,026,000 in fiscal year 1998-99 and $1,664,400 in fiscal year 1999-2000 to fund the Osteopathic Medicine Scholarship Program to provide scholarships to students of the Pikeville College of Osteopathic Medicine in an amount which will reduce the tuition cost to these students to the same rate paid by in-state medical students at the University of Kentucky or the University of Louisville. Included in the above General Fund appropriation is $2,396,500 in fiscal year 1998-99 and $2,504,500 in fiscal year 1999-2000 for the Experimental Program to Stimulate Competitive Research.

Included in the above General Fund appropriation is $215,000 in fiscal year 1998-99 and $221,500 in fiscal year 1999-2000 for the Kentucky Commission on Community Volunteerism and Service, which is attached to the Council on Postsecondary Education for administrative purposes.

Included in the above General Fund appropriation is $40,000,000 in fiscal year 1998-99 and $86,863,000 in fiscal year 1999-2000 for the Strategic Investment and Incentive Funding Program as established by the Postsecondary Improvement Act of 1997. The appropriation shall be made to each of the following trust funds in the amounts listed below for the purposes and uses established by the Postsecondary Improvement Act of 1997.

a. Research Challenge Trust Fund

	1998-99	1999-00
General Fund	6,000,000	6,000,000

b. Regional University Excellence Trust Fund

	1998-99	1999-00
General Fund	6,000,000	6,000,000

c. Technology Initiative Trust Fund

	1998-99	1999-00
General Fund	8,000,000	12,312,000

Included in the above fiscal year 1999-2000 General Fund appropriation to the Technology Initiative Trust Fund is debt service as indicated below to support the issuance of bonds by the State Property and Buildings Commission to partially finance the planning, design, and construction of the Kentucky Community and Technical College System (KCTCS) projects identified below and authorized in Part II of this Act: Central Regional Postsecondary Education Center, Western Kentucky University - debt service of $478,000; Northeast Regional Postsecondary Education Center, Morehead State University - debt service of $634,000; South Regional Postsecondary Education Center, Western Kentucky University - debt service of $336,000; Southeast Regional Postsecondary Education Center, Eastern Kentucky University - debt service of $478,000; West Regional Postsecondary Education Center, Murray State University - debt service of $634,000; and KCTCS Automated Administrative System - debt service of $147,000.

Also included in the above fiscal year 1999-2000 General Fund appropriation to the Technology Initiative Trust Fund is $5,548,000 for debt service to support the issuance of bonds by the State Property and Buildings Commission for technology projects to be identified by the Council on Postsecondary Education as necessary for the implementation of the Commonwealth Virtual University.

d. Physical Facilities Trust Fund

	1998-99	1999-00
General Fund		31,551,000

Included in the above fiscal year 1999-2000 General Fund appropriation to the Physical Facilities Trust Fund is debt service as indicated below to support the issuance of bonds by the State Property and Buildings Commission to finance the planning, design and construction of the projects and capital construction pools identified below and authorized in Part II of this Act: Northern Kentucky University (NKU) - Natural Science Building - debt service of $3,466,000; Morehead State University (MoSU) - Breckinridge Hall Renovation - debt service of $1,330,000; University of Kentucky (UK) - Mechanical Engineering Building - debt service of $1,862,000; Murray State University (MuSU) - Carr Health/Business/Education - debt service of $967,000; Eastern Kentucky University (EKU) - Student Service/Classroom Building - debt service of $1,900,000; Kentucky State University (KSU) - Student Center Renovation/Expansion - debt service of $785,000; University of Louisville (UL) - Research Building (Belknap Campus) - debt service of $3,043,000; Western Kentucky University (WKU) - Postsecondary Education Improvement Act of 1997 Facility - debt service of $1,758,000; UK - Aging/Allied Health Building Phase II - debt service of $1,900,000; KCTCS - Deferred Maintenance and Government Mandates Pool - debt service of $420,000; Council on Postsecondary Education (CPE) - Deferred Maintenance and Government Mandates Pool - debt service of $1,958,000; CPE - Research Equipment and Lab Replacement or Acquisition Pool - debt service of $4,856,000; KCTCS - Automated Administrative System - debt service of $166,000; KCTCS - Central Regional Postsecondary Education Center - Phase I - debt service of $803,000; KCTCS - Hazard Community College Classroom Building Phase II - debt service of $619,000; KCTCS - Kentucky Tech College of Arts and Crafts - debt service of $392,000; KCTCS - South Central Regional Postsecondary Education Center - debt service of $623,000; KCTCS - Danville Regional Technology Center - Phase I - debt service of $666,000; KCTCS - Madisonville Community College Science/Technical Classroom Building - debt service of $468,000; KCTCS - Maysville Community College/Kentucky Tech New Technology Center - debt service of $242,000; KCTCS - Shelby County New Kentucky Tech/Jefferson Community College Extension - debt service of $1,022,000; KCTCS - Somerset Community College/Kentucky Tech Complex - debt service of $975,000; KCTCS - South Regional Postsecondary Education Center - Phase I - debt service of $539,000; and KCTCS - Southeast Regional Postsecondary Education Center Phase I - debt service of $778,000.

e. Workforce Development Trust Fund

	1998-99	1999-00
General Fund	6,000,000	6,000,000

Funding is provided to further cooperative efforts among the community colleges and the technical institutions and for the acquisition of equipment and technology necessary to provide quality education programs. In addition, funding may be used for a base funding equity adjustment for the technical institutions formerly a part of the

Kentucky Tech System, if necessary, pursuant to an analysis of funding equity by the Council on Postsecondary Education.

f. Student Financial Aid and Advancement Trust Fund

	1998-99	1999-00
General Fund	14,000,000	25,000,000

Included in the above appropriation is $14,000,000 in fiscal year 1998-99 and $15,000,000 in fiscal year 1999-2000 to fully fund the College Access Program, the Kentucky Tuition Grants Program and the Teacher Scholarship Program administered by the Kentucky Higher Education Assistance Authority. In addition, included in the above appropriation is $7,000,000 in fiscal year 1999-2000 to begin implementation of a new merit based financial aid program pursuant to enabling legislation to be enacted by the 1998 General Assembly. This funding for the merit program shall not be allotted unless enabling legislation is enacted by the 1998 General Assembly, but shall lapse at the close of the fiscal year. If enabling legislation is enacted by the 1998 General Assembly, the appropriation shall be expended according to the provisions of the enabling legislation.

Included in the above General Fund appropriation is $3,000,000 in fiscal year 1999-2000 for the Literacy Development Grant Program Fund.

57. KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY

	1997-98	1998-99	1999-00
General Fund		30,603,200	30,603,200
Restricted Funds	452,000	15,844,000	16,059,500
Federal Funds		325,000	325,000
Total	452,000	46,772,200	46,987,700

Included in the above General Fund appropriation is $19,452,700 in fiscal year 1998-99 and $19,452,700 in fiscal year 1999-2000 for College Access Program (CAP) grants. Nothing in the foregoing shall be construed to limit the Authority's capability to use these funds to match Federal Funds, make grant awards, or promulgate administrative regulations that conform to requirements of federal laws and regulations for full participation in federally-funded student financial assistance programs. Included in the above Restricted Funds appropriation is $959,000 in fiscal year 1998-99 and $569,000 in fiscal year 1999-2000 for the Teacher Scholarship Program.

The General Fund appropriation shall be used solely for the purpose of making awards to students.

Any General Fund appropriation unexpended in fiscal years 1997-98 or 1998-99 to the Kentucky Higher Education Assistance Authority shall not lapse but shall be carried forward into the next fiscal year, notwithstanding KRS 45.229.

Included in the above Restricted Funds appropriation is $1,000,000 each fiscal year for the Kentucky Higher Education Assistance Authority's Work Study Program.

Notwithstanding any contrary provision of KRS 164.785(1)(b), eligible students attending nonprofit and for-profit institutions that otherwise meet the eligibility criteria of KRS 164.785 shall receive Kentucky Tuition Grant Program funds to the extent that funding is available.

Notwithstanding KRS 164A.080, bonding authority for the Kentucky Student Loan Corporation is authorized for a maximum of $950,000,000 effective July 1, 1998.

58. EASTERN KENTUCKY UNIVERSITY

	1998-99	1999-00
General Fund	63,825,700	65,726,700
Restricted Funds	85,446,100	88,145,900
Federal Funds	21,414,800	21,414,800
Total	170,686,600	175,287,400

Included in the above General Fund appropriation is $5,309,600 in fiscal year 1998-99 and $5,317,400 in fiscal year 1999-2000 for debt service for previously issued bonds.

59. KENTUCKY STATE UNIVERSITY

	1998-99	1999-00

General Fund		20,364,100	20,872,800
Restricted Funds		15,893,000	16,386,000
Federal Funds		11,617,300	11,942,500
Total	47,874,400	49,201,300	

Included in the above General Fund appropriation is $2,223,800 in fiscal year 1998-99 and $2,224,600 in fiscal year 1999-2000 for debt service for previously issued bonds.

60. MOREHEAD STATE UNIVERSITY

	1998-99	1999-00	
General Fund		36,689,600	38,121,700
Restricted Funds		34,597,000	36,164,000
Federal Funds		33,173,500	35,555,000
Total	104,460,100	109,840,700	

Included in the above General Fund appropriation is $2,129,000 in fiscal year 1998-99 and $2,128,400 in fiscal year 1999-2000 for debt service for previously issued bonds.

Included in the above General Fund appropriation is $572,000 in fiscal year 1999-2000 for debt service.

61. MURRAY STATE UNIVERSITY

	1998-99	1999-00	
General Fund		45,694,300	45,024,100
Restricted Funds		47,564,500	49,372,000
Federal Funds		6,819,000	7,214,500
Total	100,077,800	101,610,600	

Included in the above General Fund appropriation is $3,392,700 in fiscal year 1998-99 and $1,546,000 in fiscal year 1999-2000 for debt service for previously issued bonds.

62. NORTHERN KENTUCKY UNIVERSITY

	1998-99	1999-00	
General Fund		33,902,900	34,721,700

Restricted Funds		46,341,600	48,500,800
Federal Funds		4,761,500	4,761,500
Total	85,006,000	87,984,000	

Included in the above General Fund appropriation is $5,054,400 in fiscal year 1998-99 and $5,065,400 in fiscal year 1999-2000 for debt service for previously issued bonds.

63. UNIVERSITY OF KENTUCKY

	1998-99	1999-00	
General Fund		286,706,700	290,835,300
Restricted Funds		683,978,500	703,883,000
Federal Funds		81,237,500	82,831,000
Total	1,051,922,700	1,077,549,300	

Included in the above General Fund appropriation is $12,701,500 in fiscal year 1998-99 and $8,647,700 in fiscal year 1999-2000 for debt service for previously issued bonds.

Included in the above General fund appropriation is $6,265,200 in fiscal year 1998-1999 and $6,440,600 in fiscal year 1999-2000 to support the operations of the Lexington Community College.

Included in the above Restricted Funds appropriation is $9,667,000 in fiscal year 1998-1999 and $9,681,500 in fiscal year 1999-2000 to support the operations of the Lexington Community College.

Included in the above Federal Funds appropriation is $4,149,000 in fiscal year 1998-1999 and $4,167,000 in fiscal year 1999-2000 to support the operations of the Lexington Community College.

The University of Kentucky shall place the highest priority on improving the salaries of the Lexington Community College faculty and staff.

Included in the above General Fund appropriation is $300,000 in each fiscal year for the Engineering Education Enhancement Program to be used by the professional engineering school in acquiring needed academic equipment, developing and implementing programs to attract or retain outstanding faculty, and developing programs to assist research activities by faculty. The General Fund appropriation related to Engineering Education Enhancement is contingent upon the University raising and committing to eligible engineering school initiatives $2 in nonstate funds for each $1 in state General Fund appropriation. Eligible nonstate funds must be raised after July 1, 1998. Allotment of this appropriation is contingent upon certification by the Council on Postsecondary Education that necessary conditions have been met.

64. UNIVERSITY OF LOUISVILLE

	1998-99	1999-00	
General Fund		158,097,500	163,357,500
Restricted Funds		222,614,500	229,174,500
Federal Funds		25,121,000	25,121,500
Total	405,833,000	417,653,500	

Included in the above General Fund appropriation is $11,363,100 in fiscal year 1998-99 and $11,366,700 in fiscal year 1999-2000 for debt service for previously issued bonds. Also included in the above General Fund appropriation is $15,948,500 in fiscal year 1998-99 and $16,506,700 in fiscal year 1999-2000 to fulfill the Commonwealth's contractual obligation relating to indigent care furnished via the Quality and Charity Care Trust Agreement.

The General Fund appropriation related to the Quality and Charity Care Trust Agreement in the first year of the biennium shall continue into the second year for this purpose, notwithstanding KRS 45.229. Any unused portion of the General Fund appropriation relating to the Quality and Charity Care Trust Agreement shall lapse to the credit of the General Fund at the end of fiscal year 1999-2000.

Included in the above General Fund appropriation is $300,000 in each fiscal year for the Engineering Education Enhancement Program to be used by the professional engineering school in acquiring needed academic equipment, developing and implementing programs to attract or retain outstanding faculty, and developing programs to assist research activities by faculty. The General Fund appropriation related to Engineering Education Enhancement is contingent upon the University raising and committing to eligible engineering school initiatives $2 in nonstate funds for each $1 in state General Fund appropriation. Eligible nonstate funds must be raised after July 1, 1998. Allotment of this appropriation is contingent upon certification by the Council on Postsecondary Education that necessary conditions have been met.

65. WESTERN KENTUCKY UNIVERSITY

	1998-99	1999-00
General Fund	58,072,500	59,589,500
Restricted Funds	63,188,500	65,245,500
Federal Funds	15,200,000	15,200,000
Total	136,461,000	140,035,000

Included in the above General Fund appropriation is $3,932,200 in fiscal year 1998-99 and $3,936,100 in fiscal year 1999-2000 for debt service for previously issued bonds.

66. KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM

	1998-99	1999-00
General Fund	157,213,900	163,646,400
Restricted Funds	88,648,500	91,035,500
Federal Funds	37,794,000	38,271,500
Total	283,656,400	292,953,400

Included in the above General Fund appropriation is $912,000 in each fiscal year for the Lees College Branch of Hazard Community College.

Included in the above General Fund appropriation is $10,613,400 in fiscal year 1998-99 and $10,645,900 in fiscal year 1999-2000 for debt service for previously issued bonds.

Included in the above General Fund appropriation is $956,000 in fiscal year 1999-2000 for debt service.

TOTAL - POSTSECONDARY EDUCATION

	1997-98	1998-99	1999-00	
General Fund		700,000	945,421,600	1,015,293,300
Restricted Funds		452,000	1,304,116,200	1,344,494,700
Federal Funds			241,520,600	246,700,800
TOTAL		1,152,000	2,491,058,400	2,606,488,800

M. PUBLIC PROTECTION AND REGULATION CABINET

Budget Units

67. BOARD OF CLAIMS/CRIME VICTIMS' COMPENSATION

	1998-99	1999-00	
General Fund		399,900	411,900
Restricted Funds		1,420,500	1,445,500
Federal Funds		351,000	351,000
Total	2,171,400	2,208,400	

68. ALCOHOLIC BEVERAGE CONTROL

	1997-98	1998-99	1999-00	
General Fund		340,500	2,526,900	2,622,400
Restricted Funds			802,500	787,500
Total	340,500	3,329,400	3,409,900	

The Department shall receive funds from the Department of Agriculture and cooperate with the Department of Agriculture in order to implement laws relating to the sale and use of tobacco products, pursuant to KRS 438.330.

69. FINANCIAL INSTITUTIONS

	1998-99	1999-00	
Restricted Funds		9,556,000	9,807,500

Included in the above appropriation is a transfer of $2,500,000 in each fiscal year to the General Fund Surplus Account, notwithstanding KRS 287.485.

70. KENTUCKY RACING COMMISSION

	1997-98	1998-99	1999-00
General Fund	350,000	1,419,100	1,356,900
Restricted Funds		14,017,000	13,719,500
Total	350,000	15,436,100	15,076,400

Notwithstanding KRS 230.217(3), no guaranteed General Fund support for an annual Breeders' Award Fund beginning balance of $3,750,000 is provided in each fiscal year.

71. HOUSING, BUILDINGS AND CONSTRUCTION

	1998-99	1999-00
General Fund	3,480,500	3,576,800
Restricted Funds	25,409,500	27,426,500
Total	28,890,000	31,003,300

Under the provisions of the Firefighters Foundation Program Fund, an eligible local unit of government shall be entitled to receive a supplement to each qualified firefighter’s annual base salary from the Firefighters Foundation Program Fund, to be paid to each firefighter in addition to his regular salary as prescribed by KRS 95A.250. The supplemental payments per qualified professional firefighters shall increase to $2,750 in fiscal year 1998-99 and $3,000 in fiscal year 1999-2000. As prescribed by KRS 95A.262, an annual allotment is provided for volunteer fire department aid to volunteer fire departments in cities of all classes, fire protection districts organized pursuant to KRS Chapter 75, county districts established under authority of KRS 67.083, and all other organized volunteer fire departments recognized by the Department of Housing, Buildings and Construction as fire departments operated and maintained on a nonprofit basis. The State Aid Grants shall increase to $6,500 in fiscal year 1998-99 and $7,500 in fiscal year 1999-2000. Notwithstanding KRS 136.392, the power of the Secretary of the Revenue Cabinet to adjust the insurance surcharge rate is suspended. Notwithstanding KRS 42.190 and 95A.220(2), all funds remaining at the end of fiscal year 1998-99 and fiscal year 1999-2000 in accounts established pursuant to KRS 95A.220(1) and 95A.262 shall not lapse.

72. INSURANCE

a. General Operations

	1998-99	1999-00	
Restricted Funds		14,051,000	14,639,500

Notwithstanding KRS 304.2-400(3), all funds remaining at the end of fiscal year 1998-99 and fiscal year 1999-2000 shall not lapse.

b. Health Purchasing Alliance

	1998-99	1999-00	
Restricted Funds		8,523,000	8,567,000
TOTAL - INSURANCE		22,574,000	23,206,500

73. MINES AND MINERALS

	1998-99	1999-00	
General Fund		10,380,300	10,074,400
Restricted Funds		810,000	810,000
Federal Funds		629,500	591,000
Total	11,819,800	11,475,400	

Notwithstanding KRS 353.590, the following fee shall be charged: oil gas permit transfer-$25.

74. PUBLIC ADVOCACY

1997-98	1998-99	1999-00	
General Fund		16,637,100	17,182,100
Restricted Funds	317,700	3,689,000	3,895,000

Federal Funds		1,075,000	1,128,000
Total 317,700	21,401,100	22,205,100	

Included in the above appropriation are additional Restricted Funds for the Grants to Counties Program for fiscal year 1997-98.

75. PUBLIC SERVICE COMMISSION

	1998-99	1999-00	
General Fund		9,177,400	8,656,400
Restricted Funds		22,500	22,500
Federal Funds		219,000	229,000
Total	9,418,900	8,907,900	

Included in the above General Fund appropriation is $109,000 in fiscal year 1999-2000 for debt service for the issuance of additional bonds for the new office building authorized by the 1996 General Assembly.

Also included in the above General Fund appropriation is $300,000 in fiscal year 1998-99 to support a comprehensive study of the taxation of public service companies that supply utility service to the citizens of the Commonwealth. These funds are generated from the millage surcharge imposed on utility companies pursuant to KRS 278.130. Any unexpended balance on June 30,1999, shall be continued and appropriated for expenditure into fiscal year 1999-2000.

76. SECRETARY

a. General Operations

	1998-99	1999-00	
Restricted Funds		1,483,000	1,554,000

b. Petroleum Storage Tank Environmental Assurance Fund

	1998-99	1999-00	
Restricted Funds		40,353,500	40,830,500
TOTAL - SECRETARY		41,836,500	42,384,500

77. BOARD OF TAX APPEALS

	1998-99	1999-00	
General Fund		410,200	422,000

TOTAL - PUBLIC PROTECTION AND REGULATION CABINET

1997-98	1998-99	1999-00	
General Fund	690,500	44,431,400	44,302,900
Restricted Funds	317,700	120,137,500	123,505,000
Federal Funds		2,274,500	2,299,000
TOTAL	1,008,200	166,843,400	170,106,900

N. REVENUE

Budget Units

78. REVENUE CABINET

	1998-99	1999-00	
General Fund		58,147,900	60,236,900
Road Fund		1,352,000	1,352,000
Restricted Funds		2,928,000	2,722,000
Federal Funds		40,000	40,000
Total	62,467,900	64,350,900	

Notwithstanding KRS 136.392, the insurance surcharge rate shall be calculated at a rate to provide sufficient funds in the 1998-2000 fiscal biennium for the Firefighters Foundation Program Fund and the Kentucky Law Enforcement Foundation Program Fund, including the administration of training programs, pay supplements prescribed by statute, and debt service for the respective program funds specified in KRS 15.410 to 15.510, KRS 42.190, and KRS 95A.220 in fiscal year 1998-99 and fiscal year 1999-2000. The calculation of sufficient funds for the above-named programs shall include any Restricted Funds carried forward from fiscal years 1998-99 and 1999-2000 provided by the General Assembly in this Act.

The above Road Fund appropriation represents the cost of the Road Fund Compliance and Motor Vehicle Property Tax programs within the Revenue Cabinet and are to be used exclusively for that purpose. In accordance with the provisions of KRS 134.400, the administration of the Delinquent Tax Fund is in the Department of Property Valuation. Proceeds shall be deposited to this account except that the first $100,000 shall be deposited exclusively to the General Fund.

Notwithstanding KRS 365.390, included in the above Restricted Funds appropriation is $111,000 in fiscal year 1998-99 and $110,500 in fiscal year 1999-2000 from the accumulated balance in the Cigarette Enforcement Fund account for the administrative activities of the Revenue Cabinet.

Notwithstanding KRS 136.180, included in the above Restricted Funds appropriation is $189,000 in fiscal year 1998-99 and $89,500 in fiscal year 1999-2000 from the accumulated balance in the Public Service Corporation Assessment Fund account for the administrative activities of the Revenue Cabinet.

79. PROPERTY VALUATION ADMINISTRATORS

	1998-99	1999-00	
General Fund		21,902,000	22,972,500
Restricted Funds		2,387,500	2,549,500
Total	24,289,500	25,522,000	

TOTAL - REVENUE CABINET

	1998-99	1999-00	
General Fund		80,049,900	83,209,400
Road Fund		1,352,000	1,352,000
Restricted Funds		5,315,500	5,271,500
Federal Funds		40,000	40,000
TOTAL		86,757,400	89,872,900

O. TOURISM DEVELOPMENT CABINET

Budget Units

80. OFFICE OF THE SECRETARY

		1998-99	1999-00	
General Fund			1,232,800	1,276,100

Included in the General Fund appropriation is $270,000 in each fiscal year for Outdoor Drama Grants.

81. BREAKS INTERSTATE PARK

	1997-98	1998-99	1999-00	
General Fund		30,000	200,000	200,000

An appropriation up to $200,000 in each fiscal year is provided contingent upon the Commonwealth of Virginia providing an appropriation which would be matched dollar for dollar up to the maximum amount. Any portion not matched by the Commonwealth of Virginia shall lapse to the General Fund at the close of each fiscal year.

82. TRAVEL DEVELOPMENT

	1997-98	1998-99	1999-00	
General Fund			6,992,400	7,177,800
Restricted Funds			4,000	4,000
Federal Funds		50,000		
Total	50,000	6,996,400	7,181,800	

Included in the General Fund appropriation is $2,592,000 in fiscal year 1998-99 and $2,655,000 in fiscal year 1999-2000 for the Comprehensive Advertising Contract and $800,000 in each fiscal year for the Local and Regional Matching Funds Program.

83. PARKS

	1997-98	1998-99	1999-00	
General Fund		1,837,000	27,276,800	28,625,600
Restricted Funds			44,483,000	45,684,500
Total	1,837,000	71,759,800	74,310,100	

Included in the above appropriation are General Fund dollars of $150,000 each year of the biennium for personnel and operating expenses for the Sleepy Hollow Golf course and Coal Mine Museum.

Included in the above appropriation are General Fund dollars of $240,000 in fiscal year 1998-99 and $150,000 in fiscal year 1999-2000 for personnel and operating expenses to conduct an employee and customer service training program.

Included in the above General Fund appropriation is $25,000 each fiscal year of the biennium for appropriate upgrades, as determined by the Commissioner of Parks, of Professional Golfers' Association class A professionals at the State Parks 18 hole golf courses.

Included in the above General Fund appropriation is $25,000 in fiscal year 1998-99 for a study of the Little Shepherd's Trail from Junction U.S. 119 in Letcher County to Kingdom Come State Park, and $50,000 each fiscal year of the biennium for the Glasgow Highland Games in preparation for the 2001 International Scottish Games.

Included in the above General Fund appropriation is $35,000 in fiscal year 1998-99 and $37,000 in fiscal year 1999-2000 to support a park ranger's position at Carr Creek State Park. Also included in the above General Fund appropriation is $525,000 in fiscal year 1999-2000 for debt service on a $5.5 million bond for an 18 hole golf course and club house at Dale Hollow State Resort Park.

84. KENTUCKY HORSE PARK

	1998-99	1999-00	
General Fund		1,631,500	1,632,000
Restricted Funds		3,859,000	3,982,000
Total	5,490,500	5,614,000	

85. KENTUCKY STATE FAIR BOARD

	1998-99	1999-00

General Fund			407,000	407,000
Restricted Funds			26,129,000	27,702,000
Total		26,536,000	28,109,000	

Included in the Restricted Funds appropriation is $371,000 in each year of the biennium for debt service for Project 55.

Included in the General Fund appropriation is $407,000 in each year of the biennium for the North American International Livestock Exposition.

86. FISH AND WILDLIFE RESOURCES

		1998-99	1999-00	
Restricted Funds			23,262,000	24,492,500
Federal Funds			7,164,000	7,331,500
Total		30,426,000	31,824,000	

TOTAL-TOURISM DEVELOPMENT CABINET

	1997-98	1998-99	1999-00	
General Fund		1,867,000	37,740,500	39,318,500
Restricted Funds			97,737,000	101,865,000
Federal Funds		50,000	7,164,000	7,331,500
TOTAL		1,917,000	142,641,500	148,515,000

P. TRANSPORTATION CABINET

87. TRANSPORTATION CABINET

Budget Units

a. Air Transportation

		1998-99	1999-00	
General Fund			2,201,000	2,267,000
Restricted Funds			29,500	30,500
Federal Funds			359,000	359,000
Total		2,589,500	2,656,500	

b. Revenue Sharing

	1998-99	1999-00
Road Fund	204,091,500	208,717,000

1. Included in the above Road Fund appropriation is $77,188,000 in fiscal year 1998-99 and $78,946,000 in fiscal year 1999-2000 for the County Road Aid program in accordance with KRS 177.320, 179.410, 179.415, and 179.440. Notwithstanding KRS 177.320(2), the above amount has been reduced by $54,900 in fiscal year 1998-99 and $56,700 in fiscal year 1999-2000 which has been appropriated to the Highways appropriation unit for the support of the Kentucky Transportation Center.

2. Included in the above Road Fund appropriation is $93,573,000 in fiscal year 1998-99 and $95,702,000 in fiscal year 1999-2000 for the Rural Secondary program in accordance with KRS 177.320, 177.330, 177.340, 177.350, and 177.360. Notwithstanding KRS 177.320(1), the above amount has been reduced by $66,600 in fiscal year 1998-99 and $68,800 in fiscal year 1999-2000 which has been appropriated to the Highways appropriation unit for the support of the Kentucky Transportation Center. Notwithstanding KRS 177.320(1), $2,500,000 in fiscal year 1998-99 and $2,000,000 in fiscal year 1999-2000 is appropriated for the support of the Phase II County Bridge Program. Notwithstanding KRS 45.229, the moneys appropriated for the Phase II County Bridge Program in fiscal years 1997-98 and 1998-99 shall not lapse but shall carry forward into the next fiscal year.

3. Included in the above Road Fund appropriation is $32,455,500 in fiscal year 1998-99 and $33,194,000 in fiscal year 1999-2000 for the Municipal Road Aid program in accordance with KRS 177.365 to 177.369. Notwithstanding KRS 177.365(1), the above amount has been reduced by $23,100 in fiscal year 1998-99 and $23,900 in fiscal year 1999-2000 which has been appropriated to the Highways appropriation unit for the support of the Kentucky Transportation Center.

4. Included in the above Road Fund appropriation is $875,000 in each fiscal year for the Energy Recovery Road Fund in accordance with KRS 177.977 to 177.981.

c. Rail Transportation

	1998-99	1999-00	
General Fund		69,500	72,000

The above General Fund appropriation is for the Kentucky Railroad Commission.

d. Public Transportation

	1998-99	1999-00	
General Fund		3,916,000	4,007,000
Restricted Funds		48,038,500	50,068,500
Federal Funds		5,996,500	5,102,000
Total	57,951,000	59,177,500	

Included in the above General Fund appropriation is $2,500,000 in each fiscal year for nonpublic school transportation.

Included in the above Federal Funds appropriation is $1,000,000 in fiscal year 1998-99 to provide capital assistance to transit authorities around the state.

e. Highways

	1998-99	1999-00	
Restricted Funds		63,328,000	27,065,000
Federal Funds		398,599,500	382,602,500
Road Fund		533,333,500	563,045,500
Bond Funds		100,000,000	105,000,000
Total	1,095,261,000	1,077,713,000	

1. Included in the above Road Fund appropriation is $239,249,700 in fiscal year 1998-99 and $264,002,200 in fiscal year 1999-2000 for the State Funded Construction Program.

Included in the State Funded Construction Program is $61,300,000 in fiscal year 1998-99 and $63,000,000 in fiscal year 1999-2000 from the Road Fund for the State Resurfacing Program.

Included in the State Funded Construction Program is $450,000 in each fiscal year from the Road Fund for the Specialized Contracts account.

Included in the State Funded Construction Program is $142,814,700 in fiscal year 1998-99 and $165,552,200 in fiscal year 1999-2000 from the Road Fund for state construction projects in the 1998-2000 Biennial Highway Construction Program.

2. Included in the above Bond Funds appropriation in fiscal year 1999-2000 is $5,000,000 in Investment Income Earnings from the issuance of the $200,000,000 in Economic Development Road Revenue Bonds authorized herein.

3. Notwithstanding KRS 176.460(1), projects in the enacted 1998-99 Biennial Highway Construction Program listed as fiscal year 1997-98 are so listed in order to continue their current authorization into the 1998-2000 biennium, and are reauthorized in this Act.

Included in the State Funded Construction Program is $35,000,000 in each fiscal year for the Highway Construction Contingency Account.

4. Notwithstanding KRS 177.320(4), included in the above Road Fund appropriation is $290,000 in fiscal year 1998-99 and $290,000 in fiscal year 1999-2000 for the Kentucky Transportation Center.

5. Notwithstanding KRS 45.229, any unexpended balance remaining at the close of the 1997-98 fiscal year in the Snow and Ice Removal Reserve Fund, as reestablished by the 1996 General Assembly, shall not lapse, but shall continue into fiscal year 1998-99 for the same purpose.

No funds shall be expended from the Snow and Ice Removal Reserve Fund until the Transportation Cabinet's cumulative snow and ice removal expenditures exceed $11,500,000 in any fiscal year of the 1998-2000 biennium. If this provision is implemented, the Secretary of the Transportation Cabinet shall certify to the Interim Joint Committee on Appropriations and Revenue and the Interim Joint Committee on Transportation the documented need and usage of this fund.

Notwithstanding KRS 45.229, any unexpended balance remaining in the Snow and Ice Removal Reserve Fund at the close of the 1998-99 fiscal year shall not lapse, but shall continue into fiscal year 1999-2000.

6. Notwithstanding KRS 48.710, Restricted Funds are appropriated in the amount of $1,000,000 in each fiscal year from the sale of surplus equipment to purchase new highway equipment.

7. Included in the above Restricted Funds appropriation is $12,877,400 in fiscal year 1998-99 in Investment Income Earnings from previously authorized Economic Development Road Revenue Bonds.

f. Vehicle Regulation

	1997-98	1998-99	1999-00
Restricted Funds		2,472,500	2,572,000
Federal Funds		1,500,000	1,500,000
Road Fund	2,300,000	27,408,000	29,304,000
Total	2,300,000	31,380,500	33,376,000

Included in the above Road Fund appropriation is $2,300,000 in fiscal year 1997-98 to support issuance of license plates. Notwithstanding KRS 45.229, any unexpended balance remaining from the appropriation for license plates at the close of fiscal year 1997-98 shall not lapse but shall continue into fiscal year 1998-99.

g. Debt Service

	1998-99	1999-00
Road Fund	153,027,500	168,633,500

1. Included in the above Road Fund appropriation is $14,589,500 in fiscal year 1998-99 and $3,478,000 in fiscal year 1999-2000 for toll road lease rental payments.

2. Included in the above Road Fund appropriation is $43,670,000 in fiscal year 1998-99 and $53,447,000 in fiscal year 1999-2000 for Resource Recovery Road lease rental payments. The Secretary of the Transportation Cabinet shall use Road Fund resources to meet the lease rental payments to the Kentucky Turnpike Authority for Resource Recovery Road projects in the amount certified by the Transportation Cabinet, pursuant to KRS 143.090. However, if Road Fund resources are not sufficient to meet lease rental payments, the additional amount required to meet the obligation shall be transferred from the proceeds of the tax levied on the severance or processing of coal by KRS 143.020.

3. Included in the above Road Fund appropriation is $94,768,000 in fiscal year 1998-99 and $92,714,500 in fiscal year 1999-2000 for Economic Development Road lease rental payments relating to projects financed by Economic Development Road Revenue Bonds previously issued by the Turnpike Authority of Kentucky.

4. Included in the above Road Fund appropriation is $18,994,000 in fiscal year 1999-2000 for Economic Development Road lease rental payments to the Turnpike Authority of Kentucky relating to projects financed by $200,000,000 in Economic Development Road Revenue Bonds hereby authorized by the General Assembly to be issued in the 1998-2000 fiscal biennium for the payment of the cost of the Economic Development Road Projects.

5. Any moneys not required to meet lease-rental payments or to meet the administrative costs of the Turnpike Authority shall be transferred to the State Construction account.

6. Notwithstanding KRS 175.505, no portion of the revenues to the state Road Fund provided by the adjustments in KRS 138.220(2), excluding KRS 177.320 and 177.365, shall accrue to the Debt Payment Acceleration Fund account during the 1998-2000 biennium.

h. General Administration and Support

	1998-99	1999-00	
Restricted Funds		21,198,000	22,142,000
Road Fund		56,686,500	63,202,000
Total	77,884,500	85,344,000	

Included in the above Road Fund appropriation is $6,468,000 in fiscal year 1999-2000 for debt service for newly authorized bonds to construct a new Transportation Cabinet Office Building.

Included in the above Road Fund appropriation is $70,000 in fiscal year 1998-99 to support the further development of the Six Year Road Plan Information System and other highway related information that is directed by the statutory budget memorandum.

i. Judgments

Road Fund resources required to pay judgments shall be transferred from the State Construction Account at the time when actual payments must be disbursed from the State Treasury.

Notwithstanding KRS 45.229, any funds not expended by June 30, 1998, shall not lapse, and shall carry forward to fiscal year 1998-99 and remain available throughout the 1998-2000 biennium.

TOTAL - TRANSPORTATION CABINET

1997-98	1998-99	1999-00	
General Fund		6,186,500	6,346,000
Restricted Funds		135,066,500	101,878,000
Federal Funds		406,455,000	389,563,500
Road Fund	2,300,000	974,547,000	1,032,902,000
Bond Funds		100,000,000	105,000,000
TOTAL	2,300,000	1,622,255,000	1,635,689,500

Q. WORKFORCE DEVELOPMENT CABINET

Budget Units

88. GENERAL ADMINISTRATION AND PROGRAM SUPPORT

	1998-99	1999-00	
General Fund		2,502,000	2,553,500
Restricted Funds		5,247,500	5,474,000
Federal Funds		5,722,500	2,012,500
Total	13,472,000	10,040,000	

89. STATE BOARD FOR ADULT AND TECHNICAL EDUCATION

	1998-99	1999-00	
General Fund		30,000	30,500

90. TECHNICAL EDUCATION

1997-98	1998-99	1999-00	
General Fund	294,000	19,245,100	19,515,700
Restricted Funds		18,654,500	19,416,000
Federal Funds	450,000	15,650,000	15,200,000
Total 744,000	53,549,600	54,131,700	

Included in the above General Fund appropriation is $1,873,000 in each fiscal year for equipment procurement. Included in the above General Fund appropriation is $250,000 in each fiscal year for the expanded programs at the Henderson County Vocational Area Center, and $200,000 in each fiscal year for programs and equipment at the Marion County Area Vocational Center.

91. ADULT EDUCATION AND LITERACY

	1998-99	1999-00	
General Fund		12,411,200	12,779,400
Restricted Funds		874,000	915,500
Federal Funds		8,243,000	8,643,000
Total	21,528,200	22,337,900	

92. VOCATIONAL REHABILITATION

	1998-99	1999-00	
General Fund		9,621,100	9,872,800
Restricted Funds		2,391,500	2,406,500
Federal Funds		37,651,500	39,069,500
Total	49,664,100	51,348,800	

93. DEPARTMENT FOR THE BLIND

	1998-99	1999-00	
General Fund		2,055,200	2,131,100
Restricted Funds		3,275,000	3,168,000
Federal Funds		6,871,000	6,457,500
Total	12,201,200	11,756,600	

94. STATE BOARD FOR PROPRIETARY EDUCATION

	1998-99	1999-00	
Restricted Funds		110,500	116,000

95. JOB TRAINING COORDINATING COUNCIL

	1998-99	1999-00	
Federal Funds		132,500	139,000

96. TEACHERS' RETIREMENT-EMPLOYER'S CONTRIBUTION

	1998-99	1999-00	
General Fund		4,313,500	4,530,500

The above General Fund appropriation includes the employer match for salaries paid to Workforce Development Cabinet employees who participate in the Teachers' Retirement System. This match shall be forwarded to the Teachers' Retirement System pursuant to KRS 161.560.

97. TRAINING AND REEMPLOYMENT

	1998-99	1999-00	
Restricted Funds		17,500	17,500

Federal Funds		36,807,000	40,493,000
Total	36,824,500	40,510,500	

98. EMPLOYMENT SERVICES

1997-98	1998-99	1999-00	
General Fund		581,900	599,100
Restricted Funds		5,889,500	6,021,000
Federal Funds	2,000,000	298,008,000	302,773,000
Total 2,000,000	304,479,400	309,393,100	

Notwithstanding KRS 341.835, funds from the Unemployment Insurance Penalty and Interest Account shall be used during each fiscal year by the Department for Employment Services to operate employment and training programs.

Included in the above Restricted Funds appropriation is $4,389,500 in fiscal year 1998-99 and $4,521,000 in fiscal year 1999-2000 which shall be transferred from the Cabinet for Families and Children to provide job placement and training services to Temporary Assistance for Needy Families (TANF) recipients through a contractual agreement.

There is appropriated out of the Federal Funds made available to Kentucky under Section 903 of the Social Security Act, as amended, the sum of $1,500,000 during the 1998-2000 biennium to be used under the direction of the Department for Employment Services for the purpose of administration of its unemployment compensation law and public employment offices.

TOTAL - WORKFORCE DEVELOPMENT CABINET

1997-98	1998-99	1999-00	
General Fund	294,000	50,760,000	52,012,600
Restricted Funds		36,460,000	37,534,500
Federal Funds	2,450,000	409,085,500	414,787,500
TOTAL	2,744,000	496,305,500	504,334,600

PART II

CAPITAL PROJECTS BUDGET

Moneys in the Capital Construction Fund are appropriated for the following capital projects subject to the conditions and procedures in this Act. Items listed without appropriated amounts are previously authorized for which no additional amount is required. These items are listed in order to continue their current authorization into the 1998-2000 biennium. Unless otherwise specified, reauthorized projects shall conform to the original authorization enacted by the General Assembly.

A. GOVERNMENT OPERATIONS

Budget Unit				1998-99	1999-00
1.	Attorney General				
	a.	Franklin County - Lease			
2.	Unified Prosecutorial System				
	a.	Jefferson County - Lease			
3.	Department of Military Affairs				
	a.	Environmental Pool			
		Federal Funds		771,000	957,000
		Investment Income		50,000	50,000
		Total	821,000	1,007,000	
	b.	Facilities Building - Reauthorization			
	c.	Maintenance Pool - Bluegrass Station			
		Restricted Funds		762,000	1,324,000
	d.	Major Maintenance Pool			
		Investment Income		950,000	950,000
	e.	Re-Roof Building 6 (4 Bays) - Bluegrass Station			
		Restricted Funds		749,000	
	f.	Training Complex Development, Phase III			

		Federal Funds - Additional		5,176,000
	g.	Aircraft Maintenance Pool		
		Investment Income	300,000	300,000
	h.	Emergency Operations Center (EOC) Automation Upgrade		
		Federal Funds	2,395,000	
	i.	Two-Way Communications for Statewide Emergency Responses		
		Bond Funds	1,200,000	
4.	Department of Local Government			
	a.	Local Match Participation Program for Flood Control		
		Bond Funds	5,000,000	
5.	Kentucky Retirement Systems			
	a.	Enhanced Imaging Processor		
		Restricted Funds	348,000	
	b.	Franklin County - Lease		

B. CABINET FOR ECONOMIC DEVELOPMENT

Budget Unit			1998-99	1999-00
1.	Economic Development Projects			
	a.	Economic Development Bond Pool		
		Reauthorization ($29,051,000 - Bond Funds)		
		Bond Funds - Additional	7,000,000	

Notwithstanding KRS 154.12-100(6), the amounts shown above reflect project amounts.

C. EDUCATION

Budget Unit			1998-99	1999-00
1.	Department of Education			
	a.	Kentucky School for the Blind - Roof Replacement		
		Capital Construction Surplus	282,000	

	b.	Jackson County Area Vocational School		
		Reauthorization		

D. EDUCATION, ARTS, AND HUMANITIES CABINET

Budget Unit			1998-99	1999-00
1.	Teachers' Retirement System			
	a.	Imaging System		
		Restricted Funds	700,000	
2.	School Facilities Construction Commission			
	a.	School Facilities Construction Commission		
		Reauthorization ($35,700,000-Bond Funds)		
		Bond Funds - Additional	201,000,000	
3.	Kentucky Educational Television			
	a.	Channel 15 Acquisition		
		Capital Construction Surplus	1,100,000	
4.	Kentucky Historical Society			
	a.	Legacy II - Kentucky History Center Enhancement		
		Other Funds (1997-98 - $1,599,000)	1,599,000	
	b.	Kentucky History Center Network/Communications		
		General Fund	958,000	
		Other Funds	349,000	
		Total 1,307,000		
5.	Kentucky Center for the Arts			
	a.	Maintenance Pool		
		Investment Income	350,000	150,000

E. CABINET FOR FAMILIES AND CHILDREN

Budget Unit		1998-99	1999-00
1.	Administration Services		

a.	Maintenance Pool		
	Investment Income	300,000	300,000
b.	Kenton County - Lease		
c.	Warren County - Lease		
d.	Campbell County - Lease		
e.	Hardin County - Lease		
f.	Kenton County - Lease		
g.	Jefferson County - Lease		
h.	Franklin County - Lease		
i.	Fayette County - Lease		

F. FINANCE AND ADMINISTRATION CABINET

Budget Unit		1998-99	1999-00
1.	General Administration		
a.	Kentucky Infrastructure Authority - Wastewater Revolving Loan and Grant Fund-A (Wastewater Fund-A1; Water Supply Fund-A2) Reauthorization ($9,351,000 - Bond Funds)		
	Bond Funds - Additional	5,600,000	
	Federal Funds	40,000,000	
	Total 45,600,000		

Included in the above Bond Funds appropriation is the funding required in each fiscal year for the state match necessary to receive Federal Funds for the Rural Communities Hardship Grants program administered by the Natural Resources and Environmental Protection Cabinet.

The Kentucky Infrastructure Authority is authorized to expend the cash balances from loan repayments on deposit at the trustee bank for financial assistance, in the form of low interest loans, to governmental agencies for professional planning and preliminary engineering design work required for eligible Fund A wastewater projects.

b. Kentucky Infrastructure Authority - Fund F Loans - Drinking Water

Bond Funds		5,000,000
Federal Funds		25,000,000
Total	30,000,000	

c. Statewide Digital Basemap

Investment Income		1,121,000
Federal Funds		1,231,000
Total	2,352,000	

d. Kentucky Infrastructure Authority - Fund B Waterline/Sewer Grant Program

Restricted Funds	13,000,000

Notwithstanding KRS 224A.112, the Kentucky Infrastructure Authority is authorized to expend the cash balances from loan repayments on deposit at the trustee bank for financial assistance, in the form of grants, totaling $2,500,000 to Meade County Fiscal Court for the waterline extension project, $3,000,000 for the Hindman Sewer Infrastructure Project, $3,500,000 for the Midway Wastewater Treatment Plant Project, and $4,000,000 for the Richmond sewer infrastructure project.

Notwithstanding the provisions of KRS 224A.112(5) and (6), the Kentucky Infrastructure Authority may use funds available in the Infrastructure Revolving Fund to develop a program for construction of drinking water projects. The Kentucky Infrastructure Authority shall establish project prioritization criteria in consultation with the Water Resources Development Commission.

2. Department for Administration

For the major equipment purchases displayed in this section as Restricted Funds supported projects, it is anticipated that these funds shall be transferred from the Operating Budget as funds are available and needed.

a. Bar Code Printing and Sorting Equipment

Restricted Funds (1997-98 - $73,000)

b. Franklin County - Lease (300 Myrtle Avenue)

3. Department for Facilities Management

a. Winchester State Office Building

Bond Funds	2,500,000

b. Ballard County Jail

General Fund	100,000

c. Ben C. Clement Mineral Museum

General Fund	169,000

d. Breckinridge County Courthouse Elevator

General Fund	150,000

e. Campbell County Fire Training Center

General Fund	240,000

f. Caverna Memorial Hospital Renovation

General Fund	350,000

g. Center for Women and Families Roof

General Fund	75,000

h. Children's Advocacy/Spouse Abuse Projects

General Fund	1,500,000

i. Estill County Courthouse Renovation

General Fund	200,000

j. Hancock County Emergency Vehicle Building

General Fund	100,000

k. Kentucky Advanced Technical Institute Wood Industries

General Fund	100,000

l. Lancaster City Hall Renovation

	General Fund		200,000	
m.	Letcher County Athletic Project			
	General Fund		29,000	
n.	Oak and Acorn			
	General Fund		250,000	
o.	Scott County Vegetable Processing			
	General Fund		50,000	
p.	The CASA Center/New Directions Housing			
	General Fund		250,000	
q.	Americans with Disabilities Act Compliance			
	Investment Income		250,000	
r.	Capital Construction and Equipment Purchase Contingency Fund			
	Investment Income		7,500,000	
s.	Capital Plaza Complex Repairs			
	Investment Income		1,374,000	1,026,000
t.	Emergency Repair, Maintenance and Replacement Fund			
	Investment Income		5,000,000	
u.	Kentucky State Capitol Dome Renovation/Restoration			
	Investment Income (1997-98 - $698,000)			
v.	Kentucky State Capitol Master Plan/Programming			
	Investment Income		950,000	
w.	Maintenance Pool			
	Restricted Funds		500,000	
	Investment Income		1,175,000	1,449,000
	Total	1,675,000	1,449,000	

The Restricted Funds appropriation in fiscal year 1998-99 shall be funded from the State Surplus Property program.

x.	Maintenance Pool - Statewide Deferred		
	Investment Income	1,000,000	
y.	New Capitol Complex Parking Structure Repairs		
	Investment Income		1,000,000

4. Office of the Secretary

Community Infrastructure Projects

The Community Infrastructure Projects displayed in this section are funded from the General Fund.

a.	Allen County - 4-Way Stop Park	350,000	
b.	Allen County - Roadside Park	50,000	
c.	Ashland Summer Motion Concert	5,000	5,000
d.	Bellevue - Parks Renovation	100,000	
e.	Boyd County Sewer Project	1,500,000	
f.	Casey County Youth & Community Center	110,000	
g.	Chickasaw Park Pond Dioxin Study	30,000	30,000
h.	Dayton - Parks Renovation	100,000	
i.	Dema - Rescue Squad Fire Department	200,000	
j.	Dewey Lake - Environmental Cleanup	50,000	
k.	Elizabethtown - Children's Science and Learning Center	500,000	
l.	Estill Co. Board of Education Swimming Pool Renovation	75,000	
m.	Estill Co. Community & Economic Development Consolidation Facility	240,000	
n.	Fayette County - Aviation Museum of KY	125,000	125,000
o.	Fayette County - Cardinal Run Park Development	100,000	
p.	Fish Trap Lake - Environmental Cleanup		50,000

q.	Floyd County - Samuel May House	50,000	
r.	Capital Area Community Improvement Pool	175,000	
s.	Hardin County - Challenger Center for Space Science	350,000	
t.	Harrodsburg/Mercer County Parks	250,000	
u.	Hart County Water Project	550,000	
v.	Hazard Senior Citizens Center Addition - Kitchen/Meeting Room/Dining Area	250,000	
w.	Henry County Community Park	150,000	
x.	High Bridge Park Restoration	100,000	
y.	Hopkinsville Convention Center - Design		350,000
z.	Irvine Equipment Shelter	15,000	
aa.	Jefferson County - Dare to Care, Inc.	250,000	
ab.	Jenny Wiley Theater Debts/Renovation	200,000	
ac.	Kentucky Horse Park - Calumet Trophies	1,500,000	
ad.	Kite - Topmost Fire Department	50,000	
ae.	Lancaster - Owsley House - New Carriage House/Picnic Area	20,000	
af.	Loretto Child Care Center	75,000	
ag.	Louisville - Iroquois Park Horse Trails	25,000	
ah.	Marydale Little League Ballpark Repairs	15,000	
ai.	Mayfield - Ice House Project	25,000	
aj.	Mayfield - Main Street Project	100,000	
ak.	Maysville Convention Center Study	50,000	
al.	Mousie - Fire Department	50,000	
am.	Nebo Community Center	30,000	
an.	Oakland - Improvements to City Hall		

	and Community Center	40,000	
ao.	Okolona Public Library	10,000	
ap.	Old Bardstown Village, Inc. - Renovation		
	of Facilities and Miscellaneous Development75,000		
aq.	Owen County Industrial Development Authority	150,000	
ar.	Prestonsburg Recreational Park and		
	Golf Course	2,000,000	
as.	Prestonsburg Water and Sewer Project	1,500,000	
at.	Richmond Area Arts Center - Southeast		
	Arts Consortium	50,000	50,000
au.	Sandy Hook - Downtown Revitalization	30,000	
av.	Scott County - Senior Citizens Facility	300,000	
aw.	Shively Police Dept. Trunk Mounted Radar Unit	3,000	
ax.	Simpson County- Industrial Park	200,000	
ay.	Smith's Grove - Sidewalks Historic Downtown	85,000	
az.	Taylorsville Lake Campground - Design of Pool	150,000	
ba.	Terryville Water Project	250,000	
bb.	Upton Community Center	50,000	
bc.	Warren County - Riverfront Development	700,000	
bd.	Williamsburg Community Center and Water Park	125,000	
be.	Williamstown Lake Dam & Spillway,		
	Grant County	200,000	
bf.	WKU Multi-purpose Livestock Holding Pen	215,000	
bg.	Woodford County Park - Kitchen and Restroom	50,000	
bh.	Woodford County - Jack Jouett House Roof Repair	10,000	
bi.	University Press Foundation	300,000	
bj.	Jefferson County Community Center	450,000	

bk. Bourbon County Alternative School		400,000	
bl. Elkhorn City Park Renovation		75,000	
bm. West Louisville Environmental Justice/Air Pollution Project		150,000	150,000
bn. Air Monitoring and Citizen Education - West Louisville	25,000	25,000	
bo. Hickman County Recreational Project		40,000	
bp. City of Carlisle Project		50,000	
bq. Bracken County Water Line		300,000	
br. City of Hindman Water System Improvements		250,000	
bs. City of Hindman Community Center/City Office Building	500,000		
bt. Big Sandy Area Development District - Prestonsburg Senior Citizens Facility		400,000	
bu. Big Sandy Area Development District - Martin Senior Citizens Facility		300,000	
bv. Big Sandy Area Development District - Wheelwright Senior Citizens Facility		100,000	
bw. Kentucky River Area Development District - Jackson Community Center/Senior Center	500,000		
bx. City of Wayland Community Center		50,000	
by. Wheelwright Water and Sewer Project		300,000	
bz. Breathitt County High School Recreational Facility		400,000	
ca. Tri-Cities - Harlan County Community Improvement Pool		500,000	
cb. Casey County Fire Departments Communication Network Equipment		10,000	

cc.	Local Rescue Squads Grant Program	275,000	
cd.	Local Fire Departments Capital Assistance Program	715,000	
	TOTAL	20,498,000	385,000

Included in the Capital Area Community Improvement Pool are the following individual projects and related amounts: City of Frankfort design and construction costs for the road to Fort Hill - $80,000; City of Frankfort park furniture - $8,000; Franklin County Fiscal Court for the Bald Knob Water District Project - $30,000; Franklin County Fiscal Court for the Stoney Creek Bridge - $30,000; Franklin County Fiscal Court for the Industrial Park improvements - $22,000; and Franklin County Fiscal Court for identifying road signs to assist 9-1-1 calls - $5,000. Included in the Tri-Cities - Harlan County Community Improvement Pool are the following individual projects and related amounts: Southeast Community College for 4 tennis courts - $85,000; Benham Fire Station - $50,000; Blair Community Park - $25,000; Gulston Community Park - $25,000; Cloverfork Community Park - $25,000; Wallins Fellowship Center - $25,000; Green Hill Community Park - $25,000; Cloverfork Multi-Purpose Center - $25,000; Industrial Development Inducement activities identified by the Kingdom Come Industrial Development Authority in Cumberland, Kentucky - $215,000. The $1,500,000 for the Boyd County Sewer Project shall be used to replace the existing debt obligation within the current project scope for the Boyd County U.S. 60/I-64 Corridor Sewer Project.

Included in the Local Rescue Squads Grant Program are the following grants: $100,000 each for the Floyd County Rescue Squad and the Left Beaver Creek Rescue Squad, and $75,000 for the Johnson County Rescue Squad.

Included in the Local Fire Departments (FD) Capital Assistance Program are the following individual grants: Monroe County - Monroe County FD - $25,000, Fountain Run FD - $10,000, Flippin FD - $10,000, Mud Lick FD - $10,000, and Thompkinsville FD, $10,000; Cumberland County - Burkesville FD - $25,000, and Marrowbone FD - $15,000; Wayne County - Wayne County FD - $40,000; McCreary County - West

McCreary County FD - $10,000, McCreary County FD - $10,000, North McCreary County FD - $15,000, South McCreary County FD - $25,000, and Eagle/Sawyer FD - $25,000; Whitley County - Woodbine FD - $15,000, Oak Grove FD - $15,000, Rockhold FD - $15,000, Pleasant View FD - $15,000, Emlyn FD - $15,000, South Whitley FD - $15,000, Patterson Creek FD - $15,000, and West Central FD, $15,000; City of Shively FD - $65,000; $50,000 each for the Robertson County, Lewis County and Carter County Volunteer Fire Departments; and $25,000 each for the following Knott County fire departments - Hindman, Ball Creek, Fisty, Carr Creek, Caney Creek and Sassafras.

5. Department of Information Systems

For the major equipment purchases displayed in this section as funded from Restricted Funds, it is anticipated that these funds shall be transferred from the Operating Budget funds as funds are available and needed.

a.	Kentucky Information Highway Upgrade/Expansion		
	Restricted Funds	1,500,000	1,500,000
b.	Disk Storage Complex Expansion		
	Restricted Funds	418,000	
c.	Enterprise Disk Controller		
	Restricted Funds	345,000	
d.	Enterprise Disk Controller		
	Restricted Funds		345,000
e.	Enterprise Disk Storage Group		
	Restricted Funds	460,000	
f.	Enterprise Disk Storage Group		
	Restricted Funds		460,000
g.	Enterprise Server		
	Restricted Funds	4,470,000	
h.	Enterprise Server		

	Restricted Funds		3,335,000
i.	Imaging System		
	Restricted Funds	1,150,000	
j.	Processor Complex Expansion		
	Restricted Funds	2,588,000	
k.	Tape Controller and Transports		
	Restricted Funds		313,000
l.	Tape Controller and Transports		
	Restricted Funds	313,000	
m.	Teleprocessing Controller		
	Restricted Funds	525,000	
n.	Franklin County - Lease (100 Fair Oaks)		

6. Lottery Corporation

a.	Contingency on Property Adjacent to New Headquarters		
	Other Funds	1,500,000	
b.	Instant Ticket Vending Machines		
	Other Funds	3,420,000	3,420,000
c.	Play Centers for Retail Outlets		
	Other Funds	325,000	325,000
d.	Potential Buyout of On-line Gaming System		
	Other Funds	24,447,000	

A decision by the Lottery Corporation Board to exercise the buyout option authorized here must first obtain the concurrence and approval of the Secretary of the Finance and Administration Cabinet.

e.	Pull Tab Ticket Vending Machines		
	Other Funds	2,304,000	2,304,000
f.	Automate Sales Force Communications		

	Other Funds	275,000	
g.	Data Processing, Telecommunications and Related Equipment		
	Other Funds	3,350,000	
h.	Replacement of Personal Computers		
	Other Funds	160,000	160,000
i.	Upgrade AS 400 Disk Capacity		
	Other Funds	375,000	
j.	Upgrade AS 400 to RISC Technology		
	Other Funds	1,020,000	
k.	Upgrade Communications of Regional Offices to ATM		
	Other Funds	350,000	
l.	Upgrade to Distributed Processing Model		
	Other Funds	300,000	

The Kentucky Lottery Corporation may acquire properties related to the consolidation of the Kentucky Lottery's facilities assuming one or more of the properties becomes available for purchase. The purchase price of the properties shall not exceed $1,500,000 in the aggregate.

G. CABINET FOR HEALTH SERVICES

Budget Unit		1998-99	1999-00
1. Department for Mental Health/Mental Retardation Services			
a.	Emergency Generator Replacement - Glasgow Skilled Nursing Facility		
	Capital Construction Surplus (1997-98 - $550,000)		
b.	Emergency Generator Replacement - Central State Hospital		
	Capital Construction Surplus (1997-98 - $550,000)		
c.	Franklin County - Lease (Fair Oaks Building)		
d.	Maintenance Pool		
	Investment Income	450,000	450,000

e.	Miscellaneous Roof Replacement/Repair Pool			
	Investment Income		400,000	

H. JUSTICE CABINET

Budget Unit			1998-99	1999-00
1.	Department of State Police			
a.	Maintenance Pool			
	Investment Income		200,000	200,000
b.	Inductively Coupled Mass Spectrometer			
	Federal Funds		150,000	
	Capital Construction Surplus		50,000	
	Total	200,000		
c.	Microspectrometer			
	Federal Funds		90,000	
	Capital Construction Surplus		30,000	
	Total	120,000		
d.	Integrated Criminal Apprehension Program (ICAP) Upgrade			
	Bond Funds		1,583,000	
e.	Kentucky State Police - Automated Fingerprint Identification System (AFIS)			
	Federal Funds		1,871,000	
f.	Kentucky State Police - Kentucky Accident Reporting System (CRASH)			
	Federal Funds		913,000	
	Bond Funds		1,587,000	
	Total	2,500,000		
g.	Replacement of Basic Radio System			
	Bond Funds		20,082,000	
h.	La Grange State Police Post			
	Bond Funds		1,200,000	

	i.	Hazard State Police Post			
		Bond Funds		1,450,000	
2.	Department of Juvenile Justice				
	a.	40-Bed Bootcamp			
		Federal Funds (1997-98 - $621,000)			
	b.	Expansion of Breathitt County Detention Center			
		Bond Funds		2,500,000	
	c.	Maintenance Pool			
		General Fund		500,000	
		Investment Income		400,000	400,000
		Total	900,000	400,000	
	d.	New Maximum Security Facility			
		Bond Funds		8,410,000	
	e.	Northern Kentucky Treatment Center - HVAC Replacement			
		General Fund		558,000	
	f.	Secure Juvenile Detention Facility #1			
		Bond Funds		5,357,000	
	g.	Secure Juvenile Detention Facility #2			
		Bond Funds		5,357,000	
	h.	Secure Juvenile Detention Facility #3			
		Bond Funds		5,357,000	
3.	Department of Corrections				
	a.	Blackburn Correctional Complex - 200-Bed Minimum Security Dorm-Phase I			
		Bond Funds		5,195,000	
	b.	Correctional Industries Warehouse/Office Complex			
		Restricted Funds		2,741,000	
	c.	Execution Building			

	General Fund	643,000	
d.	Kentucky Correctional Institution for Women Expansion - Phase I		
	Bond Funds	16,434,000	
e.	Maintenance Pool		
	Investment Income	1,400,000	1,400,000
f.	Northpoint Training Center-Water Storage Tank and Water Line Replacement		
	Bond Funds	849,000	
g.	New 1,790-Bed Medium Security Facility for Men (Design and Site Acquisition Only)		
	Bond Funds	3,440,000	
h.	Replace Fire Alarm System		
	Investment Income	450,000	
i.	Correctional Industries/Heidelberg Print Press		
	Restricted Funds	151,000	
j.	Correctional Industries - Unitized Tooling		
	Restricted Funds	109,000	
k.	Embroidery Machine		
	Restricted Funds	110,000	
l.	HPM Press-License Tags		
	Restricted Funds	165,000	
m.	Kluge Letter Press		
	Restricted Funds	110,000	
n.	Washer System		
	Restricted Funds	112,000	
o.	Automated Fingerprinting and Photo System		
	Restricted Funds	90,000	90,000
p.	Jefferson County - Lease (Probation and Parole)		

q. Jefferson County - Lease (Criminal Justice Training)

I. LABOR

Budget Unit	1998-99	1999-00
1. Office of the Secretary		
a. Computer Imaging System		
Restricted Funds - Additional	656,000	470,000
b. Franklin County - Lease (127 Building South)		
2. Department of Workers Claims		
a. Franklin County - Lease (1270 Louisville Road)		

J. NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

Budget Unit	1998-99	1999-00
1. General Administration and Support		
a. Kentucky Heritage Land Conservation Fund - Reauthorization		
Restricted Funds - Additional	7,500,000	3,500,000
b. Maintenance Pool		
Investment Income	100,000	100,000
2. Department for Environmental Protection		
a. State-Owned Dam Repair - Reauthorization		
Investment Income - Additional	500,000	500,000

These funds shall not be expended for the repair of dams owned by the Kentucky Department of Fish and Wildlife Resources or the Kentucky Transportation Cabinet.

b. State-Funded Leaking Underground Storage Tanks - Reauthorization		
Restricted Funds - Additional	500,000	500,000
c. Hazardous Waste Management Fund -		

		Reauthorization			
		Restricted Funds - Additional		2,100,000	2,100,000
	d.	Franklin County - Lease (Ash Properties)			
	e.	Franklin County - Lease (Air Quality)			
	f.	Maxey Flats Monitoring Equipment			
		General Fund		191,000	
3.	Department for Natural Resources				
	a.	Forestry Underground Storage Tank Removal			
		Investment Income		200,000	
	b.	Forestry Equipment			
		General Fund		500,000	
4.	Department for Surface Mining Reclamation and Enforcement				
	a.	Franklin County - Lease (Hudson Hollow)			
5.	Kentucky River Authority				
	a.	Locks and Dams - Acquisition			
		Reauthorization			
	b.	Kentucky River Water Release System -			
		Reauthorization ($2,000,000 - Agency Bonds)			
		Restricted Funds - Additional		800,000	
		Agency Bonds - Additional		2,000,000	
		Total	2,800,000		
	c.	Kentucky River Lock 6 Repairs			
		Restricted Funds		302,000	
6.	Kentucky Nature Preserves Commission				
	a.	Nature Preserves Acquisition Fund -			
		Reauthorization			
		Restricted Funds - Additional		30,000	30,000

		1997-98	1998-99	1999-00
	Other Funds - Additional		300,000	300,000
	Total	330,000	330,000	

K. PERSONNEL CABINET

Budget Unit		1997-98	1998-99	1999-00
1.	Personnel			
a.	Franklin County - Lease			
b.	Public Health Insurance			
	Database/Imaging System			
	Restricted Funds	1,600,000		

L. POSTSECONDARY EDUCATION

Budget Unit		1997-98	1998-99	1999-00
1.	Council on Postsecondary Education			
a.	Agency Bond Pool			
	Agency Bonds		35,000,000	
b.	Commonwealth Virtual University Technology Pool			
	Bond Funds		30,000,000	
c.	Deferred Maintenance and Government Mandates Pool			
	Restricted Funds		20,613,000	
	Bond Funds		20,613,000	
	Total	41,226,000		
d.	Research Equipment and Lab Replacement or Acquisition Pool			
	Bonds Funds		26,250,000	
e.	University of Kentucky Center for Rural Health			
	Agency Bonds		6,100,000	
2.	Kentucky Higher Education Assistance Authority			
a.	Kentucky Higher Education Assistance Authority Office Building			
	Restricted Funds (1997-98 - $310,000)		1,400,000	

		Agency Bonds		9,000,000	
		Total	10,400,000		
	b.	Development Departmental Processor Upgrade			
		Restricted Funds		275,000	
	c.	Imaging System Upgrade			
		Restricted Funds		250,000	
	d.	Franklin County - Lease			
	e.	Production Departmental Processor Upgrade			
		Restricted Funds		650,000	
	f.	System Laser Upgrade			
		Restricted Funds		275,000	
	g.	Tape Management System			
		Restricted Funds		250,000	
3.	Eastern Kentucky University				
	a.	Americans with Disabilities Act Compliance			
		Restricted Funds		2,560,000	
	b.	E & G Life Safety Begley Elevator			
		Restricted Funds		750,000	
	c.	Law Enforcement Basic Training Complex			
		Agency Bonds		20,000,000	
	d.	Minor Projects Maintenance			
		Restricted Funds		6,000,000	6,000,000
	e.	Parking Garage			
		Restricted Funds		7,200,000	
	f.	Property Acquisition			
		Restricted Funds		2,000,000	3,000,000
	g.	Residence Hall Major Renovation			

		Restricted Funds	10,000,000	
	h.	Student Service/Classroom Building		
		Bond Funds	20,000,000	
	i.	Electronic Security System for Law Library		
		Restricted Funds	110,000	
	j.	Fourier Transformer Nuclear Magnetic Resonance Spectrometer		
		Restricted Funds	135,000	
	k.	Minor Projects Equipment		
		Restricted Funds	2,500,000	2,500,000
	l.	Academic Computing Upgrades		
		Restricted Funds	120,000	120,000
	m.	Administrative Computing System Upgrade/Replacement		
		Restricted Funds	490,000	490,000
	n.	Campus Data Network Expansion/Upgrade		
		Restricted Funds	950,000	950,000
	o.	Distance Learning System Component Acquisition		
		Restricted Funds	2,960,000	
	p.	Education Reform Computing Telecommunications Expansion		
		Restricted Funds	700,000	750,000
4.	Kentucky State University			
	a.	Americans with Disabilities Act Projects Pool		
		Restricted Funds	650,000	
	b.	Chiller Additions		
		Restricted Funds	2,168,000	
	c.	Combs Hall Renovation		
		Restricted Funds		1,235,000
	d.	General Maintenance Projects		

		Restricted Funds	1,150,000	
	e.	Guard Houses		
		Restricted Funds		56,000
	f.	Hill Student Center Renovation/Addition		
		Bond Funds	8,250,000	
	g.	Hillcrest Renovation and Landscaping		
		Restricted Funds	382,000	
	h.	Hunter Hall Renovation		
		Restricted Funds	1,257,000	
	i.	Kentucky State University Foundation Building		
		Other Funds		1,715,000
	j.	McCullin Hall Renovation		
		Restricted Funds	1,642,000	
	k.	Road and Walkway Improvements		
		Restricted Funds - Additional	22,000	
	l.	University Motor Coach		
		Restricted Funds	285,000	
5.	Morehead State University			
	a.	1990 Clean Air Act Amendment Compliance		
		Restricted Funds	1,100,000	1,100,000
	b.	Americans with Disabilities Act Compliance - E & G		
		Restricted Funds	1,025,000	1,000,000
	c.	Americans with Disabilities Act Compliance - Auxiliary Enterprise		
		Restricted Funds	1,100,000	1,075,000
	d.	Breckinridge Hall Renovation		
		Bond Funds	14,000,000	
	e.	Central Campus Reconstruction		

	Restricted Funds		650,000	
f.	Equine Teaching Facilities/Renovation of Richardson Arena			
	Restricted Funds - Additional		480,000	
g.	Fire Safety/Auxiliary Facilities			
	Restricted Funds		610,000	610,000
h.	Head Start Facility			
	Restricted Funds		144,000	
	Federal Funds		576,000	
	Total	720,000		
i.	Land Acquisitions Related to Campus Master Plan			
	Restricted Funds		1,337,000	
j.	Life Safety: Claypool-Young Air Quality, Health and Safety			
	Restricted Funds		400,000	
k.	Life Safety: Dam Repair/Restoration			
	Restricted Funds		800,000	
l.	Life Safety: Elevator Repairs			
	Restricted Funds		850,000	
m.	Plant Facilities Construction			
	Restricted Funds		2,000,000	
n.	Protect Investment in Auxiliary Facilities			
	Restricted Funds		1,210,000	1,210,000
o.	Protect Investment in E & G Facilities			
	Restricted Funds		1,650,000	1,650,000
p.	Renovation of Family Housing Complexes			
	Restricted Funds		2,000,000	
q.	Instructional Technology Initiatives			
	Restricted Funds		1,702,000	

r. Instructional and Support Equipment

Restricted Funds 1,366,000

s. Nuclear Magnetic Resonance Apparatus

Restricted Funds 210,000

t. Tour Bus

Restricted Funds 330,000

u. Administrative and Office Systems Support Initiatives

Restricted Funds 1,250,000

v. Distance Learning Technology Initiatives

Restricted Funds 2,725,000

w. Library Automation and Information Support Initiatives

Restricted Funds 900,000

x. Microcomputer/LANs/Peripherals - Instructional

Restricted Funds 1,800,000

y. Networking/Infrastructure Initiatives

Restricted Funds 1,508,000

z. West Liberty Extended Campus Building

Bond Funds 6,000,000

aa. Development of Wellness Facilities - Phase II

Reauthorization

Agency Bonds

(Original authorization for item aa.: Council on Higher Education - 1996-98 University Restricted Funds Bond Pool Project)

6. Murray State University

a. Americans with Disabilities Act Compliance: Architectural Barriers

E & G Pool less than $400,000

Restricted Funds 1,229,000 1,192,000

b. Americans with Disabilities Act Compliance: Architectural Barriers Blackburn Science			
Restricted Funds			1,367,000
c. Americans with Disabilities Act Compliance: Architectural Barriers H & D Pool less than $400,000			
Restricted Funds		415,000	475,000
d. Asbestos Abatement: E & G Pool less than $400,000			
Restricted Funds		58,000	
e. Asbestos Abatement: H & D Pool less than $400,000			
Restricted Funds		501,000	180,000
f. Chlorofluorocarbon Compliance: E & G Chillers Replacement			
Restricted Funds		476,000	421,000
g. Chlorofluorocarbon Compliance: H & D Chillers and Monitoring System			
Restricted Funds		370,000	370,000
h. Carr Health/Business Building Renovations and Education Building Addition			
Bond Funds		10,184,000	
Other Funds		4,000,000	
Total	14,184,000		
i. Deferred Maintenance: H & D Pool less than $400,000			
Restricted Funds		868,000	894,000
j. Deferred Maintenance: E & G Pool less than $400,000			
Restricted Funds		2,177,000	2,855,000
k. Energy Conservation: E & G Pool less than $400,000			
Restricted Funds		496,000	
l. Life Safety: E & G Pool less than $400,000			
Restricted Funds		450,000	628,000
m. Life Safety: H & D Pool less than $400,000			

		Restricted Funds	296,000	306,000
n.	National Scouting Museum, BSA Phase III			
		Restricted Funds - Additional		300,000
o.	Miscellaneous E & G Projects less than $400,000			
		Restricted Funds	1,236,000	1,132,000
p.	Miscellaneous H & D Projects less than $400,000			
		Restricted Funds	50,000	70,000
q.	Replace Clark or Franklin Hall/College			
		Restricted Funds	6,500,000	
r.	Replace Richmond Hall			
		Restricted Funds	6,500,000	
s.	Air Testing and Monitoring Equipment			
		Restricted Funds		125,000
t.	Arts Educational Equipment			
		Restricted Funds	683,000	115,000
u.	Breathitt Lab Equipment			
		Restricted Funds		661,000
v.	Equipment less than $100,000			
		Restricted Funds	864,000	572,000
w.	General Lab Equipment Replacement			
		Restricted Funds		602,000
		Federal Funds		85,000
		Total	687,000	
x.	Replace Family and Consumer Studies Lab Equipment			
		Restricted Funds		353,000
y.	Purchasing and Accounts Payable System			
		Restricted Funds	113,000	115,000

	z.	Telecommunications Switching Systems		
		Restricted Funds		120,000
7.	Northern Kentucky University			
	a.	Americans with Disabilities Act Compliance		
		Restricted Funds		400,000
	b.	Alumni and Faculty/Staff Center		
		Other Funds		3,000,000
	c.	Athletic Fields - Phase I		
		Other Funds		7,000,000
	d.	Chiller Replacements/Chlorofluorocarbon		
		Restricted Funds		4,500,000
		Other Funds		2,600,000
		Total	7,100,000	
	e.	Covington Campus - Urban Learning Center		
		Other Funds		10,000,000
	f.	Energy Conservation/Management Pool		
		Restricted Funds		400,000
	g.	Fire Safety: E & G Sprinklers		
		Restricted Funds		400,000
	h.	Land Acquisition (1998-2000)		
		Restricted Funds		2,000,000
	i.	Landrum Structural Safety Repairs		
		Restricted Funds		650,000
	j.	Landscape Enhancement (1998-2000)		
		Other Funds		1,000,000
	k.	Minor Projects Pool (1998-2000)		
		Restricted Funds		1,095,000

	l.	Natural Science Building	
		Bond Funds - Additional	36,500,000
	m.	Northern Kentucky Convocation Center Feasibility Study	
		Restricted Funds	500,000
	n.	New Printing Press	
		Restricted Funds	175,000
	o.	Alpha Computer Expansion	
		Restricted Funds	135,000
	p.	Automatic Tape System	
		Restricted Funds	155,000
	q.	Digital Copier	
		Restricted Funds	315,000
	r.	Laser Printer	
		Restricted Funds	125,000
	s.	Voice Mail System	
		Restricted Funds	180,000
	t.	Voice-Response/Touch-Tone System	
		Restricted Funds	205,000
8.	University of Kentucky - University System		
	a.	4 KV to 12 KV Electrical Conversion	
		Restricted Funds	400,000
	b.	Academic and Research Renovation (College of Medicine)	
		Restricted Funds	625,000
	c.	Administration Building - Exterior Repair	
		Restricted Funds	1,400,000
	d.	Aging/Allied Health Building, Phase II	
		Restricted Funds	13,000,000

	Bond Funds		20,000,000	
	Total	33,000,000		
e.	Agricultural Plant Science Facility			
	Restricted Funds		18,365,000	
f.	Agricultural Science Greenhouses - Renovation			
	Restricted Funds		750,000	
g.	Agriculture Information Center			
	Restricted Funds		800,000	
h.	Agriculture North Renovation			
	Restricted Funds		3,150,000	
i.	Agriculture Science South - Animal Care Facility Upgrade			
	Restricted Funds		900,000	
j.	Bowman Hall Renovation			
	Restricted Funds		4,300,000	
k.	Boyd Hall - HVAC			
	Restricted Funds			1,100,000
l.	Chemistry Laboratory Renovation			
	Restricted Funds		1,050,000	
m.	Chilled Water Additions			
	Restricted Funds		700,000	
n.	Chiller Replacement - Cooling #3			
	Restricted Funds		1,000,000	
o.	Clinical Development Space (College of Medicine)			
	Restricted Funds		500,000	
p.	Clinical Lab-Computer Assisted Learning Facility			
	Restricted Funds		450,000	
q.	Commonwealth Stadium Expansion			

	Agency Bonds	24,000,000	
r.	Cooling #3 to Limestone Street Chilled Water Pipe		
	Restricted Funds	1,800,000	
s.	Cooling Secondary Pumping		
	Restricted Funds	2,000,000	
t.	Cooper House Renovation		
	Restricted Funds	750,000	
u.	Cooperstown/Shawneetown III		
	Restricted Funds	4,500,000	
v.	Crisp Building Replacement		
	Restricted Funds	2,200,000	
w.	Deferred Maintenance and Roof Replacement Project Pool		
	Restricted Funds	9,297,000	
x.	Electrical Substation #1 and #2 Connections		
	Restricted Funds	1,500,000	
y.	Energy Conservation Project (Medical Center)		
	Restricted Funds	2,000,000	
z.	Engineering Information Center		
	Restricted Funds	650,000	
aa.	Erikson Hall Renovation		
	Restricted Funds		2,250,000
ab.	Gatton College Addition for International Business and Management Center		
	Restricted Funds	1,500,000	
ac.	Handicapped Access Pool		
	Restricted Funds	2,425,000	
ad.	High Security Isolation Facility		
	Restricted Funds		9,800,000

ae.	Holmes Hall - HVAC			
	Restricted Funds		950,000	
af.	Jewell Hall - HVAC			
	Restricted Funds			700,000
ag.	Keeneland Hall - HVAC			
	Restricted Funds			1,900,000
ah.	Kentucky Clinic Annex Replacement Building			
	Restricted Funds		6,000,000	
ai.	King South Renovation			
	Restricted Funds		10,365,000	
aj.	Lancaster Aquatics Center Expansion			
	Restricted Funds		2,573,000	
ak.	Land Acquisition			
	Restricted Funds		4,000,000	
al.	Life Safety Project Pool			
	Restricted Funds		11,400,000	
am.	Long Range Utility Planning			
	Restricted Funds		600,000	
an.	Mechanical Engineering Building			
	Restricted Funds		4,000,000	
	Bond Funds		19,600,000	
	Total	23,600,000		
ao.	Medical Center Addition			
	Restricted Funds			11,400,000
ap.	Medical Center Chilled Water Loop			
	Restricted Funds		500,000	
aq.	Medical Center Information Center			

	Restricted Funds	1,550,000	
ar.	Outpatient Clinic Expansion - Dentistry		
	Restricted Funds		2,000,000
as.	Parking Structure Expansion		
	Restricted Funds	5,654,000	
at.	Patterson Hall Renovation		
	Restricted Funds		2,950,000
au.	Pharmacy Dispensing Lab		
	Restricted Funds	600,000	
av.	Pollution Controls, Medical Center Heating Plant		
	Restricted Funds	1,333,000	
aw.	Publishing Services Building Addition		
	Restricted Funds	450,000	
ax.	Renovation of Biological Sciences Research Space		
	Restricted Funds	1,300,000	
ay.	Renovation of Funkhouser - Phase IV		
	Restricted Funds	700,000	
az.	Seaton Center Addition/Renovation		
	Restricted Funds	15,350,000	
ba.	Singletary Center Renovation of Auditoria and Public Spaces		
	Restricted Funds	1,850,000	
bb.	Slone Building Renovation		
	Restricted Funds	3,900,000	
bc.	South Campus Communications Infrastructure		
	Restricted Funds	2,294,000	
bd.	Specialized Greenhouses		
	Restricted Funds	3,550,000	

be.	Steam Line Expansion - Rose Street		
	Restricted Funds		700,000
bf.	Steam and Condensate Pipe Repair		
	Restricted Funds		2,100,000
bg.	Storm Sewer Improvements - Funkhouser		
	Restricted Funds		800,000
bh.	Student Center Sprinkler System		
	Restricted Funds		700,000
bi.	Student Housing/Fraternity House Replacement		
	Restricted Funds		5,600,000
bj.	Substation #2 Renovation		
	Restricted Funds		2,000,000
bk.	4.7 Tessler Human Scanner		
	Restricted Funds		4,000,000
bl.	600 MHz Nuclear Magnetic Resonance System		
	Restricted Funds		1,500,000
bm.	600 MHz Nuclear Magnetic Resonance		
	Restricted Funds		300,000
	Federal Funds		700,000
	Total	1,000,000	
bn.	800 MHz Nuclear Magnetic Resonance System		
	Restricted Funds		2,500,000
bo.	9.4 Tessler Scanner		
	Restricted Funds		750,000
bp.	ABS DNA Sequencer		
	Restricted Funds		120,000
bq.	Area Detector Diffractomer		

	Restricted Funds		100,000	
	Federal Funds		210,000	
	Total	310,000		
br.	Autoradiography			
	Restricted Funds		207,000	
bs.	Calorimeter			
	Restricted Funds		104,000	
bt.	Confocal Microscope			
	Restricted Funds		315,000	
bu.	Confocal Microscope System			
	Restricted Funds		120,000	
bv.	DNA Sequencer			
	Restricted Funds		150,000	
bw.	DNA Sequencer			
	Restricted Funds		130,000	
bx.	DNA Sequencer			
	Restricted Funds		120,000	
by.	DNA Sequencer/Gene Mapping			
	Restricted Funds		130,000	130,000
bz.	DNA Synthesizer			
	Restricted Funds		100,000	
ca.	Differential Flow Calorimeter/Thermomechanical Analyzer			
	Restricted Funds		175,000	
cb.	Dissecting Confocal Microscope			
	Restricted Funds		200,000	
cc.	Electron Spin Resonance Instrument			
	Restricted Funds		65,000	

	Federal Funds		135,000
	Total	200,000	
cd.	Electrophysiologic Analysis System		
	Restricted Funds		200,000
ce.	Environmental Test System		
	Restricted Funds		125,000
cf.	Epi-Flourescence Microscope		
	Restricted Funds		130,000
cg.	Faraday Balance		
	Restricted Funds		60,000
	Federal Funds		140,000
	Total	200,000	
ch.	Flow Cytometry Lab		
	Restricted Funds		375,000
ci.	Fluorescence Activated Cell Sorter		
	Restricted Funds		200,000
cj.	Fluorescent Activated Cell Sorter		
	Restricted Funds		230,000
ck.	Freeze-Thaw Apparatus		
	Restricted Funds		100,000
cl.	GT Ultracentrifuges		
	Restricted Funds		345,000
cm.	Garbage Truck Front Loader - Replacement		
	Restricted Funds		150,000
cn.	Gas Analyzer		
	Restricted Funds		100,000
co.	Gas Chromatograph - Mass Spectrometer		

	Restricted Funds		250,000
cp.	Gas Chromatograph - Mass Spectrophotometer System		
	Restricted Funds		210,000
cq.	Gas Chromatography/Atomic Emission Detector (GC/AED)		
	Restricted Funds		120,000
cr.	HPLC to Measure Cellular Metabolites		
	Restricted Funds		100,000
cs.	HPLC/Mass Spectrometer System		
	Restricted Funds		300,000
ct.	High Power Carbon Dioxide Laser		
	Restricted Funds		250,000
cu.	High Pressure Liquid Chromatography and Accessories		
	Restricted Funds		100,000
	Federal Funds		100,000
	Total	200,000	
cv.	High Resolution Mass Spectrometer		
	Restricted Funds		500,000
cw.	High Resolution Phosophor Imager		
	Restricted Funds		200,000
cx.	High Resolution STEM 400 KV		
	Restricted Funds		1,500,000
cy.	High Temperature Optical Microscope		
	Restricted Funds		105,000
cz.	High-Speed Digital Signal Processing Development System		
	Federal Funds		150,000
da.	High-Temperature X-Ray Diffractometer		
	Restricted Funds		225,000

db.	Holographic System with Image Analyzer	
	Restricted Funds	110,000
dc.	Hydro Flume	
	Restricted Funds	130,000
dd.	Image Analysis System	
	Restricted Funds	200,000
de.	Image Analyzer System	
	Restricted Funds	200,000
df.	Incinerator Replacement	
	Restricted Funds	1,600,000
dg.	Inductive Coupled Argon Plasma Unit	
	Restricted Funds	110,000
dh.	Integrated TGA/Differential Scanning Calorimeter/MS	
	Restricted Funds	120,000
di.	Inverted Microscope Including Fluoroscope	
	Restricted Funds	150,000
dj.	Isolate Cell Calcium Detector	
	Restricted Funds	110,000
dk.	Laser	
	Restricted Funds	104,000
dl.	Laser Ablation Sampling System/Attachment for ICP/MS	
	Restricted Funds	200,000
dm.	Laser Confocal Microscope	
	Restricted Funds	303,000
dn.	Laser System	
	Restricted Funds	80,000
	Federal Funds	170,000

	Total	250,000	
do.	Lighting System		
	Restricted Funds		237,000
dp.	MB Ultracentrifuges		
	Restricted Funds		354,000
dq.	MB/GT Phospho-Imager		
	Restricted Funds		128,000
dr.	Motion Analysis System Upgrade		
	Restricted Funds		204,000
ds.	Nuclear Magnetic Resonance Spectrometer 300 MHz Upgrade		
	Restricted Funds		400,000
dt.	Offset Printing Press		
	Restricted Funds		150,000
du.	Oxymax Open Circuit Calorimeter		
	Restricted Funds		100,000
dv.	Plot Combine with Weighing System		
	Restricted Funds		125,000
dw.	Protein Synthesizer		
	Restricted Funds		200,000
dx.	Real Time Confocal Microscope		
	Restricted Funds		300,000
dy.	Research Grade Light Microscope		
	Restricted Funds		100,000
dz.	Solids NMR Spectrometer		
	Restricted Funds		900,000
ea.	Sterilizer		
	Restricted Funds		100,000

eb.	Sterilizing/Cleaning System		
	Restricted Funds		234,000
ec.	Stiff Testing Machine		
	Restricted Funds		140,000
ed.	Studio Recording Equipment		
	Restricted Funds		113,000
ee.	Thermal Analyzer and Powder Diffractometer		
	Restricted Funds		310,000
ef.	Three-Dimensional Scaling Device		
	Federal Funds		100,000
eg.	Tinius Olsen Ductometer		
	Restricted Funds		100,000
eh.	Transmission Electron Microscope		
	Restricted Funds		200,000
ei.	Ultra High Vacuum Chamber		
	Restricted Funds		80,000
	Federal Funds		170,000
	Total	250,000	
ej.	Ultracentrifuge		
	Restricted Funds		113,000
ek.	Upgrade of 400 MHz Nuclear Magnetic Resonance		
	Restricted Funds		160,000
	Federal Funds		340,000
	Total	500,000	
el.	Virtual Environment Simulator		
	Restricted Funds		125,000
em.	Whole Body Composition Analyzer		

	Restricted Funds	150,000	
en.	X-Ray Fluorescence Instrument		
	Restricted Funds		130,000
eo.	X-Ray Fluorescence System		
	Restricted Funds	175,000	
ep.	X-Ray Laue Unit - Single Crystal		
	Restricted Funds	150,000	
eq.	3.7 Satellite Uplink		
	Restricted Funds	304,000	
er.	CAD/CAM System		
	Restricted Funds	184,000	
es.	Community College System Network Upgrade		
	Restricted Funds	1,187,000	
et.	Compressed Video - Hazard		
	Restricted Funds	136,000	
eu.	Database Testbed		
	Restricted Funds	225,000	
ev.	Department Computer Upgrade		
	Restricted Funds	225,000	
ew.	Digital Radiograph/Imaging System		
	Restricted Funds	200,000	
ex.	Distributed Testbed System		
	Restricted Funds	250,000	
ey.	Engineering Research Computing System		
	Restricted Funds	440,000	
ez.	General Chemistry Computerization		
	Restricted Funds	385,000	

fa.	Healthcare Network		
	Restricted Funds	3,000,000	
fb.	Imaging Systems I		
	Restricted Funds	328,000	
fc.	Instructional Multi-Media, Phase II		
	Restricted Funds	576,000	1,150,000
fd.	Language Lab		
	Restricted Funds	300,000	
fe.	NSF Fileserver		
	Restricted Funds	150,000	
ff.	Network Replacement		
	Restricted Funds	100,000	
fg.	Optical Disk Server		
	Restricted Funds	180,000	
fh.	Patient Classification Equipment Rural Health		
	Restricted Funds	250,000	
fi.	Satellite Uplink - Rural Health		
	Restricted Funds	400,000	
fj.	Storage Management System I		
	Restricted Funds	328,000	
fk.	Supercomputer Upgrade I		
	Restricted Funds	1,574,000	1,574,000
fl.	Telemedicine Equipment - Rural Health		
	Restricted Funds	400,000	
fm.	Telemedicine Systems		
	Restricted Funds	600,000	
fn.	Upgrading/Establishing Communication System		

	Restricted Funds		365,000	462,000
fo.	Virtual Reality Computing System			
	Restricted Funds		150,000	
fp.	College of Medicine - Clinical/Educational - Lease			
fq.	College of Medicine Clinical - Lease			

9. Kentucky Community and Technical College System

a.	Central Regional Postsecondary Education Center - Phase I			
Western Kentucky University				
	Bond Funds		13,452,000	
b.	Deferred Maintenance and Government Mandates Pool			
	Restricted Funds		4,387,000	
	Bond Funds		4,387,000	
	Total	8,774,000		
c.	Hazard Community College Classroom Building - Phase II			
	Bond Funds		6,500,000	
d.	Kentucky Advanced Technology Institute - Land Acquisition			
	General Fund		265,000	
e.	Kentucky Tech College of Arts and Crafts			
	Bond Funds		4,100,000	
f.	South Central Regional Postsecondary Education Center			
	Bond Funds		6,537,000	
g.	Kentucky Tech Danville: Regional Technology Center - Phase I			
	Bond Funds		6,985,000	
h.	Madisonville Community College - Science/Technical Classroom Building			
	Bond Funds		4,900,000	
	Federal Funds		500,000	
	Total	5,400,000		

i. Madisonville Community College: Muhlenberg County Classroom Building

Restricted Funds 3,500,000

j. Maysville Community College and Kentucky Tech Maysville:

New Technology Center

Bond Funds 7,500,000

k. New Kentucky Tech Shelby County Campus

and Jefferson Community College Extension Center

Bond Funds 10,758,000

l. Northeast Regional Postsecondary Education Center

Morehead State University

Bond Funds 6,650,000

m. Paducah Community College Engineering Building Infrastructure Completion

General Fund 709,000

n. Paducah Community College Engineering Building Instructional Labs

General Fund 734,000

o. Paducah Community College Library Renovation

General Fund 1,150,000

p. Somerset Community College and Kentucky Tech - Academic

Support/Technical Education Complex

Bond Funds 10,258,000

q. South Regional Postsecondary Education Center - Phase I

Western Kentucky University

Bond Funds 9,000,000

r. Southeast Regional Postsecondary Education Center - Phase I

Eastern Kentucky University

Bond Funds 13,185,000

s. West Regional Postsecondary Education Center

Murray State University

Bond Funds 6,650,000

t. Hazard Regional Technology Center: Articulating Grader

Restricted Funds 187,000

u. Hazard Regional Technology Center: Bulldozer

Restricted Funds 478,000

v. Hazard Regional Technology Center: Endloader

Restricted Funds 161,000

w. Automated Administrative Systems

Restricted Funds (1997-98 - $10,300,000)

Bond Funds (1997-98 - $3,200,000)

x. Belinda Mason Academic/Technical Building

Bond Funds 5,000,000

y. Jefferson Community College - Interactive Television

Restricted Funds 100,000

z. Maysville Community College - Interactive Television

Restricted Funds 100,000

10. University of Kentucky Hospital

a. Biohazard/Environmental Protection I

Restricted Funds 1,500,000

b. Building Connectors II

Restricted Funds 2,200,000

c. Building/Site Upgrade II

Restricted Funds 710,000

d. Data Systems Expansion I

Restricted Funds 595,000

e. Diagnostic Service Upgrade VII

	Restricted Funds	1,100,000	
f.	Diagnostic Services Upgrade VIII		
	Restricted Funds	1,100,000	
g.	HVAC Upgrade		
	Restricted Funds		3,500,000
h.	Hospital Kitchen Renovation I		
	Restricted Funds	1,000,000	
i.	Hospital Kitchen Renovation II		
	Restricted Funds	520,000	
j.	Hospital Parking Expansion		
	Restricted Funds		3,100,000
k.	Imaging Services		
	Restricted Funds	3,500,000	
l.	Implementation of Land Use Plan II		
	Restricted Funds	2,500,000	
m.	Intra-Hospital Transportation Systems III		
	Restricted Funds	700,000	
n.	Limited Stay Facility		
	Restricted Funds	5,200,000	
o.	Markey Fourth Floor Renovation		
	Restricted Funds	3,800,000	
p.	Materials Handling Storage/Distribution Center		
	Restricted Funds	970,000	
q.	Nursing Unit Modification VI		
	Restricted Funds	940,000	
r.	Nursing Unit Modification VIII		
	Restricted Funds	3,500,000	

s.	Outpatient Care Facility	
	Restricted Funds	3,500,000
t.	Outpatient Diagnostic and Treatment Center	
	Restricted Funds	14,000,000
u.	Outpatient Services	
	Restricted Funds	3,600,000
v.	Parking Structure I	
	Restricted Funds	6,600,000
w.	Parking Structure II	
	Restricted Funds	6,600,000
x.	Patient Care Facility/Women's Cancer Center	
	Restricted Funds	8,000,000
y.	Primary Care Center	
	Restricted Funds	13,200,000
z.	Utility System Upgrade III	
	Restricted Funds	1,500,000
aa.	Angiographic Unit	
	Restricted Funds	1,950,000
ab.	Automated Screening System	
	Restricted Funds	200,000
ac.	Breast Radiographic	
	Restricted Funds	250,000
ad.	CT Scanner	
	Restricted Funds	1,600,000
ae.	Cardiac Catheterization Lab	
	Restricted Funds	4,000,000
af.	Cardiac Ultrasound	

	Restricted Funds	300,000
ag.	Catheterization Lab	
	Restricted Funds	2,500,000
ah.	Digital Enhancement	
	Restricted Funds	850,000
ai.	Digital Radiology	
	Restricted Funds	1,750,000
aj.	Digital Radiology	
	Restricted Funds	800,000
ak.	Digitract Orbitor Camera	
	Restricted Funds	250,000
al.	EKG Management System	
	Restricted Funds	250,000
am.	EKG Unit	
	Restricted Funds	400,000
an.	EMG Unit	
	Restricted Funds	200,000
ao.	Echocardiography Equipment	
	Restricted Funds	300,000
ap.	Electrophysiology Lab	
	Restricted Funds	1,500,000
aq.	Electrophysiology Laboratory	
	Restricted Funds	1,250,000
ar.	Endoscopy Video/Ultrasound	
	Restricted Funds	250,000
as.	Endoscopy Video/Ultrasound	
	Restricted Funds	300,000

at.	Fluoroscopy Unit	
	Restricted Funds	500,000
au.	Gamma Knife Upgrade	
	Restricted Funds	2,000,000
av.	General Radiography Unit	
	Restricted Funds	800,000
aw.	General Radiography/Fluoroscopic Unit	
	Restricted Funds	500,000
ax.	General Radiology Unit	
	Restricted Funds	500,000
ay.	General Radiology Unit	
	Restricted Funds	800,000
az.	Hyperbaric Chamber	
	Restricted Funds	150,000
ba.	Infectious Disease Detection System	
	Restricted Funds	102,000
bb.	Laboratory Analyzer	
	Restricted Funds	200,000
bc.	Laboratory Analyzer	
	Restricted Funds	200,000
bd.	MRI	
	Restricted Funds	2,500,000
be.	MRI Upgrade	
	Restricted Funds	500,000
bf.	Mobile Fluoroscopy	
	Restricted Funds	200,000
bg.	Mobile Radiology Unit	

	Restricted Funds	200,000
bh.	Neuro-Radiography Unit	
	Restricted Funds	1,500,000
bi.	Nuclear Medicine Camera	
	Restricted Funds	750,000
bj.	OB Ultrasound	
	Restricted Funds	300,000
bk.	Radiation Therapy Unit	
	Restricted Funds	1,800,000
bl.	Radiology Ultrasound	
	Restricted Funds	400,000
bm.	SPECT System	
	Restricted Funds	750,000
bn.	Scrub Dispenser	
	Restricted Funds	225,000
bo.	Surgical Laser	
	Restricted Funds	200,000
bp.	Surgical Laser	
	Restricted Funds	200,000
bq.	Surgical Microscope	
	Restricted Funds	300,000
br.	Surgical Mircoscope	
	Restricted Funds	300,000
bs.	Treatment Planning System	
	Restricted Funds	1,200,000
bt.	UROL Table	
	Restricted Funds	300,000

bu.	Vascular Ultrasound	
	Restricted Funds	300,000
bv.	ALIS	
	Restricted Funds	800,000
bw.	Clinical Information System	
	Restricted Funds	1,000,000
bx.	Clinical Information System	
	Restricted Funds	3,000,000
by.	Clinical System Enterprise	
	Restricted Funds	5,000,000
bz.	Digital Imaging	
	Restricted Funds	750,000
ca.	Digital Medical Record Expansion	
	Restricted Funds	2,000,000
cb.	Infrastructure Communication Enterprise	
	Restricted Funds	5,000,000
cc.	Managed Care Enterprise	
	Restricted Funds	1,000,000
cd.	Mass Storage Capability	
	Restricted Funds	300,000
ce.	Mass Storage Capability	
	Restricted Funds	200,000
cf.	Patient System Enterprise	
	Restricted Funds	4,000,000
cg.	Perioperative Clinical	
	Restricted Funds	350,000
ch.	State Communication Enterprise	

		Restricted Funds	3,000,000	
	ci.	Telecommunications		
		Restricted Funds	800,000	
	cj.	Telecommunications		
		Restricted Funds	1,250,000	
	ck.	Upgrade Disk Capacity		
		Restricted Funds	450,000	
	cl.	Upgrade Disk Capacity		
		Restricted Funds	250,000	
	cm.	Upgrade HIS Computing Facilities		
		Restricted Funds	2,500,000	
	cn.	Upgrade Printing Capacity		
		Restricted Funds	400,000	
	co.	Upgrade Tape Capacity		
		Restricted Funds	250,000	
	cp.	Upgrade Telecommunications Facilities		
		Restricted Funds	250,000	
	cq.	Upgrade Telecommunications Facilities		
		Restricted Funds	750,000	
11.	University of Louisville			
	a.	Americans with Disabilities Act Project Pool		
		Restricted Funds	6,729,000	
	b.	Chlorofluorocarbon Project-Phase II		
		Restricted Funds	1,325,000	
	c.	Chlorofluorocarbon Project, Phase III		
		Restricted Funds		1,851,000
	d.	Code Improvements-Fire Safety Pool		

	Restricted Funds	2,588,000	
e.	Dental Clinic and Sterilization Renovation		
	Other Funds		3,000,000
f.	Early Childhood "EDUCARE" Center		
	Restricted Funds	3,300,000	
g.	Environmental Health and Safety Projects		
	Restricted Funds	1,224,000	
h.	HSC Parking Garage - Two Additional Floors		
	Restricted Funds	4,454,000	
i.	Humanities Classroom Renovation		
	Restricted Funds	721,000	
j.	Land Purchase East of University Hospital - HSC		
	Restricted Funds		5,000,000
k.	MDR Renovation - Phase I - Building 51		
	Restricted Funds	1,548,000	
l.	MDR Renovation - Phase II - Building 51		
	Restricted Funds		1,595,000
m.	MDR Renovation - Phase III - Building 51		
	Restricted Funds		2,583,000
n.	Major Maintenance Pool - Phase I		
	Restricted Funds	6,142,000	
o.	Medical School Lab Renovation - Building 55A		
	Restricted Funds	1,717,000	
p.	New Residence Hall and West Utilities		
	Other Funds	18,277,000	
q.	Purchase Parking Spaces on Health Sciences Campus		
	Restricted Funds	825,000	

r.	Research Building (Belknap)			
	Bond Funds		32,040,000	
s.	Research Resources Center Expansion			
	Restricted Funds		1,588,000	
t.	Social Work-Practice Center - Marine Hospital (Portland)			
	Other Funds			7,865,000
u.	Support Services Land Acquisition (Northeast)			
	Restricted Funds			3,820,000
v.	Transgenic Facility			
	Restricted Funds			2,261,000
w.	University Park - Parkway Field/Baseball Stadium			
	Other Funds		2,392,000	
x.	University Park - Track and Field - Soccer and Field Hockey Facility			
	Other Funds		4,987,000	
y.	Utility Distribution Improvements - South			
	Restricted Funds		6,541,000	
z.	Three-Dimensional Echocardiographic Package			
	Restricted Funds		140,000	
aa.	49-Foot Research Vessel			
	Restricted Funds		100,000	
	Federal Funds		400,000	
	Total	500,000		
ab.	750 MHz Nuclear Magnetic Resonance Spectrometer			
	Restricted Funds		400,000	
	Federal Funds		800,000	
	Total	1,200,000		
ac.	Acoustic Imaging 5200 Envision			

	Restricted Funds	176,000	
ad.	Animal Irradiator		
	Restricted Funds	154,000	
ae.	Atomic Absorption (AA) Spectrometer, High Resolution		
	Restricted Funds	110,000	
af.	Autoclave, Large pass-thru		
	Restricted Funds	300,000	
ag.	Automated DNA Sequencer		
	Restricted Funds	149,000	
ah.	Automated Synthesizer		
	Restricted Funds		100,000
	Federal Funds		100,000
	Total	200,000	
ai.	Backside Mask Aligner		
	Restricted Funds		154,000
aj.	Bruker AMX 500 Console Upgrade		
	Restricted Funds		100,000
	Federal Funds		100,000
	Total	200,000	
ak.	Capillary Electropheresis		
	Restricted Funds		50,000
	Federal Funds		50,000
	Total	100,000	
al.	Computerized Cardiac Laboratory		
	Restricted Funds	256,000	
am.	Digital Micro-Luminography System for Transmission Electron		
	Restricted Funds	120,000	

an.	Diode Laser		
	Restricted Funds	100,000	
ao.	EPR Spectrometer Update		
	Restricted Funds		60,000
	Federal Funds		65,000
	Total	125,000	
ap.	Echocardiograph Vascular System		
	Restricted Funds	300,000	
aq.	Electronic Darkroom		
	Restricted Funds	113,000	
ar.	Epifluorescence Microscope		
	Restricted Funds		50,000
	Federal Funds		55,000
	Total	105,000	
as.	Exicerm Laser		
	Restricted Funds		600,000
at.	FT IR Spectrometer		
	Restricted Funds		75,000
	Federal Funds		75,000
	Total	150,000	
au.	Fluorescence Activated Cell Sorter		
	Restricted Funds	352,000	
av.	Gas Chromatography - Mass Spectrometer (GC-MS) High-Resolution		
	Restricted Funds	110,000	
aw.	Gel/Blot Image Analysis System		
	Restricted Funds	140,000	
ax.	High Definition Video System		

	Restricted Funds		300,000	
ay.	High Resolution SEM with Backscatter Detector			
	Restricted Funds			160,000
az.	High Resolution/Mass Spectrometer (GC/MS) System			
	Restricted Funds		470,000	
ba.	Imaging Raman Spectrometer			
	Restricted Funds		85,000	
	Federal Funds		85,000	
	Total	170,000		
bb.	In Vivo Thrombosis Detection and Quantitation System			
	Restricted Funds			168,000
bc.	Integrated Multi-Detector Imaging System			
	Restricted Funds		545,000	
bd.	Intermediate Voltage Transmission Electron Microscope			
	Restricted Funds			350,000
be.	Liquid Chromatograph - Mass Spectrometer			
	Restricted Funds			150,000
	Federal Funds			300,000
	Total		450,000	
bf.	MALDI Mass Spectrometer			
	Restricted Funds			200,000
	Federal Funds			200,000
	Total		400,000	
bg.	Message Board - University Park			
	Restricted Funds		300,000	
bh.	Metabolic Stress System and Bike			
	Restricted Funds		106,000	

bi.	Molecular Imaging System		
	Restricted Funds		50,000
	Federal Funds		55,000
	Total	105,000	
bj.	Nailfold Microvascular Analysis System		
	Restricted Funds	119,000	
bk.	Peak 3D Computerized Motion Measurement and Analysis System		
	Restricted Funds	115,000	
bl.	Peptide Sequencer		
	Restricted Funds	145,000	
bm.	Plasma Enhanced Chemical Deposition System		
	Restricted Funds		133,000
bn.	Protein Sequencer		
	Restricted Funds	191,000	
bo.	Radiographic/Fluoroscopic Imaging Unit		
	Restricted Funds	195,000	
bp.	Radiographic/Fluoroscopic X-Ray System		
	Restricted Funds	317,000	
bq.	Rapid Prototyping System		
	Restricted Funds		376,000
br.	SEM Accessories for Elemental Analysis		
	Restricted Funds		165,000
bs.	SIMS: Materials Characterization Apparatus		
	Restricted Funds		165,000
bt.	Scanning Electron Microscope		
	Other Funds	160,000	
bu.	Scanning Electron Microscope		

	Restricted Funds		115,000
	Federal Funds		115,000
	Total	230,000	
bv.	Scanning Tunnelling Microscope		
	Restricted Funds		50,000
	Federal Funds		53,000
	Total	103,000	
bw.	Small Artery Reactivity Diagnostic System		
	Restricted Funds		138,000
bx.	Small Vein in Vivo Diagnostic System		
	Restricted Funds	197,000	
by.	Spectroflurometer		
	Restricted Funds		50,000
	Federal Funds		50,000
	Total	100,000	
bz.	Stress Echo System		
	Restricted Funds	127,000	
ca.	Surface Analysis Microscope System		
	Restricted Funds		200,000
	Federal Funds		200,000
	Total	400,000	
cb.	Trash Compactor		
	Restricted Funds	125,000	
cc.	Ultra High Vacuum Chamber		
	Other Funds	310,000	
cd.	Vascular Smooth Muscle Analyzer		
	Restricted Funds	144,000	

ce.	Video Diagnostic Analysis System			
	Restricted Funds		154,000	
cf.	White Blood Cell Velocity Measurement System			
	Restricted Funds		126,000	
cg.	X-Ray Deffractometer with Area Detector			
	Restricted Funds			225,000
	Federal Funds			225,000
	Total		450,000	
ch.	Array Processor/Parallel Processor			
	Restricted Funds			200,000
ci.	Broadcasting Facilities Equipment			
	Restricted Funds		250,000	
	Federal Funds		250,000	
	Total	500,000		
cj.	Client/Server System			
	Restricted Funds		200,000	200,000
ck.	Compressed Video Conferencing Room and Instructional Lab			
	Other Funds		446,000	
cl.	Computer File Server			
	Restricted Funds		220,000	220,000
cm.	Computer Processing System			
	Restricted Funds			3,000,000
cn.	Computer Workstations			
	Restricted Funds			500,000
co.	Dental Clinical Computer System			
	Restricted Funds		500,000	
cp.	Digital Communications Network			

	Restricted Funds		300,000	250,000
cq.	Disk Storage Sub-Systems			
	Restricted Funds		500,000	500,000
cr.	Electronic Medical Record			
	Restricted Funds		2,044,000	
cs.	Engineering/Scientific Processor			
	Restricted Funds		400,000	500,000
ct.	Expand Medical Information Technology Infrastructure			
	Restricted Funds		440,000	
cu.	Fiber Optic LAN/Computer-Based Instruction System			
	Restricted Funds		427,000	
cv.	Mid-Range Computer Systems			
	Restricted Funds		200,000	200,000
cw.	Molecular Dynamics Software and Computer Workstation			
	Restricted Funds		63,000	
	Federal Funds		62,000	
	Total	125,000		
cx.	Network Switching System			
	Restricted Funds		300,000	150,000
cy.	Satellite Uplink			
	Restricted Funds		140,000	
	Federal Funds		240,000	
	Total	380,000		
cz.	Telemarketing System			
	Restricted Funds		133,000	
da.	Theoretical Research Computer System			
	Restricted Funds		54,000	

		Other Funds		50,000
		Total	104,000	
12.	Western Kentucky University			
	a.	Americans with Disabilities Act Accessibility Projects		
		Restricted Funds		816,000
	b.	Academic Complex Roof Replacement		
		Restricted Funds		400,000
	c.	Agriculture Exposition Center HVAC Improvements Phase II		
		Restricted Funds		650,000
	d.	Air Conditioning for Academic - Athletic No. 1		
		Restricted Funds		1,700,000
	e.	Building Envelope/Exterior Door Deferred Maintenance Projects		
		Restricted Funds		444,000
	f.	Campus Energy Conservation		
		Other Funds		2,165,000
	g.	Cherry Hall Window Replacement		
		Restricted Funds		635,000
	h.	Chiller Conversion (R-12 to R-123)		
		Restricted Funds		569,000
	i.	Cooling Towers and Chiller Renovations		
		Restricted Funds		574,000
	j.	McLean Hall Renovation		
		Restricted Funds		3,444,000
	k.	E & G Buildings Interior Projects		
		Restricted Funds		487,000
	l.	E & G Life Safety: Deferred Maintenance Projects		
		Restricted Funds		522,000

m.	Electrical Deferred Maintenance Projects		
	Restricted Funds	764,000	
n.	Equine Science Teaching Facility		
	Restricted Funds (1997-98 - $205,000)		
o.	Grise Hall/Tate Page Roof Replacement		
	Restricted Funds	808,000	
p.	HVAC/Plumbing Deferred Maintenance Projects		
	Restricted Funds	544,000	
q.	Ivan Wilson Center Chillers Replacement		
	Restricted Funds	500,000	
r.	Campus Improvements		
	Restricted Funds	1,209,000	
s.	Life Safety Fire Alarm Improvements		
	Restricted Funds	476,000	
t.	Postsecondary Education Improvement Act of 1997 Facility		
	Bond Funds	18,500,000	
u.	Property Acquisition		
	Restricted Funds		370,000
v.	Public Radio and Television Transmission Tower		
	Restricted Funds		615,000
w.	Renovation of Craig Alumni Center		
	Restricted Funds		250,000
x.	Renovation of Former Science Library in TCCW		
	Restricted Funds	639,000	
y.	Renovation of Theatre 100 in Gordon Wilson Hall		
	Restricted Funds		450,000
z.	Repair/Replacement of Walks and Lots		

	Restricted Funds	746,000	
aa.	Roof Repair/Replacement - Deferred Maintenance Projects		
	Restricted Funds	877,000	
ab.	Thompson Complex North Wing HVAC		
	Restricted Funds	1,375,000	
ac.	University Farms Improvements		
	Restricted Funds	750,000	
ad.	WKU Primary Electrical Service (State II)		
	Restricted Funds	1,500,000	
ae.	Western Kentucky University Alumni Center		
	Other Funds	1,200,000	10,800,000
af.	Window Repair/Replacement		
	Restricted Funds	596,000	
ag.	Americans with Disabilities Act Accessible Shuttle Buses		
	Restricted Funds	330,000	
ah.	Confocal Microscope		
	Restricted Funds		110,000
ai.	Mass Spectrometer		
	Restricted Funds	126,000	
aj.	Administrative Computing System Upgrade/Replacement		
	Restricted Funds	2,100,000	
ak.	Computing Network Expansion and Upgrade		
	Restricted Funds	855,000	
al.	Satellite Uplink		
	Restricted Funds	426,000	
am.	Telephone Infrastructure Upgrade		
	Restricted Funds	750,000	

	an.	Video Server		
		Restricted Funds	801,000	

M. PUBLIC PROTECTION AND REGULATION CABINET

Budget Unit			1998-99	1999-00
1.	Department of Insurance			
	a.	Franklin County - Lease		
2.	Public Advocacy			
	a.	Franklin County - Lease		
3.	Public Service Commission			
	a.	Franklin County - Lease		
	b.	Public Service Commission Building		
		Bond Funds	1,100,000	

N. REVENUE

Budget Unit			1998-99	1999-00
1.	Office of the Secretary			
	a.	Technology Infrastructure Support		
		Investment Income	425,000	
	b.	Franklin County - Lease (100 Fair Oaks)		
	c.	Franklin County - Lease (200 Fair Oaks)		
	d.	Franklin County - Lease (Perimeter Park)		

O. TOURISM DEVELOPMENT CABINET

Budget Unit			1998-99	1999-00

The total non-General Fund project costs shown do not reflect additions to the operating budget appropriations.

1.	Kentucky State Fair Board			
	a.	Maintenance Pool		
		Investment Income	300,000	

		Restricted Funds		700,000	1,000,000
		Total	1,000,000	1,000,000	
	b.	Roof Replacement			
		Restricted Funds		800,000	800,000
	c.	Outdoor Horse Ring			
		Restricted Funds		800,000	
2.	Department of Fish and Wildlife Resources				
	a.	Land Acquisition			
		Restricted Funds		500,000	500,000
	b.	Maintenance Pool			
		Restricted Funds		200,000	200,000
3.	Kentucky Horse Park				
	a.	Additional Stalls			
		Investment Income - Additional		435,000	
	b.	Maintenance Pool			
		Investment Income		375,000	375,000
	c.	Capital Outlay			
		General Fund		100,000	
	d.	National Horse Center - Infrastructure Development			
		Capital Construction Surplus (1997-98 - $377,000)			
	e.	Primary Electric Line Renovation			
		Investment Income		747,000	
4.	Department of Parks				
	a.	Maintenance Pool			
		Investment Income		4,200,000	4,200,000
	b.	Capital Outlay			
		General Fund		2,000,000	

	c.	Technology - Capital Outlay		
		General Fund	244,000	
	d.	Dale Hollow Golf Course and Club House		
		Bond Funds	5,500,000	
5.	Breaks Interstate Park			
	a.	Additional Lodge Rooms		
		General Fund	1,350,000	

P. TRANSPORTATION CABINET

Budget Unit			1998-99	1999-00
1.	Department of Administrative Services			
	a.	Bowling Green District Office - Reauthorization/Modification ($1,400,000 - Road Fund)		
		Road Fund - Additional	2,263,000	
	b.	Building Renovation and Emergency Repairs - Reauthorization		
		Road Fund - Additional	500,000	500,000
	c.	Bullitt County Maintenance Facility		
		Road Fund		845,000
	d.	Heating, Ventilation, and Cooling Maintenance and Repair		
		Road Fund	200,000	200,000
	e.	Hopkins County Maintenance Facility		
		Road Fund		645,000
	f.	Hydraulic Hoists for Heavy Equipment - Reauthorization		
		Road Fund - Additional	50,000	100,000
	g.	Lewis County Maintenance Facility		

	Road Fund	708,000	
h.	Loadometer Station and Rest Area Maintenance and Repair		
	Road Fund	400,000	400,000
i.	Magoffin County Maintenance Facility - Reauthorization		
	Road Fund - Additional	458,000	
j.	Meade County Maintenance Facility - Reauthorization		
	Road Fund - Additional	233,000	
k.	Metcalfe County Maintenance Facility		
	Road Fund	745,000	
l.	Painting and Roof Replacement		
	Road Fund	400,000	400,000
m.	Paving and Landscaping		
	Road Fund	100,000	100,000
n.	Pikeville District Office Addition		
	Road Fund		424,000
o.	Road Maintenance/Various Parks - Reauthorization		
	Road Fund - Additional	1,250,000	1,000,000
p.	Road Resurfacing - Kentucky Horse Park		
	Road Fund	250,000	
q.	Transportation Cabinet Office Building - Reauthorization/Modification ($18,900,000 - Bond Funds)		
	Bond Funds - Additional	68,100,000	
r.	Various Environmental Site Investigations/Remediations -		

	Reauthorization		
	Road Fund - Additional		500,000
s.	Various Maintenance Facilities - Secondary Structures		
	Road Fund	250,000	250,000
t.	Various Salt Storage Structures and Repair		
	Road Fund	250,000	250,000
u.	Various Waste Water Treatment and Water Supply Projects - Reauthorization		
	Road Fund-Additional	75,000	75,000
v.	Chemical Testing Equipment		
	Road Fund	175,000	
w.	Highway Design Microfilm Equipment		
	Road Fund	148,000	
x.	Nuclear Density Gauges		
	Road Fund	40,000	35,000
y.	Printing Press		
	Road Fund		204,000
z.	Superpave Testing Equipment		
	Road Fund	200,000	
aa.	Weigh In Motion/Traffic Data Collection Equipment (WIM/TCD)		
	Road Fund	292,000	301,000
ab.	Digitized Drivers Licensing		
	Road Fund		900,000
ac.	Vehicle Titling and Registration System (KVIS) - Technology Trust Fund		
	Road Fund		1,714,000
ad.	Harlan County Salt Dome		
	Road Fund	65,000	

ae.	Pike County Maintenance Facility		
	Road Fund	250,000	

Q. WORKFORCE DEVELOPMENT CABINET

Budget Unit		1998-99	1999-00
1.	General Administration and Program Support		
a.	Maintenance Pool		
	Investment Income	250,000	250,000
2.	Vocational Rehabilitation		
a.	Franklin County - Lease		
3.	Department for the Blind		
a.	Franklin County - Lease		
4.	Office of Training and Reemployment		
a.	Franklin County - Lease		
5.	Department for Employment Services		
a.	Unemployment Insurance Imaging System		
	Federal Funds	736,000	1,010,000
b.	Unemployment Insurance Scanner		
	Federal Funds	981,000	
6.	Department for Technical Education		
a.	Network Connectivity/Vesis Upgrade		
	General Fund	2,100,000	

CAPITAL PROJECTS BUDGET PROVISIONS

FOR PART II, CAPITAL PROJECTS

1. All appropriations to existing line-item capital construction projects expire on June 30, 1998, unless reauthorized in this Act with the following exceptions: (1) a construction contract for the project shall have been awarded by June 30, 1998; (2)

permanent financing or a short-term line of credit sufficient to cover the total authorized project scope shall have been obtained in the case of projects authorized for bonds; (3) grant or loan agreements, if applicable, have been finalized and properly signed by all necessary parties. Notwithstanding the criteria set forth in this section, the disposition of 1996-98 appropriated major maintenance pools shall remain subject to the provisions of KRS 45.770(4)(c) and (d). Purchases of major items of equipment require reauthorization if a purchase order has not been executed by June 30, 1998.

2. Bond projects authorized for the first time in this section which have debt service supported by state General Fund appropriations are authorized in the first year of the biennium so that preliminary work on the projects may proceed. However, debt service has been included beginning in fiscal year 1999-2000. Therefore, the sale of any permanent bonds to finance these projects shall occur after January 1, 1999.

3. If any authorized capital construction or major equipment projects are canceled, any General Fund appropriated debt service for those same projects shall lapse to the credit of the General Fund.

4. Investment income earned from bond proceeds beyond that which is required to satisfy Internal Revenue Service arbitrage rebates and penalties may be used to pay debt service according to the Internal Revenue Service Code and accompanying regulations. Notwithstanding the provisions of KRS 48.720, KRS 48.010, or any section of this Act, the first $1,500,000 of any General Fund excess investment income in fiscal year 1998-99 and fiscal year 1999-2000, respectively, is credited to the General Fund if determined to be excess to the General Fund appropriation needed for the payment of debt service as a direct result of the application of investment income earned on bond proceeds to debt service payments. Any funds above this amount shall be credited to the Deferred Maintenance Pool Account each year. Unneeded debt service resulting due to any other circumstance shall lapse in accordance with KRS 48.720, KRS 48.010, and other provisions of this Act.

5. Investment income earned from funds credited to the Technology Trust Fund account in the Finance and Administration Cabinet shall accrue to the Capital Construction Investment Income account effective July 1, 1998.

6. The Council on Postsecondary Education subheading in this Part includes a project entitled "Agency Bond Pool." For the Agency Bond Pool, $35,000,000 in projects is authorized to be funded from Restricted Funds-supported bonds. This pool provides funding for individual projects to be recommended by the Council on Postsecondary Education to the Secretary of the Finance and Administration Cabinet from the project listings previously identified and recommended by the Council for funding in the 1998-2000 biennium. Also eligible for funding from this authorization is the McLean Hall Renovation project at Western Kentucky University.

The provisions of KRS 45.750 to 45.816 notwithstanding, capital construction projects at institutions of higher education involving no state or federal funds may be authorized between regular sessions of the General Assembly if the projects receive prior approval from both the Council on Postsecondary Education and the Secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee receives prior notification.

7. Before any economic development bonds are issued, the proposed bond issue shall be approved by the Secretary of the Finance and Administration Cabinet and the State Property and Buildings Commission under the provisions of KRS 56.440 to 56.590. In addition to the terms and conditions of KRS 154.12-100, administration of the Economic Development Bond program by the Secretary of the Cabinet for Economic Development is subject to the following guideline: project selection shall be documented when presented to the Secretary of the Finance and Administration Cabinet. Included in the documentation shall be the rationale for selection and expected economic development impact.

8. Inasmuch as the identification of specific projects in a variety of areas of the state government cannot be ascertained with absolute certainty at this time, amounts are appropriated for specific purposes to projects which are not individually identified in this Act in the following areas: Repair of State-Owned Dams, Land Acquisition, Purchase of Agricultural Conservation Easements (PACE), Economic Development projects, Infrastructure projects, Asbestos Abatement projects, Technology Trust Fund projects, systems, and initiatives authorized in Part X of this Act, and the Council on Postsecondary Education Agency Bond Pool. Any projects estimated to cost over $400,000 and equipment estimated to cost over $100,000 shall be reported to the Capital Projects and Bond Oversight Committee. All moneys transferred to the Finance and Administration Cabinet for capital construction from any appropriations, including income from investments, shall be expended, accounted for, and otherwise treated in the same manner as funds appropriated directly to the Finance and Administration Cabinet for capital construction. Notwithstanding any provision in this Act, the first $1,500,000 available from invested income shall be credited to the General Fund.

9. If any authorized capital construction project is constructed within the city limits of Frankfort, funding for the project shall include an amount sufficient to meet fifty percent (50%) of the cost of correcting any drainage problems in the area surrounding the capital construction project.

PART III

GENERAL PROVISIONS

1. Restricted Funds designated in the biennial budget bills are classified in the state financial records and reports as the Agency Revenue Funds, State Enterprise Funds (State Parks, State Fair Board, Industries for the Blind, Insurance Administration, and Kentucky Horse Park), Internal Services Funds (Computer Services, Central Stores, Telecommunications, Prison Industries, Central Printing, Risk Management and Property Management) and selected Fiduciary Funds (Unemployment Compensation and Other

Expendable Trust). Separate funds records and reports shall be maintained in a manner consistent with the branch budget bills.

The sources of Restricted Funds appropriations in this Act shall include all fees (which include fees for board and room, athletics, and student activities) and rentals, admittances, sales, bond proceeds, licenses collected by law, gifts, subventions, contributions, income from investments, and other miscellaneous receipts produced or received by a budget unit, except as otherwise specifically provided, for the purposes, use and benefit of the budget unit as authorized by law. Restricted Funds receipts shall be credited and allotted to the respective fund or account out of which a specified appropriation is made in this Act. All receipts of Restricted Funds shall be deposited in the State Treasury and credited to the proper account as provided in KRS Chapters 12, 42, 45, and 48.

The sources of Federal Funds appropriations in this Act shall include federal subventions, grants, contracts or other Federal Funds received, income from investments and other miscellaneous federal receipts received by a budget unit, except as otherwise provided, for the purposes, use, and benefit of the budget unit as authorized by law. Federal Funds receipts shall be credited and allotted to the respective fund account out of which a specified appropriation is made in this Act. All Federal Funds receipts shall be deposited in the State Treasury and credited to the proper account as provided in KRS Chapters 12, 42, 45, and 48.

2. If receipts received or credited to the Restricted Funds accounts or Federal Funds accounts of a budget unit during fiscal year 1998-99 or fiscal year 1999-2000, and any balance forwarded to the credit of these same accounts from the previous fiscal year, exceed the appropriation made by specific sum for these accounts of the budget unit as provided in Part I, Operating Budget, of this Act for the fiscal year in which the excess occurs, the excess funds in the accounts of the budget unit shall become available for expenditure for the purpose of the account during the fiscal year only upon compliance

with the conditions and procedures specified in KRS 48.400 to 48.800 and this Act, and with the authorization of the State Budget Director of the Governor's Office for Policy and Management and approval of the Secretary of the Finance and Administration Cabinet.

3. Except as otherwise provided in KRS 48.630(9) and (10) and in this Act, a budget unit may requisition for expenditure from its Restricted Funds accounts or Federal Funds accounts, through the Finance and Administration Cabinet, during the fiscal year ending June 30, 1999, and during the fiscal year ending June 30, 2000, all receipts placed to the credit of its funds accounts in each respective year, in addition to any balance which the budget unit may have had forwarded from the preceding year on or before August 31, of the then current fiscal year, by the Finance and Administration Cabinet.

On or before the beginning of each fiscal year, and, if applicable, during each fiscal year, each budget unit shall document and submit to the Finance and Administration Cabinet, the Governor's Office for Policy and Management, and the Legislative Research Commission a record of Restricted Funds and Federal Funds for each budget unit showing the most current estimates of receipts by sources and expenditures by uses, a comparative statement of any revised estimated receipts and proposed expenditures with appropriation sums specified in the enacted Budget of the Commonwealth, and statements which explain the cause, source, and use for a variance which may exist.

Each budget unit shall submit its reports in print and electronic format consistent with the Restricted Funds and Federal Funds records contained in the FB 1998-2000 Branch Budget Request Manual and according to the following schedule in each fiscal year: (1) on or before the beginning of each fiscal year; (2) on or before October 1; (3) on or before January 1; and (4) on or before April 1.

4. Funds appropriated in this Act shall not be expended for any purpose not specifically authorized by the General Assembly in this Act nor shall funds appropriated in this Act be transferred to or between any cabinet, department, board, commission,

institution, agency, or budget unit of state government unless specifically authorized by the General Assembly in this Act and the provisions of KRS 48.400 to 48.800. Compliance with the provisions of this subsection shall be reviewed and determined by the Interim Joint Committee on Appropriations and Revenue.

5. No state agency, cabinet, department, office, or program shall incur any obligation against the General Fund or Road Fund appropriations contained in this Act unless the obligation may be reasonably determined to have been contemplated in the enacted budget and is based upon supporting documentation considered by the General Assembly, legislative and executive records, and the statutory budget memorandum.

6. Any General Fund or Road Fund appropriation made in anticipation of a lack, loss, or reduction of Federal Funds shall lapse to the General Fund or Road Fund Surplus Account respectively to the extent the Federal Funds otherwise become available.

7. A state agency entitled to Federal Funds which would represent one hundred percent (100%) of the cost of a program shall conform to KRS 48.730.

8. Pursuant to KRS 48.720, any excess General Fund or Road Fund debt service shall lapse to the respective surplus account.

9. No appropriation from any fund source shall exceed the sum specified in this Act until the agency has documented the necessity, purpose, use, and source, and the documentation has been submitted to the Interim Joint Committee on Appropriations and Revenue for its review and action in accordance with KRS 48.630. Proposed revisions to an appropriation contained in the enacted State/Executive Budget or allotment of an unbudgeted appropriation shall conform to the conditions and procedures of KRS 48.630 and this Act.

Notwithstanding KRS 48.630(3), (4), and (5), any proposed and recommended actions to increase appropriations for funds specified in Section 3 of this Part shall be scheduled consistent with the timetable contained in that section in order to provide continuous and timely budget information.

10. Allotments within appropriated sums for the activities and purposes contained in the enacted State/Executive Budget shall conform to KRS 48.610 and may be revised pursuant to KRS 48.605 and this Act.

11. All statutory continuing appropriations in existence at the time this Act takes effect are discontinued and suspended by this Act except as provided by Chapters 42, 96A, 164, 183, 278, and 441 of the Kentucky Revised Statutes. All statutes and portions of statutes in conflict with any of the provisions of this Section, to the extent of the conflict, are suspended, unless otherwise provided by this Act.

12. Except as otherwise explicitly authorized by this Act, nothing in this Act shall be construed to repeal any appropriation made herebefore or hereafter for the fiscal year ending June 30, 1998, and nothing in this Act is to be construed as amending or altering the provisions of Chapters 42, 45, and 48 of the Kentucky Revised Statutes pertaining to the duties and powers of the Secretary of the Finance and Administration Cabinet except as otherwise provided in this Act.

13. All questions that arise in interpreting any appropriation in this Act as to the purpose or manner for which the appropriation may be expended shall be decided by the Secretary of the Finance and Administration Cabinet pursuant to KRS 48.500, and the decision of the Secretary of the Finance and Administration Cabinet shall be final and conclusive.

14. The Secretary of the Finance and Administration Cabinet shall cause the Governor's Office for Policy and Management, within sixty (60) days upon adjournment of the 1998 Regular Session of the General Assembly, to publish a final enacted budget document, styled the Budget of the Commonwealth, based upon the recommended State/Executive Budget, Judicial Budget and Legislative Budget as enacted by the 1998 Regular Session of the General Assembly as well as other Acts which contain appropriation provisions for the 1998-2000 biennium, and based upon supporting documentation and legislative records as considered by the 1998 Regular Session of the

General Assembly and the statutory budget memorandum. This document shall include for each agency and budget unit a consolidated budget summary statement of available regular and continuing appropriated revenue by fund source, corresponding appropriation allocations by program or subprogram as appropriate, budget expenditures by principal budget class and for the State/Executive Budget, any other fiscal data and commentary considered necessary for budget execution by the Governor's Office for Policy and Management and oversight by the Interim Joint Committee on Appropriations and Revenue. The enacted State/Executive Budget shall be revised or adjusted only upon approval by the Governor's Office for Policy and Management as provided in each part of this Act and by KRS 48.400 to 48.800, and upon review and action by the Interim Joint Committee on Appropriations and Revenue.

15. Pursuant to KRS 48.400, the Secretary of the Finance and Administration Cabinet shall monitor and report on the financial condition of the Commonwealth.

16. The Secretary of the Finance and Administration Cabinet is authorized to establish a system or formula or a combination of both for prorating the administrative costs of the Finance and Administration Cabinet, the Department of Treasury, and the Office of the Attorney General relative to the administration of programs in which there is joint participation by the state and federal governments for the purpose of receiving the maximum amount of participation permitted under the appropriate federal laws and regulations governing the programs. The receipts and allotments under this section shall be reported to the Interim Joint Committee on Appropriations and Revenue prior to any transfer of funds.

17. The Secretary of the Transportation Cabinet shall use Road Fund resources to meet the lease rental payments to the Kentucky Turnpike Authority for Resource Recovery Road projects in the amount certified by the Secretary of the Transportation Cabinet. However, if Road Fund resources are not sufficient to meet lease rental payments, the additional amount required for meeting lease rental payments as certified

by the Secretary of the Transportation Cabinet under KRS 143.090 shall be transferred from coal severance tax receipts to meet the obligation.

18. Nothing in this Act shall be construed to confirm or ratify, under KRS 12.027 or 12.028, any executive reorganization order unless the executive order was confirmed or ratified by appropriate amendment to the Kentucky Revised Statutes in another Act of the 1998 Regular Session of the General Assembly. If any executive reorganization order issued from sine die adjournment of the 1996 Regular Session to sine die adjournment of the 1998 Regular Session is not confirmed by the 1998 Regular Session of the General Assembly, the Secretary of the Finance and Administration Cabinet shall, in consultation with agency heads and with notification to the Legislative Research Commission, transfer the balance of funds for any affected program or function for fiscal year 1997-98 and any related appropriations and funds for each of the next two fiscal years from the budget unit in which the program or function was placed by the executive reorganization order to the budget unit in which the program or function resided prior to the reorganization action or in which it was placed by action of the 1998 Regular Session of the General Assembly. The Legislative Research Commission shall forward the documentation to the appropriate committees.

19. Notwithstanding KRS 48.705(2), there shall be no General Fund surplus revenue receipts or unexpended balances of appropriations deposited in the budget reserve trust fund account for fiscal year 1998-99 or fiscal year 1999-2000 except as otherwise provided in this Act. Existing funds in the account in an amount specified in this Act may be used as provided otherwise in this Act or as designated in Part VI, General Fund Budget Reduction Plan, if General Fund receipts during fiscal year 1998-99 or fiscal year 1999-2000 are not sufficient to meet the level of General Fund appropriations included in biennial budget bills or any enactment by the 1998 General Assembly which contains an appropriation provision.

20. Notwithstanding KRS 61.565, the employer contribution rate for the Kentucky Employees Retirement System from July 1, 1998, through June 30, 2000, shall be no more than 8.03 percent for nonhazardous duty employees and 18.66 percent for hazardous duty employees; for the same period, the employer contribution for employees of the State Police Retirement System shall be no more than 23.41 percent.

21. By August 15, 1999, the Finance and Administration Cabinet, in conjunction with the Consensus Forecast Group, shall provide to each branch of government, pursuant to KRS 48.117, a budget planning report.

22. By October 15, 1999, the Finance and Administration Cabinet shall provide to each branch of government detailed estimates for the General Fund and Road Fund for the current and next two fiscal years of the revenue loss effected by tax expenditures. The Revenue Cabinet shall provide assistance and furnish data which is not restricted by KRS 131.190. "Tax expenditure" means an exemption, exclusion, or deduction from the base of a tax, a credit against the tax, a deferral of a tax, or a preferential tax rate. The estimates shall include for each tax expenditure the amount of revenue loss, a citation of the legal authority for the tax expenditure, the year in which it was enacted, and the tax year in which it became effective.

23. Any appropriation item and sum in this Act and in an appropriation provision in another act of the 1998 Regular Session which constitute a duplicate appropriation shall be governed by KRS 48.312.

24. KRS 48.313 shall control when a total or subtotal figure in this Act conflicts with the sum of the appropriations of which it consists.

25. Appropriation items and sums in this Act conform to KRS 48.311. If any section, any subsection, or any provision is found by a court of competent jurisdiction in a final, unappealable order to be invalid or unconstitutional, the decision of the courts shall not affect or impair any of the remaining sections, subsections, or provisions.

26. It is the intent of the General Assembly that the Executive Branch implement actions necessary to achieve cost savings as intended, authorized, and directed by 1996 Kentucky Acts, Chapter 380, Part X, by authorizing the Executive Branch, within the limitations provided for in this Act, to transfer General Fund appropriation amounts related to Technology Trust Fund savings from one budget unit to another budget unit solely within the Cabinets for Families and Children, Finance and Administration, Health Services, Justice, Natural Resources and Environmental Protection, Workforce Development, and the Department of Education. Any transfer of General Fund appropriation amounts related to Technology Trust Fund savings from one budget unit to another budget unit shall be made only within each specified Cabinet and the Department of Education and shall be limited to the General Fund cost savings amounts identified in the 1998-2000 Executive Branch budget recommendation and executive records. The Secretary of any of the specified cabinets and the Commissioner of the Department of Education may submit requests to the State Budget Director of the Governor's Office for Policy and Management for the transfer of General Fund appropriation authority. Such requests shall specify the need for the transfer of General Fund appropriation authority and the manner in which such a transfer would better achieve the General Fund cost savings. Any transfers made under this provision for any of the cabinets identified above or the Department of Education shall result in no change to the total value of the General Fund cost savings amounts as identified in the 1998-2000 Executive Branch budget recommendation and executive records for the individual cabinets specified above or the Department of Education. Any transfer made under this provision shall be made pursuant to KRS 48.500 and shall be reported, in writing, to the Interim Joint Committee on Appropriations and Revenue.

27. It is the intent of the General Assembly that the Secretary of the Finance and Administration Cabinet, the Secretary of the Governor's Executive Cabinet, and the State Budget Director of the Governor's Office for Policy and Management shall implement

actions for the Executive Branch necessary to achieve the General Fund cost savings intended and authorized by the 1996 Kentucky Acts, Chapter 380, Part X. The General Assembly hereby recognizes and ratifies the actions of the Secretary of the Finance and Administration Cabinet, upon recommendation of the State Budget Director of the Governor's Office for Policy and Management, revising the General Fund allotment schedule for fiscal year 1997-98 for purposes of making unavailable for expenditure General Fund allotments equal in value to the General Fund cost savings amounts identified in the 1998-2000 Executive Branch budget recommendation and executive records.

28. For fiscal year 1998-99 and fiscal year 1999-00, the first $6,000,000 of any unclaimed prize money held in the corporate operating account of the Kentucky Lottery Corporation shall be added to the pool from which future prizes are to be awarded or used for special prize promotions, and any amount in excess of $6,000,000 shall be transferred to the affordable housing trust fund established by KRS 198A.710.

29. There is created in the State Treasury a tobacco settlement account to be credited with any funds received from a national settlement agreement between the tobacco industry and the Attorney General or any federal legislation related to the agreement. Any funds from the settlement agreement or related federal legislation shall not be expended until appropriated by the General Assembly. The General Assembly's highest priority for distributing any funds from this account shall be for tobacco farmers and tobacco-impacted communities and health-related areas.

30. Notwithstanding the provisions in Parts I, II, IX, or X of this Act, the amount from the undesignated fiscal year 1998-99 General Fund balance (General Fund Surplus Account, KRS 48.700) that is carried forward to fiscal year 1999-2000 for budgeted purposes shall be specified in the statutory budget memorandum. This amount may be adjusted in accordance with KRS 48.120(3).

31. Notwithstanding the amendment to KRS 142.311 contained in 1998 House Bill 315, the dispensing or delivering of outpatient prescription drugs in this state shall be taxed at the rate of fifteen cents ($0.15) per prescription for which any initial payment is received after June 30, 1999.

32. Notwithstanding the amendment to KRS 141.010 contained in 1998 House Bill 315, there shall be excluded from adjusted gross income for taxable years beginning after December 31, 1998, to the extent not already excluded from gross income, seventy percent (70%) of any amounts paid for health insurance which constitutes medical care coverage for the taxpayer, the taxpayer's spouse, and dependents for the taxable year.

33. Notwithstanding KRS 134.580, no taxpayer shall be refunded or credited for any overpayment of tax collected under KRS Chapter 141 to the extent the overpayment is attributable to the filing of a consolidated, combined, or unitary business return for any taxable year ending before December 31, 1995 if the refund claim or any amended refund claim is filed after December 22, 1994.

34. Notwithstanding Section 1 of 1998 Kentucky Acts Chapter 106 (Senate Bill 63), all health benefit plans shall provide coverage, including therapeutic, respite, and rehabilitative care, for the treatment of autism of a child covered under the policy.

35. Notwithstanding any provision of the Kentucky Revised Statutes to the contrary, to the extent that any governmental agency purchases motor vehicle liability insurance, sovereign immunity shall be waived to the extent of the insurance coverage.

36. For purposes of administering the tax and revenue statutes of the Commonwealth upon which appropriations in this Act are based, the definition of "adjusted gross income" set forth in KRS 141.010(10) shall be modified and adjusted to exclude any capital gains income attributable to property taken by eminent domain.

37. The Secretary of the Finance and Administration Cabinet and the State Budget Director of the Governor’s Office for Policy and Management shall implement actions for the Executive Branch necessary to achieve the General Fund debt service cost savings

for fiscal year 1999-2000 authorized in this Act, and based upon legislative and executive records and the statutory budget memorandum. Actions taken under this provision shall be made pursuant to KRS 48.500, and a record of the actual debt service savings accomplished pursuant to this section shall be reported in writing to the Interim Joint Committee on Appropriations and Revenue.

PART IV

STATE SALARY/COMPENSATION AND EMPLOYMENT POLICY

1. Notwithstanding KRS 18A.010(2), for the 1998-2000 fiscal biennium, the total number of filled permanent positions in the agencies of the Executive Branch is limited to the number authorized in the enacted State/Executive Budget of the Commonwealth for the 1998-2000 fiscal biennium. The provisions of this section do not apply to the employees of the General Assembly, the Legislative Research Commission, or the Court of Justice.

2. On July 1, 1998, the Personnel Cabinet shall establish a record of budgeted permanent and other equivalent positions based upon the enacted State/Executive Budget of the Commonwealth and any adjustments authorized by provisions in this Act. The total number of filled and vacant positions of permanent and other equivalent employees shall not exceed the authorized complements pursuant to this section. When an agency head certifies that an emergency employment situation exists for a limited time within a fiscal year, the State Budget Director may approve, and the Secretary of Personnel may authorize, the employment of individuals in addition to the authorized complement for the duration of the limited time period so authorized within the fiscal year. A copy of records, certifications, and actions authorized in this section shall be provided to the Interim Joint Committee on Appropriations and Revenue on a monthly basis.

3. Pursuant to KRS 18A.355, an increment of five percent (5%) is provided in both fiscal year 1998-99 and fiscal year 1999-2000 on the base salary or wages of each eligible state employee on his anniversary date.

PART V

FUNDS TRANSFER

1. It is the finding of the General Assembly of the Commonwealth of Kentucky that the financial condition of state government requires the following action.

2. Notwithstanding the requirements of the statutes set forth below, there is transferred from the Restricted Funds enumerated below to the General Fund the following amounts in fiscal year 1998-99 and fiscal year 1999-2000.

		1998-99	1999-00
1.	Fire and Tornado Insurance Fund (KRS 56.095; 56.150; 56.180)	3,000,000	3,000,000
2.	Insurance Premium Surcharge (KRS 136.392)		2,500,000
3.	Charitable Gaming Regulatory Account (KRS 238.570)	2,000,000	2,000,000
4.	Bond Repayments (1996 Ky. Acts ch. 380)	2,000,000	2,000,000
5.	Investment Income (KRS 42.500 (12))	3,000,000	3,000,000
6.	Department of Financial Institutions (KRS 287.485)	2,500,000	2,500,000
7.	Asbestos Litigation Recoveries Fund Finance and Administration Cabinet	2,350,000	
	Total	14,850,000	15,000,000

Surplus Restricted Funds in the Asbestos Litigation Recoveries Fund (Account Number 14-39-750-AVOO) shall be transferred to the General Fund from the General Administration budget unit of the Finance and Administration Cabinet in fiscal year 1998-99.

PART VI

GENERAL FUND BUDGET REDUCTION PLAN

Pursuant to KRS 48.130 and 48.600, a General Fund Budget Reduction Plan is enacted for state government in the event of an actual or projected deficit in estimated General Fund revenue receipts of $6,169,065,000 in fiscal year 1998-99 and $6,469,702,000 in fiscal year 1999-2000 as modified by related Acts and actions of the General Assembly in an extraordinary or regular session. Direct services, obligations essential to the minimum level of constitutional functions, and other items that may be specified in this Act, are exempt from the requirements of this Plan. No budget revision action shall be taken by a branch head in excess of the actual or projected deficit.

The Governor, the Chief Justice, and the Legislative Research Commission shall direct and implement reductions in allotments and appropriations only for their respective branch budget units as may be necessary as well as take other measures which shall be consistent with the provisions of this Part and general branch budget bills.

In the event of a revenue shortfall under the provisions of KRS 48.120, General Fund budget reduction actions shall be implemented in the following sequence:

(1) The Local Government Economic Assistance and the Local Government Economic Development Funds shall be adjusted by the Secretary of the Finance and Administration Cabinet to equal revised estimates of receipts pursuant to KRS 42.4582 as modified by the provisions of this Act.

(2) Unappropriated funds available in the General Fund Surplus Account established in KRS 48.700 shall be applied toward the revenue shortfall.

(3) Transfers of excess unappropriated and unbudgeted Restricted Funds other than fiduciary funds shall be applied as determined by the head of each branch for its respective budget units.

(4) Excess General Fund appropriations derived from reduced debt service requirements pursuant to the provisions in this Act.

(5) Excess General Fund appropriations which accrue as a result of personnel vacancies and turnover, and reduced requirements for operating expenses, grants, and capital outlay shall be determined and applied by the heads of the executive, judicial, and legislative departments of state government for their respective branches. The branch heads shall certify the available amounts which shall be applied to budget units within the respective branches and shall promptly transmit the certification to the Secretary of the Finance and Administration Cabinet and the Legislative Research Commission. The Secretary of the Finance and Administration Cabinet shall execute the certified actions as transmitted by the branch heads.

Branch heads shall take care, by their respective actions, to protect, preserve, and advance the fundamental health, safety, legal and social welfare, and educational well-being of the citizens of the Commonwealth.

(6) Funds available in the Budget Reserve Trust Fund shall be applied in an amount not to exceed twenty-five percent (25%) of the trust fund balance in fiscal year 1998-99 and fifty percent (50%) of the trust fund balance in fiscal year 1999-2000.

(7) If the actions contained in subsections (1) through (6) of this section are insufficient to eliminate the revenue shortfall up to five percent (5%) of the enacted General Fund revenue receipts, then the Governor is empowered and directed to take necessary actions with respect to the Executive Branch budget units to balance the budget by such actions conforming with the criteria expressed in the preceding subsection and subject to the limit imposed under KRS 48.130 and 48.600.

PART VII

ROAD FUND BUDGET REDUCTION PLAN

Pursuant to KRS 48.130, there is established a Road Fund Budget Reduction Plan for fiscal year 1998-99 and fiscal year 1999-2000. In the event of an actual or projected deficit in Road Fund revenue receipts of five percent (5%) or less than the revenue estimates of $1,021,407,900 in fiscal year 1998-99 and $1,062,707,300 in fiscal year

1999-2000 as determined under KRS 48.120(3), the Governor shall implement sufficient reductions as may be required to protect the highest possible level of service in accordance with KRS 48.130. No budget revision action shall be taken in excess of the actual or projected deficit.

PART VIII

ROAD FUND SURPLUS EXPENDITURE PLAN

Notwithstanding KRS 48.140 and pursuant to KRS 48.710, there is established a plan of expenditures from the Road Fund Surplus Account in excess of $9,709,800 in fiscal year 1997-98 and $10,659,700 in fiscal year 1998-99 as provided in the enacted Road Fund budget. All moneys in the Road Fund Surplus Account shall be deposited in the State Construction Account and utilized to support projects in the 1998-2000 Biennial Highway Construction Program.

PART IX

SPECIAL PROVISIONS

GOVERNMENT OPERATION

1. ATTORNEY GENERAL

a. Legal Services Contracts: The Attorney General shall present proposals to state agencies specifying legal work that is presently accomplished through Personal Service Contracts that indicate the Office of the Attorney General's capacity to perform the work at a lesser cost. State agencies shall agree to make arrangements with the Attorney General to perform the legal work and compensate the Attorney General for the legal services. Immediately upon the time of the agreement, twenty-five percent (25%) of the estimated total cost of the agreed cost of legal services shall be credited to a restricted fund account out of which expenditures may be made. Over the balance of the terms of the agreement, quarterly installments shall be credited to the account. The final quarterly payment shall be made within thirty (30) days of the completion of the legal agreement. A copy of the legal services agreement and financial terms shall be provided to the

Finance and Administration Cabinet. The Finance and Administration Cabinet shall execute the financial arrangements as provided under this section, notwithstanding any other provision of the Kentucky Revised Statutes. State agencies shall submit any proposals for legal services to the Office of the Attorney General to determine if the legal services can be performed by the Attorney General.

If the Attorney General determines that the provisions in this section require additional staff positions, the Personnel Cabinet and the Governor's Office of Policy and Management shall take timely action to enable the Attorney General to recruit and employ the personnel the Attorney General has determined as necessary. Actions taken under the terms of this section shall be reviewed by the Interim Joint Committee on Appropriations and Revenue as provided in this Act.

b. Deputy and Assistant Attorneys General Salaries: Notwithstanding KRS 15.100, the Attorney General may set the salary for the deputy attorney general and the salary for the two (2) assistant deputy attorneys general at a rate less than that required in KRS 15.100.

c. Health Care Rate Intervention: In addition to such funds as may be appropriated, this Office may request from the Finance and Administration Cabinet, as a necessary government expense, such funds as may be necessary for expert witnesses pursuant to KRS 304.17A-095. The Department of Insurance shall provide the Office of the Attorney General any available information to assist in the preparation of a rate hearing pursuant to KRS 304.17A-095.

d. Tobacco Rebate Program: Any fund balance in the Tobacco Rebate Account maintained by the Office of the Attorney General, as of June 30, 1998, shall be expended pursuant to Administrative Order 97-4. At least 30% of the fund balance shall be for agricultural equipment to address labor market shortage areas.

e. Asbestos Litigation Reimbursement: This Office shall request from the Governor's Office for Policy and Management and the Finance and Administration

Cabinet reimbursement for actual administrative costs related to Asbestos Litigation Recovery. Reimbursement shall not exceed $20,000 for fiscal year 1997-98 and a total of $98,500 for fiscal biennium 1998-2000. Reimbursement is contingent on receipt and deposit of recoveries to the State Treasury after April 15, 1998, sufficient to fund such costs. Any asbestos litigation funds received in excess of the amounts specified above, up to a maximum of $145,000 in fiscal year 1998-99 and $145,000 in fiscal year 1999-2000, shall be transferred to the Unified Prosecutorial System for prosecutorial training subject to procedures and conditions contained in Part III.

f. Annual and Sick Leave Service Credit: Notwithstanding any statutory or regulatory restrictions to the contrary, any former employee of the Unified Prosecutorial System who has been appointed to a permanent full time position under KRS Chapter 18A shall be credited annual and sick leave based on service credited under the Kentucky Retirement System. This provision shall only apply to any new appointment or current employee as of July 1, 1998.

2. AUDITOR OF PUBLIC ACCOUNTS

a. State Agencies Audit Services Contracts: No state agency shall enter into any contract with a nongovernmental entity for an audit unless the Auditor of Public Accounts has declined in writing to perform the audit or has failed to respond within thirty (30) days of receipt of a written request. The agency requesting the audit shall furnish the Auditor of Public Accounts a comprehensive statement of the scope and nature of the proposed audit.

b. Audit Records and Status Reports: The Auditor of Public Accounts shall report in writing each sixty (60) days to the Interim Joint Committee on Appropriations and Revenue the progress of all state audits, together with copies of all completed audits. The auditor shall maintain a record of all time and expenses for each audit or investigation.

c. Charges for Federal, State, and Local Audits: Any additional expense incurred by the Auditor of Public Accounts for auditing Federal Funds, when the audits are mandated by a cognizant federal audit agency, shall be charged to the audited agency when the costs may be charged against Federal Funds. The Auditor of Public Accounts is authorized to increase the audit fees for conducting county audits if additional revenues are needed to continue the operation of the office. The Auditor shall maintain a record of all costs and expenditures associated with this provision.

Each quarter, the Auditor of Public Accounts shall notify the Finance and Administration Cabinet concerning the collection status of the fees charged for county audits. If a county government is delinquent in its payment to the Auditor of Public Accounts, the Finance and Administration Cabinet shall withhold any moneys due that county government for the term of one hundred twenty (120) days or until the Auditor of Public Accounts has received full payment from the county. The Auditor of Public Accounts is authorized to increase the audit fees for conducting county audits if additional revenues are needed to continue the operations of the office.

The "Single Audit Act of 1984" (OMB Circular No. A-128) has changed the method by which federal moneys to state agencies are audited. As a result of this federal change, the Auditor of Public Accounts is budgeted to receive additional agency receipts which shall be allotted by the Governor's Office for Policy and Management for programs authorized in the enacted budget for the Auditor of Public Accounts by the 1998 General Assembly, subject to the conditions and procedures provided in this Act.

Any additional expenses incurred by the Auditor of Public Accounts for auditing a state agency upon its request, or when the audit is not required by those standards governing the audit of the Commonwealth's Comprehensive Financial Report, or the provisions contained in the "Single Audit Act of 1984," shall be charged to the agency requesting the audit.

Any expense incurred by the Auditor of Public Accounts for auditing individual governmental entities shall be charged to the agency receiving audit services when expenses are mutually agreed upon.

d. EMPOWER Kentucky Audit Expenses: The Auditor of Public Accounts shall charge for any consultation, training, and technology upgrade expenses incurred because of EMPOWER Kentucky and shall be paid by the client agencies.

3. DEPARTMENT OF AGRICULTURE

a. Kentucky Farm Winery Corporation: The Kentucky Farm Winery Corporation shall be attached to the Department of Agriculture for administrative purposes. The Department shall include $50,000 each year from the Marketing Initiative program for a viticulturist position at Murray State University.

b. Breathitt Veterinary Center: Included in the General Fund appropriation is $456,300 in fiscal year 1998-99 and $456,300 in fiscal year 1999-2000 for the Breathitt Veterinary Center. Notwithstanding KRS 48.130 and 48.600, there shall be no reduction in funding.

4. PERSONNEL BOARD

a. Administrative Hearings Notice: Notwithstanding KRS 13B.050(2), the Personnel Board shall send notices of administrative hearings by first-class mail.

5. LOCAL GOVERNMENT

a. Flood Control Matching Fund Project Review: The Department for Local Government shall transmit a copy of the application for a flood-related project to be funded from the flood control matching fund to the Natural Resources and Environmental Protection Cabinet with a request for a review of the project pursuant to KRS Chapter 151.

6. KENTUCKY VETERANS' CENTER

a. Weekend and Holiday Premium Pay Incentive: The Kentucky Veterans' Center is authorized to continue the weekend and holiday premium pay incentive component of the Personnel Pilot Program for the fiscal biennium 1998-2000.

b. Operating Funds for Veterans' Nursing Home Projects: The Secretary of the Finance and Administration Cabinet is authorized to make available from the identified and certified lapse of General Fund appropriations in fiscal year 1999-2000 the necessary operating funds for the Veterans' Nursing Home - East Kentucky (Priority #1) and the Veterans' Nursing Home - West Kentucky (Priority #2). Prior to any action, the Secretary shall report to the Interim Joint Committee on Appropriations and Revenue.

ECONOMIC DEVELOPMENT

7. OFFICE OF THE SECRETARY

a. East and West Kentucky Corporations' and Regional Offices' Strategic Plan: The East and West Kentucky Corporations shall each submit an annual plan to the Interim Joint Committee for Appropriations and Revenue and to the Cabinet for Economic Development defining and outlining their respective roles and responsibilities as they relate to, but do not duplicate, the programs of the Cabinet for Economic Development. The Cabinet for Economic Development shall provide to the Interim Joint Committee for Appropriations and Revenue an annual plan for the Regional Offices defining and outlining their efforts toward maximizing return on investments and reducing duplicative efforts with other regional development groups.

b. Regional Industrial Park Program Reports: The Cabinet shall provide a progress report of the Regional Industrial Park Program to the Legislative Research Commission for referral to the appropriate committees by December first of each fiscal year.

8. FINANCIAL INCENTIVES

a. Bluegrass State Skills Corporation: If legislation is enacted by the General Assembly to utilize training investment credits for workforce training, the Bluegrass State

Skills Corporation shall submit quarterly progress reports of this program to the Legislative Research Commission for referral to appropriate committees.

b. Kentucky Woods Product Competitiveness Corporation Reports: Notwithstanding KRS 154.47-035, beginning on or before January 15, 1999, and every year thereafter, the Kentucky Woods Product Competitiveness Corporation shall submit a written status report on its projects and activities to the Legislative Research Commission for referral to the appropriate committees. The annual report shall also include the amount of expenditure by activity within each county and the number of employees and relative salaries within the Corporation.

9. COMMUNITY DEVELOPMENT

a. Regional Offices: The Regional Offices shall submit quarterly program and status reports to the Legislative Research Commission for referral to the appropriate committees.

b. Flexible Manufacturing Network Program Reports: The Cabinet shall continue to provide quarterly program and financial status reports of the Flexible Manufacturing Network program to the Legislative Research Commission for referral to the appropriate committees.

DEPARTMENT OF EDUCATION

10. SUPPORT EDUCATION EXCELLENCE IN KENTUCKY (SEEK) PROGRAM

a. Allocation of Support Education Excellence in Kentucky Funds: The General Fund appropriations to the base Support Education Excellence in Kentucky (SEEK) program are intended to provide a base guarantee of $2,839 per student in average daily attendance in fiscal year 1998-99 and $2,924 per student in average daily attendance in fiscal year 1999-2000 as well as to meet the other requirements of KRS 157.360, notwithstanding KRS 157.360(2)(c). Excess funds that exist after the SEEK base has been fully funded shall be reallocated as follows: forty percent (40%) to adjustment factors where funds are insufficient to fully fund the adjustment factor, and sixty percent (60%) on a pro rata average daily attendance (ADA) basis to those districts that provide a full day program for entry level students. Any transfer shall require approval of the Governor upon the written recommendation of the Secretary of the Finance and Administration Cabinet and the written request of the Commissioner of Education.

If amounts appropriated for the state's assessment program are insufficient to meet the costs of the testing program, funds may be transferred from the pupil transportation component of the Support Education Excellence in Kentucky (SEEK) Program; however, the total amount expended for the testing program shall not exceed $8,100,000 in each fiscal year.

Funds appropriated to the Support Education Excellence in Kentucky program shall be allotted to school districts in accordance with KRS 157.310 to 157.440, except that the total of the funds allotted shall not exceed the appropriations for this purpose except as provided in this Act. The total appropriation for the Support Education Excellence in Kentucky (SEEK) program shall be measured by, or construed as, estimates of the state expenditures required by KRS 157.310 to 157.440. If the required expenditures exceed these estimates, the Secretary of the Finance and Administration Cabinet, upon the written request of the Commissioner of Education and with approval of the Governor, may increase the appropriation by such amount as may be available and necessary to meet, to the extent possible, the required expenditures under the cited sections of the Kentucky Revised Statutes, but any increase of the total appropriation to the Support Education Excellence in Kentucky program is subject to Part III, General Provisions, of this Act, and the provisions of KRS Chapter 48. If funds appropriated to the Support Education Excellence in Kentucky program are insufficient to provide the amount of money required under KRS 157.310 to 157.440, allotments to local school districts may be reduced in accordance with KRS 157.430.

b. Minimum Statewide Salary Schedules: The following is the minimum statewide salary schedule for fiscal year 1998-99 and fiscal year 1999-2000.

Rank	I	II	III	IV	V
Experience					
0-3 years	25,200	22,580	19,910	17,150	15,810
4-9 years	27,840	25,200	22,580	17,150	15,810
10-14 years	31,260	28,600	25,950	17,150	15,810
15-19 years	32,260	29,610	26,950	17,150	15,810
20 years and over	32,760	30,110	27,450	17,150	15,810

c. Local School District Calendar: Notwithstanding any other statute to the contrary, in any school district that adopted a calendar for the 1997-98 school year in which the equivalent of one thousand and fifty (1,050) hours of instruction was completed in less than one hundred seventy-five (175) instructional days, the certified staff shall not be required to work more than four (4) in-service days, one (1) day for opening school and one (1) day for closing school, and shall be paid for four (4) holidays in addition to the instructional year, in order for the district and employees to receive full credit. If a school district required teachers to work additional days to meet the one hundred eighty-five (185) day requirement under the provisions of KRS 158.070 during the 1997-98 school year, up to four (4) days may be carried forward to meet the professional development and planning requirements under the provisions of KRS 158.070 for each of the 1998-99 and 1999-2000 school years.

d. Secondary Vocational Education and Technology Centers Operations: Notwithstanding KRS 151B.025, 151B.035, 151B.110, or any other statute to the contrary, a local board of education may petition the State Board for Adult and Technical Education to assume authority for the management and control of a state-operated secondary vocational education and technology center. The petition shall address, at a minimum, the following areas of concern: the local board's plan for continuing those programs and services to students from other school districts who are using the center at the time of the transfer, and a plan of collaboration with the districts being served to meet local vocational curriculum needs, including the intention to involve these districts in future needs assessments, program, and curriculum changes.

The State Board may, at its option, enter into an agreement to transfer all equipment, supplies, and any General Fund moneys appropriated to the Department of Technical Education relating to the operations of the center to the local board of education, provided that the local board shall guarantee all employee rights and benefits accumulated under the State Board of Adult and Technical Education. In addition, all funds generated pursuant to students being enrolled in the center in accordance with the Support Education Excellence in Kentucky (SEEK) Program, as provided by KRS 157.360, 157.370, or any other statute, shall be transferred to the local board of education for distribution to the secondary school operating center. All funds, equipment, and supplies transferred to the local board of education pursuant to assuming the management and control of a state-operated secondary vocational education and technology center shall be provided to the secondary school operating the center and may only be utilized for the operation of the center.

e. Consumer Price Index: In accordance with the enactment of legislation directing the identification of the percent increase in the average annual Consumer Price Index for all urban consumers between the two (2) most recent calendar years, it is determined this percentage increase for calendar years 1996 and 1997 is two and three-tenths percent (2.3%).

f. Minimum School Term: Notwithstanding KRS 158.070, the McCracken County School District shall be allowed one (1) day of mourning and shall be required to complete the equivalent of one hundred seventy-four (174) instructional days during the 1997-1998 school year.

11. EXECUTIVE POLICY AND MANAGEMENT

a. Employment of Personnel: The Department of Education may fill, through memoranda of agreement, not more than fifty percent (50%) of its existing authorized positions below the division director level with individuals employed as school administrators and educators in Kentucky.

b. Applicants for Superintendent: Notwithstanding KRS 160.380, an applicant for superintendent may be appointed by a local school board of a district that also employs a sibling of the applicant if the sibling has been employed by the district for one (1) academic school year.

12. MANAGEMENT SUPPORT SERVICES

a. Funding for Employer Health and Life Insurance and Retirement Contributions: If the costs for health insurance or life insurance coverage for employees of local school districts exceed the levels of appropriated funds, any unexpended Support Education Excellence in Kentucky appropriations may be used to offset the unbudgeted costs. Any transfer shall be subject to approval of the Governor upon the written recommendation of the Secretary of the Finance and Administration Cabinet pursuant to the written request of the Commissioner of Education. If the appropriations for either local school district teachers' retirement employer match or local district health and life insurance fall short of statutory requirements, any surplus funds from the other appropriation unit may be transferred to the appropriation unit experiencing the shortfall. Any transfer shall be subject to approval of the Governor upon the written recommendation of the Secretary of the Finance and Administration Cabinet pursuant to the written request of the Commissioner of Education. Notwithstanding the provisions of KRS 45.229, any unexpended local school district teachers' retirement employer match funds shall not lapse at the end of fiscal year 1998-99 but shall be available if needed in fiscal year 1999-2000.

Included within the General Fund appropriation for local school district employee health and life insurance is funding to cover costs associated with the Personnel Cabinet's administrative activities including providing life and health insurance for local school district employees. Accordingly, the sum of $2.00 per month per employee participating in the state-provided life and health insurance program in fiscal year 1998-99 and $2.25 per month per employee participating in the state-provided life and health insurance program in fiscal year 1999-2000 shall be remitted to the Personnel Cabinet by the Department of Education from the General Fund appropriation for local school district health and life insurance.

b. Kentucky Education Technology System: Area Vocational Education Centers shall be fully eligible to participate in the Kentucky Education Technology System. Notwithstanding KRS 157.650 to 157.665, the School Facilities Construction Commission in consultation with the Kentucky Board of Education and the Kentucky Department of Education shall develop administrative regulations which identify a methodology by which the average daily attendance for Area Vocational Education Centers may be equated to the average daily attendance of other local school districts in order that they may receive their respective distributions of these funds.

The Department of Education shall conduct a study of the effectiveness of the use of technology in education. The study, at a minimum, shall include the effects and uses of technology in the classroom; training or professional development provided for teachers, staff, and students; effective ratios of computers to students and teachers; utilization of technology by education administrators, including principals, superintendents, board members, and staff of the Kentucky Department of Education; effectiveness and use of funds provided to local school districts for technology; and actual expenditures for technology by local school districts. Any costs incurred by the Department of Education pursuant to this study shall be provided from funds retained by the Department of Education for administration of the technology system. Offers of assistance provided to local school districts shall not be less than the level provided for fiscal year 1997-98.

c. Teachers' Compensation Pilot Project: The Kentucky Board of Education shall recommend a comprehensive professional compensation plan for certified staff and conduct a pilot program in one (1) or more local school districts. The pilot project shall recognize a teacher's professional competency, skills, and knowledge; contributions to improve schools and student achievement and learning; professional involvement in local, state, and national organizations; and certification from the National Board for Professional Teaching Standards.

d. Assessment Testing: If amounts appropriated for the assessment program are insufficient to meet the costs of the testing program, funds may be transferred from the pupil transportation component of the Support Education Excellence in Kentucky (SEEK) Program; however, the total amount expended for the testing program shall not exceed $8,100,000 in each fiscal year.

13. LEARNING RESULTS SERVICES

a. School Rewards Trust Fund: Distribution of rewards to local schools shall be based on policy established by the Kentucky Board of Education.

b. Kentucky Education Technology System: The School for the Deaf and the School for the Blind shall be fully eligible, along with local school districts, to participate in the Kentucky Education Technology System in a manner that takes into account the special needs of the students of these two schools.

c. Distinguished Educators: Notwithstanding KRS Chapter 158 and KRS Chapter 161, all Distinguished Educators assigned to a school or district on or after July 1, 1998, shall receive a salary supplement of thirty-five percent (35%) of their annual salary for each year of service in that capacity. This salary supplement shall not be included in the total salary compensation calculation for any cost-of-living adjustment or retirement benefits to which the employee may be entitled.

d. Commonwealth School Improvement Fund: Notwithstanding KRS 157.067, $3,000,000 shall be transferred from the Kentucky Successful Schools Trust Fund to the

Commonwealth School Improvement Fund, established in KRS 158.805, and appropriated to fund grants to schools in which the proportion of successful students declined in the 1996-97 and 1997-98 school years.

14. LEARNING SUPPORT SERVICES

a. Family Resource and Youth Services Centers: Funds appropriated to establish Family Resource and Youth Services Centers shall be transferred in fiscal year 1998-99 and in fiscal year 1999-2000 to the Cabinet for Families and Children consistent with the intent of KRS 156.497. The Cabinet for Families and Children is authorized to use, for administrative purposes, no more than three percent (3%) of the total funds transferred from the Department of Education for the Family Resource and Youth Services Centers. The Department of Education is authorized to retain $70,400 in fiscal year 1998-99 and $74,300 in fiscal year 1999-2000 from the funds appropriated for the Family Resource and Youth Services Centers. If a certified person is employed as a director or coordinator of a Family Resource or Youth Services Center, that person shall retain his or her status as a certified employee of the school district.

If seventy percent (70%) or more of the funding level provided by the state is utilized to support the salary of the director of a center, that center shall provide a report to the Cabinet for Families and Children identifying the salary of the director. The Cabinet for Families and Children shall transmit any reports received from Family Resource and Youth Service Centers pursuant to this provision to the Legislative Research Commission.

b. Education Professional Standards Board (EPSB): Notwithstanding any statute to the contrary, the EPSB may collect fees for the issuance of certifications. EPSB may charge the following fees at the corresponding amounts: issuance or reissuance (renewal) of regular certificate (to include all previously issued certifications and endorsements) - $50; each transaction to add area(s) of certification or rank - $50; issuance of five-year substitute certificate - $15; issuance of duplicate certificate - $25; reissuance of limited certification - $35.

c. Community After School Programs: The Department of Education, Extended School Services Program, shall establish at least three (3) Community After School Programs focused on children in grades K-8, and at a minimum these programs shall be located within local school districts 365, 415, and 441.

d. Kentucky School for the Deaf - Personnel Cap: The Kentucky School for the Deaf is authorized to fill up to eleven (11) staff positions above the total filled permanent position complement identified as of August 1, 1997.

e. School-Based Decision Making Councils: Notwithstanding KRS 160.345, the parent representatives on the council may not be employees of that school or the district central office, or relatives of an employee of that school or relatives of a district central office employee, and a local board member or their spouse may not be a parent representative. Notwithstanding KRS 160.345, a teacher who is not a resident of Kentucky may be representative on the school council.

Each school council shall adopt a policy to be implemented by the principal relating to the procedures to assist the council with consultation in the selection of personnel by the principal, including but not limited to meetings, timelines, interviews, review of written applications, and review of references.

f. Allocation of Safe Schools Funds: Notwithstanding Section 7 of 1998 House Bill 330, or any statute to the contrary, not more than twenty percent (20%) of the funds appropriated in fiscal year 1998-99 for safe schools initiatives shall be utilized to support the operations of the Center for School Safety and not more than ten percent (10%) of the funds appropriated in fiscal year 1999-2000 shall be utilized to support the operations of the Center for School Safety. The remaining funds for fiscal year 1998-99 shall be distributed as grants to local school districts by the Kentucky Department of Education for the purpose of supporting appropriate alternative education programs based on qualitative criteria and guidelines established by the department. The remaining funds for fiscal year 1999-2000 shall be distributed by the Center for School Safety based on an application process established by the Center, in collaboration with the Kentucky Department of Education, and approved by the board of directors. At a minimum, the application process shall include eligibility guidelines and funding levels for grants; the process shall include as first priority those programs applying for alternative programs. Other programs which may receive funding include community-based programs; intensive academic intervention programs; programs utilizing school resource officers; training programs for certified and classified staff, students, parents, and community members; and other violence prevention programs.

g. Advisory Council for Gifted and Talented Education - Expenditure of Appropriated Funds: Any funds appropriated to the Advisory Council for Gifted and Talented Education shall be expended only upon a recommendation by the Council.

EDUCATION, ARTS, AND HUMANITIES

15. OFFICE OF THE SECRETARY

a. East Kentucky Center for Science, Math, and Technology Resources/Exhibits Work Center: The East Kentucky Center for Science, Math, and Technology Resource/Exhibit work center, coal mine simulation project, and planetarium/multi-media center, including outdoor study area, referenced as project number 0029, Part X, General Fund Surplus Expenditure Plan, shall be located on the campus of Prestonsburg Community College.

b. Four Rivers Center: If the Secretary of the Finance and Administration Cabinet determines that the amount of actual General Fund undesignated fund balance available for expenditure in fiscal years 1997-98 or 1998-99 is sufficient to fund Four Rivers Center - Paducah (Priority # 23) of the Statewide Infrastructure Fund, the appropriated funds shall be made available to the Four Rivers Center for the Performing Arts, Incorporated as soon as a Memorandum of Agreement is executed between the Four

Rivers Center for the Performing Arts, Incorporated and the Education, Arts and Humanities Cabinet and approved by the Governor's Office for Policy and Management. The Memorandum of Agreement shall set out requirements to assure proper oversight, reporting, and accountability, and shall specifically set out procedures for handling funds prior to construction.

16. TEACHERS' RETIREMENT SYSTEM

a. Distinguished Educators' Retirement Benefits: Notwithstanding KRS Chapter 158 and KRS Chapter 161, salary supplements received by persons selected as distinguished educators on or after July 1, 1998, shall not be included in the total salary compensation for any retirement benefits to which the employee may be entitled.

17. SCHOOL FACILITIES CONSTRUCTION COMMISSION

a. Local Districts Facilities Plans: Notwithstanding the provisions of KRS 157.622(3), funds allocated by the School Facilities Construction Commission to local school districts for fiscal year 1998-99 and fiscal year 1999-2000 shall be applied to the projects listed in the most current facility plan approved for the district by the Kentucky Board of Education and the funds shall be applied to projects in the priority order listed in the plan, except any funds received by local school district number 175 pursuant to KRS 157.611 to 157.640 shall be utilized to complete the construction and renovation of any constructed or authorized projects for academic or nonacademic facilities prior to initiating any new construction or renovation projects.

b. Accumulated School Facilities Construction Credits: Notwithstanding KRS 157.622(5), a local school district may accumulate credit, subject to the availability of funds, for its unused state allocation for a period not to exceed six (6) years. In addition, the General Assembly directs that the inadvertent expiration of accumulated credits, as provided by KRS 157.620 to 157.622 and 750 KAR 1:010, allowed by public school district number 491 be restored and shall not effect any future offers of assistance as provided by KRS 157.620 to 157.622 made to public school district 491.

c. Participation in the Education Technology Program by Area Vocational Education Centers: Area Vocational Education Centers shall be fully eligible to participate in the Kentucky Education Technology System. Notwithstanding KRS 157.650 to 157.665, the School Facilities Construction Commission in consultation with the Kentucky Board of Education and the Kentucky Department of Education shall develop administrative regulations which identify a methodology by which the average daily attendance for Area Vocational Education Centers may be equated to the average daily attendance of other local school districts in order that they may receive their respective distributions of these funds. The School Facilities Construction Commission shall include Area Vocational Education Centers in any offers of assistance to local school districts for technology assistance during the 1998-2000 fiscal biennium.

FAMILIES AND CHILDREN

18. CABINET FOR FAMILIES AND CHILDREN

a. Maximizing Federal Funds: Pursuant to compliance with the State/Executive Budget Bill and the Statutory Budget Memorandum, the Cabinet shall maximize all Federal Funds for programs within the Cabinet. Prior to any application, revised application, or receipt of unbudgeted Federal Funds as provided in this section, the Cabinet shall submit the application and related financial information to the Legislative Research Commission for referral to appropriate committees, including the Interim Joint Committee on Appropriations and Revenue, for review. The Cabinet may consider and comply with the actions of the committees prior to the final application.

b. Reorganization: Pursuant to the provisions of KRS Chapter 18A, a state employee who is affected by an act related to the reorganization or privatization of the department or agency in which the employee is employed shall have the right to refuse a position which is more than fifty (50) miles from the employee's residence. A state employee whose position is currently protected by the provisions of KRS Chapter 18A and who is affected by layoff or reorganization of the department or agency in which the employee is employed shall not be placed in a position which is not covered by the provisions of that chapter.

c. Fund Transfers: To maximize funding including child care federal funds and to meet the needs of the Temporary Assistance to Needy Families (TANF) recipients and other low income families, the cabinet shall request, through the interim appropriation increase process pursuant to KRS 48.630, any transfers of funds between appropriation units or any additional resources, not appropriated, to accomplish these purposes.

19. SOCIAL INSURANCE - BENEFITS

a. Energy Assistance Trust Fund: Notwithstanding KRS 42.560, only those Restricted Funds necessary to supplement Federal Funds in order to maintain program levels as appropriated, are authorized from the Energy Assistance Trust Fund for fiscal year 1998-99 for the Home Energy Assistance and Weatherization programs.

b. Education for Recipients of Public Assistance: The Department for Social Insurance shall make available to a minimum of 3,700 public assistance recipients, or 7% of total public assistance recipients, placements in Postsecondary or Vocational education. The recipients shall receive all support services provided to employed public assistance recipients including transportation and child care. The funding source shall be determined by the Cabinet for Families and Children. Work requirements shall include those required by the Postsecondary or Vocational educational placement as part of the required program of study or financial assistance. If allowable by Federal regulations related to Welfare Reform work participation rates, work requirements shall be limited to those required by the Postsecondary or Vocational educational placement as part of the required program of study or financial assistance.

c. Personal Care Homes: The Cabinet for Families and Children shall implement a $2.00 per day increase in the payment standard for Personal Care recipients effective upon promulgation of 904 KAR 2:015. The source of funds for this increase is General Fund moneys for state fiscal year 1997-98 and the Food Stamp Enhanced

Funding Account Number 63-48-708-L540 or General Fund carry forward dollars for state fiscal year 1998-99. The Department for Medicaid Services shall request federal waivers to utilize Medicaid funding for Personal Care recipients in the State Supplementation Program.

20. DEPARTMENT FOR SOCIAL SERVICES

a. Emergency Shelter: The General Fund appropriation for Alternatives for Children Program includes $450,000 each year for Private Child Care Emergency Shelter at the Home for the Innocents for temporary emergency services.

b. Outreach Programs: General Fund appropriation of $150,000 each year is provided for Outreach Resource Centers Services for adults and children services expansion through the Mountain Outreach in McRoberts ($100,000 operating expenses each year) and Sarah's Place Women's Resource Center in Sandy Hook ($50,000 operating and renovation expenses each year).

c. Budget and Financial Administration: Prior to June 1, 1998, the Finance and Administration Cabinet shall establish separate appropriation units for fiscal years 1998-99 and 1999-2000 within the Department for Social Services (DSS) to record and report administration costs distinct from direct services costs with their respective sources of funding. The DSS administration costs shall include, but not be limited to, central office employees, contracted employees in the central office and through state universities, and district managers. The DSS direct services costs shall include, but not be limited to, field family service workers, foster care payments, and private child care contract payments. Placement of other costs such as county office managers shall be determined by the commissioner of DSS. Expenditures by unit shall be provided for each appropriation unit and shall include, but is not limited to, Family Based Services, Private Child Care, Foster Care, Adult Services, and Child Day Care. By July 1, 1998, DSS shall provide (a) a description of costs components including position titles within each appropriation unit, (b) a distribution of the enacted budget between the two appropriation units, and (c) a comparative distribution of fiscal year 1996-97 actual expenditures and fiscal year 1997-98 revised budget between the two appropriation units.

d. Salary Increases: General Fund appropriation of $247,300 in fiscal year 1998-99 for a seven percent (7%) salary increase and $412,900 in fiscal year 1999-2000 is provided for an additional three and one-half percent (3.5%) salary increase for employees in the Department for Social Services with the job classifications of Family Services Worker, Family Services Worker Senior, Family Services Worker Chief, Family Services Clinician, Youth Counselor, Youth Counselor Senior, Youth Treatment Specialist Assistant, Juvenile Treatment Series, Guardianship Field Worker Series, Support Service Aide, Institutional Recreational Leader, and Reeducation Counselor with five (5) or more years of state service who make less than $25,000 per year as of July 1, 1998.

e. Private Child Care Contract Reimbursements: Appropriations of $50,150,000 in fiscal year 1998-99 and $50,304,500 in fiscal year 1999-2000 are provided for Private Child Care contract reimbursements based upon reimbursement rates effective October 1, 1997, and any funds not expended for this purpose shall carry forward into the next fiscal year notwithstanding KRS 45.229, and shall provide a one time payment each year to each private child care agency for an amount equal to the difference in each agency's total reimbursement for the past fiscal year and the reimbursement total based on reimbursement rates prior to the October 1, 1997 reduction in rates.

21. AGING SERVICES

a. Medicaid Services Waivers: By January 1, 1999, the Department for Medicaid Services shall request federal waivers, to be effective by July 1, 1999, to utilize Medicaid funding for the following: (a) homecare services, (b) adult day care/alzheimer's respite care, (c) personal care attendants, and (d) a long term care case management demonstration project. The demonstration project shall expire June 30, 1999. Funds for expansion with Medicaid dollars for six months of fiscal year 1998-99 are provided for all waivers that may become effective prior to July 1, 1999.

b. Homecare Match: Notwithstanding KRS 205.460, entities contracting with the Cabinet to provide essential services under KRS 205.455 and this provision shall provide equal to or greater local match than the amount in effect during the fiscal year 1997-98. Local match may include any combination of materials, commodities, transportation, office space, personal services or other types of facility services, or funds. The Secretary of the Cabinet for Families and Children shall prescribe the procedures to certify the local match assurance.

FINANCE AND ADMINISTRATION

22. FINANCE AND ADMINISTRATION CABINET

a. Federally Assisted Wastewater Loan Fund and Federally Assisted Water Supply Revolving Fund: $9,351,000 in bonds is reauthorized for the Federally Assisted Wastewater Loan Fund and the Federally Assisted Water Supply Revolving Fund. The Secretary of the Finance and Administration Cabinet shall utilize the bond funds to maximize Federal Funds available for both funds.

HEALTH SERVICES

23. CABINET FOR HEALTH SERVICES

a. Maximizing Federal Funds: Pursuant to compliance with the State/Executive Budget Bill and the Statutory Budget Memorandum, the Cabinet shall maximize all Federal Funds for programs within the Cabinet. Prior to any application, revised application, or receipt of unbudgeted Federal Funds as provided in this section, the Cabinet shall submit the application or approval letter and related financial information to the Legislative Research Commission for referral to the appropriate interim joint committees, including the Interim Joint Committee on Appropriations and Revenue, for review. The Cabinet may consider and comply with the actions of the Committee prior to the final application.

24. MEDICAID ADMINISTRATION

a. Medicaid Waiver Requests: By January 1, 1999, the Department for Medicaid Services shall request federal waivers, to be effective July 1, 1999, to utilize Medicaid funding for the following: (a) substance abuse services for pregnant women; (b) homecare services; (c) Alzheimer's respite care; (d) personal care attendants; and (e) personal care homes/state supplementation payments to the extent that current federal law would allow recipients to be limited to state supplementation clients.

b. Medicaid Waiver Process: Funds for implementation of Medicaid expansion requests within the Cabinet for Health Services and Cabinet for Families and Children shall be available upon approval of the waivers by the Health Care Financing Administration (HCFA). The Cabinets shall proceed aggressively on developing waiver applications for submission to HCFA for their review and approval.

25. MEDICAID SERVICES - BENEFITS

a. Hospital Indigent Patient Reporting: Notwithstanding KRS 205.640(5)(d)1., hospitals shall report indigent inpatient and outpatient care for which, under federal law, the hospital is eligible to receive disproportionate share payments.

b. Hospital Indigent Patient Billing: Notwithstanding KRS 205.640(6), hospitals shall not bill patients for services where the services have been reported to the Cabinet and the hospital has received disproportionate share payments for the specific services.

c. Provider Tax Information: Any provider who posts a sign or includes information on customer receipts or any material distributed for public consumption indicating that they have paid provider tax shall also post, in the same size type set as the provider tax information, the amount of payment received from the Department for Medicaid Services during the same period the provider tax was paid. Providers who fail to meet this requirement shall be excluded from the Disproportionate Share Hospital and Medicaid Program. The Division of Licensing and Regulation shall include this provision in facilities' annual licensure inspection.

d. Indigent Care Posting: Any provider who receives payment from the Disproportionate Share Hospital Program shall post a sign conspicuously in the lobby, in at least a 16-point type set, stating that they participate in the Disproportionate Share Hospital Program and are consequently required to provide indigent care. Failure to comply with this provision shall result in suspension from the Disproportionate Share Hospital Program. The Division of Licensing and Regulation shall include this provision in facilities' annual licensure inspection.

e. Settlement of Obligations Incurred Prior to Prepaid Capitation: The Department is authorized to fulfill financial obligations incurred prior to implementation of prepaid capitation.

f. Disproportionate Share Hospital Payments: Disproportionate Share Hospital payments shall not exceed the maximum amounts established in the Federal Balanced Budget Act of 1997.

g. Quality and Charity Care Trust Fund: No hospital may be reimbursed from both the Quality and Charity Care Trust Fund and the Hospital Indigent Care Assurance Program (HICAP) for the same service to the same patient. Any hospital that willfully violates this provision shall be subject to a penalty equal to three times the amount of the improper charge to the funds, which amount shall be credited to the General Fund. The Secretary of the Cabinet for Health Services shall have the authority to secure the patient information as needed from the participating facilities in order to determine compliance and enforce this provision. Each facility billing and receiving reimbursements from the Quality and Charity Care Trust Fund shall be required to identify each patient by Social Security number and indicate whether the patient is classified as indigent or medically needy. Notwithstanding any other provision of this Act or law, in any fiscal year for which all the parties to the Quality and Charity Care Trust Agreement so agree, the General Fund appropriation to fulfill the Commonwealth's contractual obligation relating to the Quality and Charity Care Trust Agreement or any portion thereof, together with any other funds paid to the Quality and Charity Care Trust contractual obligation of the parties, or any portion thereof, shall be transferred to the Department for Medicaid Services as part of its Restricted Funds appropriation for Benefits. In any fiscal year for which all the parties to the Quality and Charity Care Trust Agreement do not agree to transfer all or any portion of the Trust's revenues to the Department of Medicaid Services for Benefits, the Quality and Charity Care Trust shall operate pursuant to its contractual provisions.

h. Nursing Facility Budget: The Medicaid nursing facility allocation for fiscal year 1997-98 of $504,000,000 shall be increased a minimum of three percent (3%) in each year of the biennium.

i. Medicaid Budget Analysis Reports: The Department for Medicaid Services shall submit a quarterly budget analysis report to the Interim Joint Committee on Appropriations and Revenue. The report shall provide monthly detail of actual expenditures, eligibles, and average monthly cost per eligible by eligibility category along with current trailing 12 month averages for each of these figures. The report shall also provide actual figures for all categories of noneligible-specific expenditures such as Supplemental Medical Insurance premiums, Kentucky Patient Access to Care, nonemergency transportation, drug rebates, cost settlements, and Disproportionate Share Hospital payments. The report shall compare the actual expenditure experience with those underlying the enacted or revised enacted budget, explain any significant variances which may occur, and distinguish between expenditures for continuing and new programs. Measurement of any savings initiatives instituted shall compare budgeted savings with actual savings.

j. Children's Crisis Stabilization Units: Federal Funds of $700,000 in fiscal year 1998-99 and $800,000 in fiscal year 1999-2000 for existing and new children's crisis stabilization units shall be distributed in the amount of $100,000 each fiscal year to each of the following entities: (a) Mountain Comprehensive Care Center, (b) Kentucky River

Community Care, Inc., (c) Pennyroyal Regional Mental Health/Mental Retardation Board, Inc., (d) Lifeskills, Inc., (e) Seven Counties Services, Inc., (f) Pathways, Inc., (g) Communicare, Inc, and in fiscal year 1999-2000, (h) Lake Cumberland Mental Health/Mental Retardation Board, Inc. State matching dollars required to generate Federal Funds for children's crisis stabilization units shall be provided by the Department for Mental Health/Mental Retardation.

k. Adult/Children's Crisis Stabilization Units/Care Systems: Federal Funds in the amount of $150,700 in fiscal year 1998-99 and $200,000 in fiscal year 1999-2000 for new crisis stabilization units/care systems shall be distributed as follows: (a) Mountain Comprehensive Care Center - $100,000 in each year for an adult crisis stabilization unit, and (b) Comprehend, Inc. Regional Mental Health/Mental Retardation Board - $50,700 in fiscal year 1998-99 and $100,000 in fiscal year 1999-2000 for an adult and children's crisis stabilization care system.

l. Crisis Stabilization Units: The Cabinet for Health Services may pursue funding strategies that would provide for the establishment of crisis stabilization units for children and adults in each Regional Mental Health/Mental Retardation Board service area not otherwise funded in the budget.

m. Substance Abuse Treatment Services: The Cabinet for Health Services may pursue Medicaid funding strategies for screening, assessment, intensive outpatient, residential treatment, and intensive case management for substance-abusing pregnant women and women of childbearing age in each Regional Mental Health/Mental Retardation Board service area not otherwise funded in the budget.

n. Targeted Mental Health/Mental Retardation Services: The Cabinet for Health Services may pursue alternative Medicaid funding and program strategies for the mentally retarded or other targeted populations in each Regional Mental Health/Mental Retardation Board service area utilizing state and local matching funds available to the boards to draw Federal Funds to be utilized within the Regional Mental Health/Mental Retardation Board service areas.

26. DEPARTMENT FOR PUBLIC HEALTH

a. Fund Reallocations: The $220,000 General Fund allotment for the eastern and western Kentucky mobile dental units shall be reallocated as follows: (a) Morehead State University Wellness Program, $120,000 in each year to expand community services and provide regional comprehensive wellness services including substance abuse services and a physical fitness program; and (b) $100,000 in fiscal year 1998-99 to establish the Letcher County Community Health Education Center in the Harry M. Caudill Library.

b. Public Health Department Services for Indigent Persons: Kentucky Public Health Departments shall, to the extent possible, continue to provide clinical services for the indigent people of Kentucky including, but not limited to, the following services: Primary Care, Communicable Disease, AIDS, Adult Health, Child Health Services, Dental Health, Family Planning, Nutrition Services, Epidemiology and Disease Prevention, the Women, Infants and Children (WIC) Program, the Maternal and Child Health Program, and Laboratory Services.

c. Feasibility Study: The nonrecurring sum of $25,000 General Fund in fiscal year 1998-99 shall be allocated to the University of Kentucky Center for Rural Health to conduct a study on the feasibility of providing rehabilitation services in eastern Kentucky for stroke, cardiac, and other similar types of patients.

d. Prescription Tracking System: Any unexpended dollars in fiscal year 1998-99 for the prescription tracking system shall not lapse but shall be carried forward to fiscal year 1999-2000 to be utilized for the same purpose. This funding shall be used to fill up to three (3) staff positions above the total filled permanent positions complement identified as of August 1, 1997.

e. Poison Control Center Contract: Personal Service Contract 980065, in the amount of $325,000 in fiscal year 1997-98 to maintain a statewide poison control and information center twenty-four hours per day, 365 days per year, shall be continued and reissued by the Department for Public Health, Cabinet for Health Services, for the General Fund amounts of $1,000,000 in fiscal year 1998-99 and $1,000,000 in fiscal year 1999-2000. Included in each year of the biennium in the Department for Public Health budget is $325,000 in the base and additional funds of $675,000 which shall be utilized solely for the Poison Control Center Personal Service Contract 980065.

27. DEPARTMENT FOR MENTAL HEALTH/MENTAL RETARDATION

a. Computer System: Any unexpended dollars from the $3,000,000 budgeted in fiscal year 1997-98 for hardware, software, or any other enhancements to the Department for Mental Health/Mental Retardation's (MH/MR) computer system which would enable them to collect and monitor information from the MH/MR boards/centers and state facilities shall not lapse but carry forward into fiscal year 1998-99 and fiscal year 1999-2000 to continue for the same purpose, notwithstanding KRS 45.229.

b. Lifeskills Comprehensive Care Board: The sum of $100,000 General Fund in each year of the biennium shall be allocated to the Association of Retarded Citizens, or an appropriate affiliate, for the following purposes: (a) to purchase and operate a disabilities equipped vehicle to meet the transportation needs of their clients; (b) administrative costs thereof, not to exceed ten percent (10%) of this appropriation; and (c) other required services for clients served to be covered by the excess of this appropriation over the amount required to purchase and operate the disabilities equipped vehicle.

c. Assistive Technology Loan Fund: The sum of $100,000 General Fund in each year of the biennium shall be allocated to the Vocational Rehabilitation Program in the Workforce Development Cabinet to establish a revolving loan pool for the Assistive Technology Loan Fund for persons with disabilities pursuant to KRS 151B.470.

d. Children's Crisis Stabilization Units: The appropriations for existing and new children's crisis stabilization units of $1,525,200 from the General Fund and $279,800

Restricted Funds in fiscal year 1998-99, and $1,814,200 from the General Fund and $265,800 Restricted Funds in fiscal year 1999-2000, shall be distributed as follows: (a) Mountain Comprehensive Care Center - $215,000 from the General Fund each year; (b) Kentucky River Community Care, Inc. - $215,000 from the General Fund each year; (c) Pennyroyal Regional Mental Health/Mental Retardation Board, Inc. - $275,000 from the General Fund each year; (d) Lifeskills, Inc. - $275,000 from the General Fund each year; (e) Seven Counties Services, Inc. - $275,000 from the General Fund each year; (f) Pathways, Inc. - $270,200 from the General Fund and $4,800 Restricted Funds in fiscal year 1998-99, and $275,000 from the General Fund in fiscal year 1999-2000; (g) Communicare, Inc. - $275,000 Restricted Funds in fiscal year 1998-99 and $275,000 from the General Fund in fiscal year 1999-2000; and, in fiscal year 1999-2000, (h) Lake Cumberland Mental Health/Mental Retardation Board, Inc. - $9,200 from the General Fund and $265,800 Restricted Funds.

e. Adult/Children's Crisis Stabilization Units/Systems: General Fund in the amount of $414,300 in fiscal year 1998-99 and $550,000 in fiscal year 1999-2000 for new crisis stabilization units/care systems shall be distributed as follows: (a) Mountain Comprehensive Care Center - $275,000 in each year for an adult crisis stabilization unit; and (b) Comprehend Inc. Regional Mental Health/Mental Retardation Board - $139,300 in fiscal year 1998-99 and $275,000 in fiscal year 1999-2000 for an adult and children's crisis stabilization care system.

f. Cost Saving Measures: The Department for Mental Health/Mental Retardation shall report to the Interim Joint Committee on Appropriations and Revenue prior to implementation, any projects or initiatives resulting in significant cost savings to the Commonwealth of Kentucky and the estimated amount of such savings.

g. Crisis Stabilization Units: The Cabinet for Health Services may pursue funding strategies that would provide for the establishment of crisis stabilization units for children and adults in each Regional Mental Health/Mental Retardation Board service area not otherwise funded in the budget.

h. Substance Abuse Treatment Services: The Cabinet for Health Services may pursue alternative funding strategies for screening, assessment, intensive outpatient, residential treatment, and intensive case management for substance-abusing pregnant women and women of childbearing age in each Regional Mental Health/Mental Retardation Board service area not otherwise funded in the budget.

i. Targeted Mental Health/Mental Retardation Services: The Cabinet for Health Services may pursue alternative funding and program strategies for the mentally retarded or other targeted populations in each Regional Mental Health/Mental Retardation Board service area utilizing state and local matching funds available to the boards to draw Federal Funds to be utilized within the Regional Mental Health/Mental Retardation Board service areas.

28. CERTIFICATE OF NEED

a. Certificate of Need Exemption: Notwithstanding KRS 216B.020, the issuance of a certificate of need shall not apply to the relocation of hospital administrative or outpatient services into medical office buildings which are on or contiguous to the premises of a hospital or the following health services performed on site in an existing health facility when the amortization cost per year is less than six hundred thousand dollars ($600,000) and the provider gives notice of intent to perform the services by December 30, 1991; psychiatric care where chemical dependency services are provided, level one (1) and level two (2) neonatal care, cardiac catheterization, and open heart surgery where cardiac catheterization services are performed on site as of July 15, 1990.

29. ADMINISTRATIVE SUPPORT

a. Appropriation Revisions: Any authorizations in the State/Executive Budget Bill with respect to transfer, increase, or decrease of appropriated funds for the Cabinet for Health Services and Cabinet for Families and Children shall comply with the General Provisions of this Act.

b. Program Administration Contract Reporting: A summary of all Program Administration contracts shall be provided to the Interim Joint Committee on Health and Welfare and the Interim Joint Committee on Appropriations and Revenue on a monthly basis. A summary of managed care-related contracts shall also be provided to the Interim Joint Committee on Health and Welfare and the Interim Joint Committee on Appropriations and Revenue on a monthly basis.

JUSTICE

30. JUSTICE ADMINISTRATION

a. Legal Aid Restrictions: These funds shall be used for providing and arranging civil legal representation for eligible low-income Kentuckians who are currently underserved and for purposes consistent with federal law and regulations. These funds shall not be used for lobbying on issues related to abortion. The recipient of this appropriation shall report annually to the Interim Joint Committee on Appropriations and Revenue on the dispositions of the grant.

31. STATE POLICE

a. Salary Policies: The Department of State Police is directed to apply a sufficient vacancy credit to achieve the following salary increases. A sufficient vacancy credit shall be maintained in fiscal year 1999-2000 to support continuation funding for this increase.

General Fund moneys in the amount of $2,468,200 in fiscal year 1998-99 and $5,081,900 in fiscal year 1999-2000 are provided to support a $2,000 pay raise in fiscal year 1998-99 and an additional $2,000 raise in fiscal year 1999-2000 for sworn officers. This raise effectively raises the sworn officer salary by $2,000 in fiscal year 1998-99 and by $4,000 in fiscal year 1999-2000 over the current salary.

General Fund moneys in the amount of $216,200 in fiscal year 1998-99 and $649,400 in fiscal year 1999-2000 are provided to support a $1,250 pay raise in fiscal year 1998-99 and an additional $2,500 raise in fiscal year 1999-2000. This raise effectively raises the dispatcher salary by $1,250 in fiscal year 1998-99 and by $3,750 in fiscal year 1999-2000 over the current salary.

General Fund moneys in the amount of $50,500 in fiscal year 1998-99 and $106,100 in fiscal year 1999-2000 are provided to support a $2,000 pay raise in fiscal year 1998-99 and an additional $2,000 raise in fiscal year 1999-2000 for bomb and arson investigators. This raise effectively raises the dispatcher salary by $2,000 in fiscal year 1998-99 and by $4,000 in fiscal year 1999-2000 over the current salary.

32. CORRECTIONS MANAGEMENT

a. Medium Security Prison Feasibility Study: Prior to the expenditure or obligation of any funds, from interim or permanent financing sources, that may be related to the design and site acquisition of a new 1,790-Bed Medium Security Facility for Men, as authorized in Part II, Capital Projects, Section H., Item 3.g., the Secretary of Finance and Administration, in collaboration with the Justice Cabinet, shall conduct a cost and location feasibility study for the location and operation of two 895-bed facilities in Elliott and Knott Counties. In addition, the interim study and findings shall be presented to, and reviewed by, the Interim Joint Committee on Appropriations and Revenue. The Secretaries of Finance and Administration and Justice shall evaluate and report the costs and benefits to be derived from the location and operation of these two facilities compared with one facility.

33. COMMUNITY SERVICES AND LOCAL FACILITIES

a. Fiscal Year 1997-98 Appropriation Revision: Authorization is given for the receipt and expenditure of $2,800,000 in General Fund appropriations in fiscal year 1997-98 from the Adult Institutions appropriation unit to the Community Services and Local Facilities appropriation unit in order to offset a fiscal year 1997-98 impending budget deficit. Due to the delayed opening of previously authorized capital construction facilities, there exists a surplus of $2,800,000 in operating funds in Adult Institutions that will be used in Community Services and Local Facilities to offset the unbudgeted cost of housing additional inmates in county jails.

b. Probation and Parole Career Ladder Program: Notwithstanding the provisions of KRS 196.076(1), (2), and (3) to the contrary, additional General Fund support totaling $21,000 in fiscal year 1998-99 and $93,000 in fiscal year 1999-2000 shall be used to expand the Probation and Parole Career Ladder in each year of the biennium. Probation and parole officers qualifying for this improvement shall meet the provisions of KRS 196.076(4), (5), (6), and (7). Salary improvements pursuant to this authority shall be in addition to any other salary adjustments afforded all state employees. The Justice Cabinet, Department of Corrections, shall submit a quarterly program and financial status report to the Interim Joint Committee on Appropriations and Revenue which identifies the expenditure of funds and the status of the Probation and Parole Officer Career Ladder Program.

c. Reimbursement to Counties for Interstate Inmate Detainees: The Department of Corrections shall reimburse fifty percent (50%) of documented expense claims for prior year costs incurred by counties for holding interstate inmate detainees awaiting transfer in local jails and the sum of $40,000 in fiscal year 1999-2000 is included in the General Fund appropriation for this purpose.

34. ADULT INSTITUTIONS

a. Fiscal Year 1997-98 Appropriation Revision: Authorization is given for the receipt and expenditure of $2,800,000 in General Fund appropriations in fiscal year 1997-98 from the Adult Institutions appropriation unit to the Community Services and Local Facilities appropriation unit in order to offset a fiscal year 1997-98 impending budget deficit. Due to the delayed opening of previously authorized capital construction facilities, there exists a surplus of $2,800,000 in operating funds in Adult Institutions that will be used in Community Services and Local Facilities to offset the unbudgeted cost of housing additional inmates in county jails.

b. Inmate Projection/Bed Status and Financial Reports: The Justice Cabinet, Department of Corrections, shall provide a quarterly update report regarding inmate population projections, relating to state prisoners, to the Interim Joint Committee on Appropriations and Revenue. This report shall provide, at a minimum, any deviations in excess of one percent (1%) from the projections utilized in the preparation of the 1998-2000 Biennial Budget. The Justice Cabinet, Department of Corrections, shall provide a monthly status of all bed space utilized to house state prisoners, including state penitentiaries, adult correctional facilities, local jails, regional jails, halfway houses, community confinement programs, and diversion programs. The Justice Cabinet, Department of Corrections, shall provide a quarterly program and financial status report which identifies the expenditure of these funds to the Interim Joint Committee on Appropriations and Revenue. The report shall provide, at a minimum, the purpose for which the expenditure was made; the projected goal to be accomplished and outcomes, and their status; and the number of participants.

c. Private Prison Bed Expansion: The Department of Corrections shall give preference to Eastern Kentucky inmates when filling the additional beds, to allow for easier visitation by family members.

d. Reporting Requirements: The Department of Corrections shall require and Private Prison Bed Contractors shall provide to the Department of Corrections an annual report that contains, at a minimum, personnel data that includes a pay scale/job classification structure for all employees; information detailing salaries of personnel and related benefits by pay scale/job classification structure; and the minimum, average, and maximum salary, plus fringe benefits provided for all employed persons. The information provided shall be consistent with the Department of Corrections pay scale and job classification structure for all Department of Corrections employees. Fringe benefits shall be identified separately from salary expense. The Department of Corrections shall annually furnish a report containing the above information plus like data for persons employed in comparable positions within Adult Correctional Facilities statewide to the Legislative Research Commission.

e. Private Prison Custody Levels: Notwithstanding KRS 197.505, the Department of Corrections shall not enter into a contract for the operation or management of any facility authorized for new construction in this Act which is intended or designed to house prisoners classified above the minimum or community-custody level.

LABOR

35. GENERAL ADMINISTRATION AND SUPPORT

a. Monthly Reporting: The Labor Cabinet shall report monthly to the Interim Joint Committee on Appropriations and Revenue its monthly expenditures of Restricted Funds and the nature of the expenditures. Separate reporting shall be done by each department within the Labor Cabinet.

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION

36. GENERAL ADMINISTRATION AND SUPPORT

a. Budget Administration: If the Secretary determines that the functions and responsibilities of the Surface Mining Reclamation and Enforcement budget unit can be performed with fewer positions than budgeted for the biennium, the positions and associated costs may be transferred to the General Administration and Support budget unit for cabinet-wide technology improvements. The Secretary shall present the proposed plan to the State Budget Director and the Interim Joint Committee on Appropriations and Revenue prior to transferring any positions and funding.

b. EMPOWER Kentucky Simplified Regulatory Initiative: Funds from the Technology Trust Fund shall be allotted to the Cabinet for the approved EMPOWER Kentucky Simplified Regulatory Initiatives in the following priority order and amounts. In fiscal biennium 1998-2000, a total of $15,302,000 shall be allotted as follows: (a)

Surface Mining - $2,781,200, (b) Waste Water - $3,012,600, (c) Solid Waste - $1,384,400, (d) Air Quality - $2,721,900, (e) Floodplain - $1,111,000, (f) Drinking Water - $2,124,800, (g) Hazardous Waste - $1,111,000, and (h) Water Withdrawal - $1,055,100.

37. DEPARTMENT FOR NATURAL RESOURCES

a. Budget Administration: If the Secretary determines that the functions and responsibilities of the Surface Mining Reclamation and Enforcement budget unit can be performed with fewer positions than budgeted for the biennium, the positions and associated costs may be transferred to the Natural Resources budget unit for the purpose of employing additional foresters. The Secretary shall present the proposed plan to the State Budget Director and the Interim Joint Committee on Appropriations and Revenue prior to transferring any positions and funding.

b. Jenny Wiley Trail: The Task Force comprised of representatives from the Tourism Development Cabinet, the Division of Forestry, and the Transportation Cabinet shall continue to maintain and manage the Jenny Wiley Trail.

38. DEPARTMENT FOR ENVIRONMENTAL PROTECTION

a. Clean Air Task Force and Quarterly Reports: The Clean Air Task Force membership and reporting requirements established by the 1992 General Assembly shall be continued. The Task Force shall include representatives of the industry, the environmental community, and the Cabinet, and shall report quarterly to the Legislative Research Commission for referral to appropriate committees. The Cabinet shall also report quarterly to the Legislative Research Commission for referral to appropriate committees on the development and implementation status of programs required by the 1990 Amendments to the Federal Clean Air Act.

39. DEPARTMENT FOR SURFACE MINING RECLAMATION AND ENFORCEMENT

a. Budget Administration: If the Secretary determines that the functions and responsibilities of the Surface Mining Reclamation and Enforcement budget unit can be performed with fewer positions than budgeted for the biennium, the positions and associated costs may be transferred to the Natural Resources budget unit for the purpose of employing additional foresters or to the General Administration and Support budget unit for cabinet-wide technology improvements. The Secretary shall present the proposed plan to the State Budget Director and the Interim Joint Committee on Appropriations and Revenue prior to transferring any positions and funding.

b. Surface Coal Mining Permits: The permit block provisions of KRS 350.085(6) shall apply both to surface coal mining and reclamation operations owned or controlled by the applicant, and those operations owning or controlling the applicant. The Cabinet shall continue in effect the current state regulations regarding ownership and control provided that a due process hearing shall be afforded at the time that the Cabinet makes a preliminary determination to impose a permit block.

40. KENTUCKY RIVER AUTHORITY

a. Water Withdrawal Fees: The water withdrawal fees imposed by the Kentucky River Authority shall not be subject to state and local taxes. Notwithstanding that portion of the provision of KRS 151.710(10) that directs the Natural Resources and Environmental Protection Cabinet to provide administrative services for the Kentucky River Authority, Tier I water withdrawal fees shall be used to support the operations of the Authority and for contractual services for water supply and quality studies.

41. ENVIRONMENTAL QUALITY COMMISSION

a. Administrative Accountability: The Environmental Quality Commission shall be attached to the Secretary's Office, but shall remain a separate budget unit. The Secretary, with the approval of the Commissioners of the Environmental Quality Commission, shall employ a director and other necessary Commission staff who shall serve at the pleasure of the Commission and the Secretary.

PERSONNEL

42. PERSONNEL CABINET

a. Pay Equity Study: The Personnel Cabinet shall report its findings and recommendations of the Pay Equity Study to the Legislative Research Commission for referral to appropriate committees by September 1, 1998.

b. State Group Health Insurance Plan: Notwithstanding KRS 304.17A-010(17)(a), state employees as defined in KRS 18A.228 shall not be construed to be mandatory members of the Kentucky Health Purchasing Alliance.

PUBLIC PROTECTION AND REGULATION

43. ALCOHOL BEVERAGE CONTROL

a. Restricted Funds Limitation: The amounts of $500,000 in fiscal year 1998-99 and $500,000 in fiscal year 1999-2000 from Restricted Funds generated by the fee, license, and permit charges authorized by 1998 House Bill 550 are required to be deposited to the credit of the General Fund.

44. PUBLIC SERVICE COMMISSION

a. Public Service Commission Building: Proceeds from the sale of the Meter Lab Building at the University of Kentucky shall be utilized exclusively for reducing the amount of bonds authorized for the construction of the new Public Service Commission building.

45. HOUSING, BUILDINGS AND CONSTRUCTION

a. Fire Dispatcher Training: The Commission on Fire Protection Personnel Standards and Education shall pay all expenses for fire dispatchers to attend dispatcher training at the Department of Criminal Justice Training at Eastern Kentucky University.

POSTSECONDARY EDUCATION

46. COUNCIL ON POSTSECONDARY EDUCATION

a. Regional Postsecondary Education Centers: The Council on Postsecondary Education shall resolve any disputes between or among institutions in the design, planning, or use of each Regional Postsecondary Education Center in accordance with this Act.

b. Programs of Distinction or Research Initiatives: Notwithstanding the provisions of KRS 45.760(7), any item of equipment costing $100,000 or more in cash or other consideration, and associated with a Council on Postsecondary Education approved program of distinction or research initiative that receives General Fund moneys from the Research or Regional Excellence Incentive Trust Funds for fiscal year 1997-98 or in the 1998-2000 fiscal biennium, is not required to be included in this Act. A complete listing, description, and cost of any equipment item costing $100,000 or more shall be included in the approved program description and shall be reported for information purposes to the Capital Projects and Bond Oversight Committee.

c. Facilities Maintenance Plan: Operations and maintenance funds shall not be allotted to an institution of postsecondary education until the institution submits for the Council on Postsecondary Education's approval a facilities maintenance plan establishing and committing to a maintenance standard for facilities at the institution.

d. Maintenance Standard: Capital construction project funds shall not be allotted until an institution submits for the Council on Postsecondary Education's approval a facilities maintenance plan establishing and committing to a maintenance standard for facilities at the institution and a technology replacement plan establishing and committing to a technology replacement standard for the institution.

e. Research Challenge Trust Fund Account: The proceeds of the endowment program authorized in Part X, Section IV, Item 1(a) of this Act shall be deposited in the Research Challenge Trust Fund Account and invested at the direction of the Council on Postsecondary Education until such time as the Council receives a certification from the President of the University of Kentucky or from the President of the University of Louisville stating that formal commitments have been secured by the respective universities to provide the matching requirements as determined by the Council. Upon receipt of the certification, the Council shall transfer the endowment funds from the account to the respective universities for management and investment by the university foundations if the foundations have been previously created to manage and invest private gifts and donations on behalf of the universities over time, otherwise by the university itself. The proceeds of the Research Challenge Trust Fund Account transferred to the universities shall not be managed or invested by an independent board or foundation separate from the foundations previously created to manage and invest funds on behalf of the respective universities.

f. Regional University Excellence Trust Fund: The proceeds of the endowment program authorized in Part X, Section IV, Item 1(b) of this Act shall be deposited in the Regional University Trust Fund Account and invested at the direction of the Council on Postsecondary Education until such time as the Council receives a certification from the Presidents of Eastern Kentucky University, Kentucky State University, Morehead State University, Murray State University, Northern Kentucky University, and Western Kentucky University stating that formal commitments have been secured by the respective universities to provide the matching requirements as determined by the Council. Upon receipt of the certification, the Council shall transfer the endowment funds from the account to the respective universities for management and investment by the university foundations if the foundations have been previously created to manage and invest private gifts and donations on behalf of the universities over time, otherwise by the university itself. The proceeds of the Regional Excellence Trust Fund transferred to the universities shall not be managed or invested by an independent board or foundation separate from the foundations previously created to manage and invest funds on behalf of the respective universities.

g. Regional Postsecondary Education Centers: Eastern Kentucky University, Morehead State University, Murray State University, Western Kentucky University, and the Kentucky Community and Technical College System shall analyze the student and community needs within the regions defined above to determine the most appropriate facilities needed to meet the academic and student needs of the regions. Each of these institutions is encouraged to examine opportunities for collaboration with providers of postsecondary education within the respective regions in the planning, design, utilization, and operation of regional postsecondary education centers including consideration of the construction of jointly owned and operated buildings. An analysis of the academic and student needs of a region may not justify joint building facilities within a region. If such a determination is made by the institutions, ratified, and reported to the Capital Projects and Bond Oversight Committee by the Council on Postsecondary Education, funding is authorized to provide for separate facilities within a region. If the institutions and the Council determine that the region can best be served by pooling funds appropriated in this Act, then any facility built with such pooled funds shall be operated under a plan mutually agreed to by the cooperating institutions, approved by the Council on Postsecondary Education, and reported to the Capital Projects and Bond Oversight Committee.

h. Professional Education Preparation Program: The Council on Postsecondary Education shall contract with the Pikeville Osteopathic Medical School to develop and administer a Professional Education Preparation Program comparable to the Professional Education Preparation Program at the University of Louisville and the University of Kentucky. The amount of $50,000 in fiscal year 1998-99 and $100,000 in fiscal year 1999-2000 is provided for this purpose.

i. University of Kentucky Center for Rural Health: The Council on Postsecondary Education is authorized to approve a new building facility to meet the academic and programming needs of the University of Kentucky Rural Health Center and Hazard Community College. This facility shall be financed by the issuance of tax exempt bonds by the State Property and Buildings Commission. Lease rental payments from the University of Kentucky to the Appalachian Regional Hospital Corporation in the amount of $383,000 per year and lease rental payments by Hazard Community College to the Appalachian Regional Hospital Corporation in the amount of $145,000 per year provide the fund source of lease rental payment to the State Property and Buildings Commission for the purpose of providing debt service for bonds to fund the facility. The facility is authorized in an amount not to exceed $6,100,000. It is recognized that the lease rental payments by the University of Kentucky and by Hazard Community College to the Appalachian Regional Hospital Corporation are necessary to provide the space needs of the University of Kentucky and Hazard Community College until the completion of the new building facility. Therefore, these lease rental payments are not available for lease rental payments to the State Property and Buildings Commission for the issuance of the tax exempt bonds to be used to finance the project until the completion of the new building. The Office for Financial Management and Economic Analysis shall work with the Council on Postsecondary Education to provide an interim financing program that allows for the issuance of tax exempt bonds, or other interim financing program to allow for the construction of the new facility, without diversion of the lease rental payments by the University of Kentucky and the Hazard Community College, to the Appalachian Regional Hospital Corporation, and to the State Property and Buildings Commission until such time as the new facility is completed.

j. Bonds to Replace Local Support of Capital Construction Projects: Debt service in the amount of $2,863,000 is provided in fiscal year 1999-2000 for $30,173,200 of bonds to replace local support of capital construction projects where local support is unavailable. The Council on Postsecondary Education shall review by July 1, 1998, each Kentucky Community and Technical College System project involving local match funds, as recommended by the Council on November 3, 1997, to determine the availability of local matching funds. Local or private funding shall be used, in place of bond funds, to provide local support for Capital Construction Projects when available.

47. MURRAY STATE UNIVERSITY

a. Breathitt Veterinary Center: Included in the General Fund appropriation is $2,256,000 in fiscal year 1998-99 and $2,319,800 in fiscal year 1999-2000 for the

Breathitt Veterinary Center. Included in the Restricted Funds appropriation is $237,000 in each fiscal year for the Breathitt Veterinary Center. Notwithstanding KRS 48.130 and 48.600, there shall be no reduction in funding for these programs.

48. KENTUCKY COMMUNITY TECHNICAL COLLEGE SYSTEM

a. Community College System Faculty and Nonexecutive Management Staff Salaries: The number one budget request priority of the Community College System is to correct the historically low salaries of the faculty and staff. The average 1996-97 salary of a community college faculty member is approximately $7,180 less than the midpoint between the average 1996-97 salary of a Kentucky high school teacher and the average salary of a faculty member in Kentucky's other state-supported higher education institutions. The Kentucky Community Technical College System shall place the highest priority on improving the salaries of the Community College System faculty and nonexecutive management staff.

b. Belinda Mason Academic Technical Center: The Science Technology/Center on the Whitesburg Campus of Southeast Community College authorized in Part II, Capital Projects Budget, shall be named the Belinda Mason Academic Technical Center.

c. Lees College Branch of Hazard Community College: The Kentucky Community and Technical College System shall transfer $912,000 each fiscal year of the biennium from the funding for the Paducah Engineering project to the Lees College Branch of Hazard Community College.

d. Space Allocation: The Prestonburg Community College Classroom Health Education Building, authorized by the 1996 Kentucky Acts, Chapter 380, Part X (House Bill 379), shall be located on the campus of Prestonburg Community College and administered by Prestonburg Community College. The Northeast Regional Postsecondary Education Center, Part II, Capital Projects Budget, Section L, Item 9.l., in this Act shall be located on the campus of Prestonburg Community College. Morehead State University and Prestonburg Community College shall develop a space and utilization plan for the two buildings; the Plan shall address whether joint or separate facilities will best meet the academic and student needs of the region. The Plan shall be submitted to the Council on Postsecondary Education for its approval.

TOURISM DEVELOPMENT

49. OFFICE OF THE SECRETARY

a. Golf Course Initiatives: The Commonwealth of Kentucky is committed to becoming an integral part of the "First Tee" initiatives of the PGA Tour, PGA, LPGA, Tiger Woods Foundation, National Minority Golf Foundation, USGA, Augusta National and Golf Course Superintendents of America, with involvement of PGA Tour Players for the purposes of promoting golf and making golf more accessible and affordable throughout the Commonwealth of Kentucky.

b. Golf Course Design: It is important in the design and development process of finding the uniqueness of each geographic area of the Commonwealth to select designers and developers who bring knowledge of what is expected both nationally and locally who possess the ability to coordinate and communicate with national and state golf organizations and seek their advice and counsel as to the development of new golf facilities within the Commonwealth.

50. DEPARTMENT OF TRAVEL

a. Marketing Strategy Report: The Cabinet shall provide a quarterly report to the Legislative Research Commission for referral to the appropriate committees summarizing the Kentucky Department of Travel's marketing strategy and the economic impact of Caesars Indiana on the Kentucky Tourism Industry.

51. DEPARTMENT OF PARKS

a. Jenny Wiley Trail: The Jenny Wiley Trail Task Force, comprised of representatives from the Tourism Development Cabinet, the Division of Forestry, and the Transportation Cabinet, shall continue to maintain and manage the Jenny Wiley Trail.

The Task Force shall provide a progress report to the Legislative Research Commission for referral to the appropriate committees by December first of each year.

b. Golf Course Professionals: All golf professionals certified by the Professional Golfers' Association, who are approved by the Commissioner of Parks, are authorized to teach golf lessons and receive a fee or lesson charge at golf courses owned and operated by the Kentucky Department of Parks. Instruction provided by an employee of the Commonwealth shall only be given while the employee is on his or her own personal time, as determined by guidelines established by the Commissioner of Parks.

c. Park Renovation Projects: The Cabinet shall continue to provide a quarterly status report to the Legislative Research Commission for referral to the appropriate committees summarizing the progress of the Park Renovation Projects.

d. Capital Maintenance and Renovation Fund: The Cabinet shall provide to the Interim Joint Committee on Appropriations and Revenue by January first of each fiscal year a priority listing of maintenance and renovation needs of park facilities.

~~[e. Golf Course and Coal Mine Museum: The Sleepy Hollow Golf Course and Coal Mine Museum are transferred to the Department of Parks.]~~

52. KENTUCKY HORSE PARK

a. Leasing of Horse Park property: No group which leases portions of the Horse Park property for recreational purposes for a nominal fee may sublet any portion of the leased property to another group for recreational purposes for any more than a nominal fee.

53. DEPARTMENT OF FISH AND WILDLIFE

a. Analysis of Compensation levels: The Department of Fish and Wildlife shall contract with the Personnel Cabinet to conduct an analysis of compensation levels of employees assigned to Fish and Wildlife classifications. These findings shall be reported to the Legislative Research Commission for referral to the appropriate committees on or before July 1, 1999. In conducting the analysis the Personnel Cabinet shall consider evaluating and comparing the Department of Fish and Wildlife Resources to other similar state and local employee classifications both in the Commonwealth and in other states.

b. Financial Report: The Department of Fish and Wildlife shall provide a written program and financial report identifying the expenditure of funds by the Department to the Legislative Research Commission for referral to the appropriate committees no later than 60 days following the end of each fiscal year. The report shall provide, at a minimum, a summary of all obligated funds included in the projected ending balance.

TRANSPORTATION

54. TRANSPORTATION

a. Transportation Cabinet Office Building Provisions: The Transportation Cabinet shall relinquish the rights to the existing State Office Building in return for the General Fund-supported previously authorized but unissued $18,900,000 bonds that are reauthorized in Part II, Section P, Item 87 of this Act. The General Assembly declares that the new Transportation Cabinet Office Building shall be owned by the Transportation Cabinet and that any surplus bond proceeds or debt service appropriations shall be deposited in the State Construction Account. Any revenue generated from the leasing of office space in the new Transportation Cabinet Office Building shall be deposited in the Road Fund. The Finance and Administration Cabinet shall present to the Interim Joint Committee on Appropriations and Revenue a cost comparison of the site options for review prior to selecting the preferred site.

b. New Economic Development Road Bond Usage: The General Assembly directs that the Transportation Cabinet fully utilize the bond proceeds from the New Economic Development Road Bonds to advance federal projects due to the lack of federal highway moneys resulting from a failure by the United States Congress to enact new highway authorization legislation.

c. State Match Provisions: The Transportation Cabinet is authorized to utilize state construction moneys to match federal highway moneys in the event that unanticipated additional federal funds are provided to Kentucky and the state match appropriations have been exhausted.

d. Excess Debt Service/Lease-Rental Appropriations: Any Road Fund appropriations that are not needed to pay lease-rental payments to the Kentucky Turnpike Authority or debt service on the new Transportation Cabinet Office Building shall be credited in the State Construction Account.

e. Permanent Positions Cap: The Transportation Cabinet's personnel cap shall be 6,431 permanent positions.

f. Financial Reports: The Transportation Cabinet shall provide the Interim Joint Committee on Appropriations and Revenue a detailed account of the Road Fund tax components that contributed to the Road Fund Surplus Account. Additionally, the Transportation Cabinet shall also furnish to the Interim Joint Committee on Appropriations and Revenue a detailed report of all Restricted Funds accounts. The report shall include the amount of interest that has accrued to the various accounts each fiscal year along with the disposition of the interest earnings.

g. Public Transportation: Federal Surface Transportation Program moneys that are appropriated in the amount of $1,000,000 in fiscal year 1998-99 to Public Transportation shall be utilized to support the operations of public transit authorities. The urban transit authorities of Louisville, Lexington, and Northern Kentucky shall utilize sixty percent ($600,000) of these moneys and the rural transit authorities shall utilize forty percent ($400,000). The Transportation Cabinet is authorized to utilize portions of the $1,000,000 federal Surface Transportation Program (STP) appropriation to provide financial assistance to agencies around the state that provide transportation to the elderly.

h. A-A Highway Traffic Accident Study: The Department of Highways shall conduct an intensive traffic accident study on the A-A Highway in fiscal year 1999-2000. It shall include an analysis of visibility, signage, lighting, turn lanes, and road striping at each public and private access. The accidents shall be identified by location and by fatalities, major injury, noninjury, and minor injury. Causes for the accidents shall be summarized and recommendation made to reduce the high level of accidents on the A-A Highway. A public hearing shall be held on the results of the study at a convenient location along the A-A Highway Corridor.

~~[i. Access Permits: Charges for any access permits granted by the Department of Highways shall be based on the price of the property being purchased back for the access. This property value shall be the price paid originally for the right-of-way and the normal inflationary uplifts. No administrative cost shall be charged. The permits access fees refunds outlined in the FB 1996-98 Final Budget Memorandum shall be granted only for the state portion of the fees in calendar year 1998. Any refunds that this provision requires the Transportation Cabinet to pay is appropriated in the highways appropriation unit.]~~

j. Highway Plans: The Transportation Cabinet shall monthly transmit electronic data to the General Assembly through the Legislative Research Commission on all activity relating to all projects in the execution of the enacted 1998-2004 six-year road plan. The data for each project shall contain all cabinet activity on projects funded through the Road Fund**,** Federal Funds, Restricted Funds, and Bond Funds, including resurfacing and rural and secondary projects, and shall also include but not be limited to the following:

(a) District number and project item number which shall remain in effect throughout the entire life of the project, subject to the following conditions:

1. If a project is split into more than one project during its life, the project shall maintain the same item number with a suffix;

2. If two or more projects are merged then the projects shall be identified by the new merged project maintaining the project item number of one (1) of the projects being merged. The total cost of the merged project shall be set forth; and

3. If a project that has been merged with another project and all funds authorized for the initial project that is subsequently shifted to the new merged project shall remain in the 1998-2004 six-year road plan and shall be identified with a cross-reference to the superseded project and superseded project item number; and

(b) County name and county number.

k. Motor Vehicle License Plates: The Secretary of the Finance and Administration Cabinet shall determine, in consultation with the Secretaries of Transportation and Justice Cabinets, the unit price and total cost of license plates to be produced by Correctional Industries. If sufficient moneys are not provided in the Vehicle Regulation budget for this cost, the Secretary of the Finance and Administration Cabinet is authorized to transfer sufficient Road Fund moneys from the State Construction program in Highways to Vehicle Regulation to meet the supplemental costs. Excess moneys shall be transferred to the State Construction program.

l. Motor Pool Vehicles: Notwithstanding KRS 186.065, all motor vehicles that are purchased through the state motor pool or issued by the motor pool to state agencies shall carry the statement "For Official Use Only" on the side door panels. This provision shall not apply to state vehicles used as unmarked vehicles in any type of investigation.

m. Federal Aid Highway Funds: If additional federal highway moneys are made available to Kentucky by the United States Congress, the funds shall be used according to the following priority: (a) any demonstration or project specific money shall be used on the project identified; and (b) all other funds shall be used to insure that projects in the 1998-2000 Biennial Highway Program are funded with special consideration given to pavement rehabilitation projects on the Western Kentucky Parkway. If additional federal moneys remain after these priorities are met, the Transportation Cabinet may select projects from the four year preconstruction program that are identified in 1998 House Joint Resolution 92.

WORKFORCE DEVELOPMENT CABINET

55. DEPARTMENT FOR TECHNICAL EDUCATION

a. Participation in the Education Technology Program by Area Vocational Education Centers: Area Vocational Education Centers shall be fully eligible to participate in the Kentucky Education Technology System. Notwithstanding KRS 157.650 to 157.665, the School Facilities Construction Commission in consultation with the Kentucky Board of Education and the Kentucky Department of Education shall develop administrative regulations which identify a methodology by which the average daily attendance for Area Vocational Education Centers may be equated to the average daily attendance of other local school districts in order that they may receive their respective distributions of these funds. The School Facilities Construction Commission shall include Area Vocational Education Centers in any offers of assistance to local school districts for technology assistance during the 1998-2000 fiscal biennium.

b. Secondary Vocational Education and Technology Centers Operations: Notwithstanding KRS 151B.025, 151B.035, 151B.110, or any other statute to the contrary, a local board of education may petition the State Board for Adult and Technical Education. The application by a local board to assume authority for the management and control of a state-operated secondary vocational education and technology center shall address, at a minimum, the following areas of concern: the local board's plan for continuing those programs and services to students from other school districts who are using the center at the time of the transfer, and a plan of collaboration with the districts being served to meet local vocational curriculum needs, including the intention to involve these districts in future needs assessments, program, and curriculum changes.

The State Board may, at its option, enter into an agreement to transfer all equipment, supplies, and any General Fund moneys appropriated to the Department for Technical Education relating to the operations of the center to the local board of education, provided that the local board shall guarantee all employee rights and benefits accumulated under the State Board of Adult and Technical Education. In addition, all funds generated pursuant to students being enrolled in the center in accordance with the Support Education Excellence in Kentucky (SEEK) Program, as provided by KRS 157.360, 157.370, or any other statute, shall be transferred to the local board of education for distribution to the secondary school operating center. All funds, equipment, and supplies transferred to the local board of education pursuant to assuming the management and control of a state-operated secondary vocational education and technology center shall be provided to the secondary school operating the center and may only be utilized for the operation of the center.

PART X

GENERAL FUND SURPLUS EXPENDITURE PLAN

1. Pursuant to KRS 48.700 and notwithstanding KRS 48.140, there is established a plan for the expenditure of General Fund surplus moneys pursuant to a General Fund Surplus Plan contained in this Part for fiscal years 1998-99 and 1999-2000 notwithstanding the provisions of KRS 48.140(1) and (2). Pursuant to the enactment of the Surplus Expenditure Plan, General Fund moneys in the General Fund undesignated fund balance (General Fund Surplus Account) are appropriated to the following: the Budget Reserve Trust Fund established in KRS 48.705; a State Technology Projects Fund, as established in this Part of this Act; a School Technology Projects Fund as established in this Part of this Act; and a Statewide Infrastructure and Endowment Fund as established in this Part of this Act. Collectively, these four component funds comprise the General Fund Surplus Expenditure Plan for fiscal years 1998-99 and 1999-2000.

2. The General Fund amount appropriated to the Surplus Expenditure Plan from the undesignated fund balance in the General Fund at the close of fiscal year 1997-98 and fiscal year 1998-99 respectively shall not exceed the total for the appropriations made for fiscal years 1998-99 and 1999-2000 combined. If the undesignated fund balance in the General Fund at the close of fiscal year 1997-98 and at the close of fiscal year 1998-99 totals less than the total combined Surplus Funds appropriation amounts for fiscal year

1998-99 and fiscal year 1999-2000, the amount available for appropriation for fiscal year 1998-99 and for fiscal year 1999-2000 pursuant to this section shall be the total undesignated fund balance amount at June 30, 1998, and at June 30, 1999, for the respective years. These amounts are appropriated in fiscal year 1998-99 and in fiscal year 1999-2000, and shall be allocated in the following manner: a proportional amount of the total General Fund Surplus balance to the Budget Reserve Trust Fund, not to exceed $20,000,000 in fiscal year 1998-99 and $22,000,000 in fiscal year 1999-2000; a proportional amount of the total General Fund Surplus balance to the State Technology Projects Fund, not to exceed $25,700,000 in fiscal year 1998-99 and $67,800,000 in fiscal year 1999-2000; a proportional amount of the total General Fund Surplus balance to the School Technology Projects Fund, not to exceed $25,700,000 in fiscal year 1998-99 and $71,600,000 in fiscal year 1999-2000; a proportional amount of the total General Fund Surplus balance to the Endowment Fund, not to exceed $110,000,000 in fiscal year 1998-99; and a proportional amount of the total General Fund Surplus balance to the Infrastructure Fund not to exceed $107,730,000 in fiscal year 1998-99 or in fiscal year 1999-2000. Projects in the amount of $127,000,000 are authorized with Bond Funds.

3. The Secretary of the Finance and Administration Cabinet shall determine, within thirty (30) days after the close of fiscal year 1997-98, and the close of fiscal year 1998-99, based on the official financial records of the Commonwealth, the amount of actual General Fund undesignated fund balance for the General Fund Surplus Account that may be available for expenditure pursuant to the Plan respectively in fiscal year 1998-99 and fiscal year 1999-2000.

The Secretary of the Finance and Administration Cabinet shall certify the amount of actual General Fund undesignated fund balance available for expenditure to the Legislative Research Commission.

Subsequent to June 30, 1998, funds that are certified as being available in the actual General Fund undesignated fund balance for the General Fund Surplus Account are appropriated for expenditure in fiscal year 1998-99 pursuant to the Plan.

Each component Fund identified as part of the General Fund Surplus Expenditure Plan in this Part of this Act shall be appropriated its discrete proportional amount of the total General Fund Surplus balance share of the total undesignated fund balance. Nonrecurring project amounts are hereby appropriated in priority rank order for the individual component funds set out above in this Part. Notwithstanding KRS 45.229, any funds appropriated pursuant to this Part of this Act in fiscal year 1998-99 shall not lapse, but shall carry forward and remain appropriated in fiscal year 1999-2000 in order to effectuate the terms of this Act.

4. To the extent that projects are enumerated in the priority ranking and sufficient General Fund moneys are not certified to be available for expenditure and appropriation in fiscal year 1998-99, the remaining projects in the same priority order set forth in this Part are appropriated from the actual General Fund undesignated fund balance for the General Fund Surplus Account effective July 1, 1999, for fiscal year 1999-2000.

5. Individual project priority rankings have been established within each of the four component funds enumerated. Nonrecurring appropriations are approved in the priority rank order for the projects listed within each component fund enumerated below and within the proportional amount of the total General Fund Surplus balance amounts provided above:

Priority		General Fund Surplus Appropriations
I.	Budget Reserve Trust Fund: $20,000,000 in fiscal year 1998-99 and $22,000,000 in fiscal year 1999-2000.	42,000,000
II.	State Technology Projects Fund:	
	$25,700,000 in fiscal year 1998-99 and $67,800,000 in fiscal year 1999-2000	

Budget Unit

1. Workforce Development Cabinet - Department for Technical Education - Area Vocational Education Centers/Equipment, 6,000,000

2. Finance and Administration Cabinet - Year 2000 Conversion, 6,700,000

3. Justice Cabinet - Department of State Police - Automated Fingerprint System, 5,800,000

4. Justice Cabinet-Justice Administration - Unified Criminal Justice Information System, 5,000,000

5. Finance and Administration Cabinet - Technology Trust Fund, 70,000,000

Subtotal 93,500,000

III. School Technology Projects Fund

1. Kentucky Department of Education-Management Support Services - Kentucky Educational Technology System, $25,700,000 in fiscal year 1998-99 and $71,600,000 in fiscal year 1999-2000. 97,300,000

IV. Statewide Infrastructure and Endowment Fund

Priority <u>General Fund Surplus Appropriations</u>

ENDOWMENT FUND

A. Council on Postsecondary Education

Budget Unit Research Challenge Trust Fund

1. Endowed Chairs 100,000,000

The total amount is appropriated in fiscal year 1998-99.

Budget Unit Regional Universities Excellence Trust Fund

2. Endowed Chairs,

The total amount is appropriated in fiscal year 1998-99.	10,000,000
Endowment Fund subtotal	110,000,000

STATEWIDE INFRASTRUCTURE FUND

To the extent the proportional amount of the total General Fund Surplus balance amount allocated for the purpose of the Infrastructure Fund totals up to $11,000,000 in fiscal year 1998-99, the following Bond funds supported projects and related amounts shall receive first priority funding allowance and Bond Funds are authorized in the following amounts for these projects.

		Bond Funds
a.	Finance and Administration Cabinet	
Budget Unit	General Administration	
1.	Veterans' Nursing Home - East Kentucky	4,725,000
2.	Veterans' Nursing Home - West Kentucky	4,725,000
b.	Cabinet for Economic Development	
Budget Unit	Office of the Secretary	
3.	Northern Kentucky Airport	17,000,000
c.	Tourism Development Cabinet	
Budget Unit	Kentucky State Fair Board	
4.	Louisville/Jefferson County International Airport	20,000,000
d.	Postsecondary Education	
Budget Unit	University of Kentucky	
5.	University System - Coldstream Research Campus Infrastructure	5,500,000
e.	Cabinet for Economic Development	
Budget Unit	Office of the Secretary	
6.	Columbia Sewer Lines	2,000,000

7.	Adair County Industrial Park Development Fund	500,000
8.	Green County Industrial Park Development Fund	460,000
9.	Russell County Industrial Park Development Fund	100,000
10.	Russell County Gas Line	2,000,000

f. Tourism Development Cabinet

Budget Unit Department of Parks

11.	Greenbo State Park Wastewater Plant	1,000,000
12.	Rough River Marina Improvements	800,000
13.	Barren River - Dock Replacement	450,000
14.	Audubon Golf Course Erosion	300,000
15.	Boonesborough Electric Upgrade	885,000
16.	Jefferson Davis - Repair	450,000
17.	Cumberland Falls - Water Lines	550,000
18.	Whitehall HVAC	175,000
19.	Blue Licks Lodge	2,500,000
20.	Dale Hollow Lodge	1,500,000
21.	Pineville Golf Course	3,000,000

g. Cabinet for Economic Development

Budget Unit Financial Incentives

22.	Louisville Riverfront	4,000,000

h. Education, Arts and Humanities Cabinet

Budget Unit Office of the Secretary

23.	Four Rivers Center - Paducah	12,000,000

i. Cabinet for Economic Development

Budget Unit Office of the Secretary

24.	Bowling Green - Warren County Airport	6,000,000

j. Tourism Development Cabinet

Budget Unit	Office of the Secretary	
	25. Artisans Center - Berea	6,000,000
k.	Finance and Administration Cabinet	
Budget Unit	General Administration	
	26. Hindman Educational Complex	3,000,000
l.	Government Operations	
Budget Unit	Department for Local Government	
	27. Springfield Water and Wastewater Projects	2,000,000
m.	Tourism Development Cabinet	
Budget Unit	Department of Parks	
	28. Golf Course/Road - Yatesville Lake	6,000,000
n.	Education, Arts and Humanities Cabinet	
Budget Unit	Office of the Secretary	
	29. East Kentucky Center for Science, Math, and Technology	2,640,000
o.	Government Operations	
Budget Unit	Department for Local Government	
	30. Versailles/Woodford County Community Center	3,000,000
p.	Tourism Development Cabinet	
Budget Unit	Office of the Secretary	
	31. Country Music Hall of Fame	2,168,000
	32. Coca Cola Museum	2,000,000
q.	Cabinet for Economic Development	
Budget Unit	Office of the Secretary	
	33. Radcliff/Vine Grove Industrial Park	960,000
	34. a. RiverPark Center - Owensboro	1,500,000
	b. Bluegrass Museum	1,500,000

r. Postsecondary Education

Budget Unit Murray State University

35. Renovate Animal, Health Technology Center 700,000

Budget Unit Kentucky Community and Technical College System

36. Maysville Community College Extension Campus at Cynthiana 2,500,000

s. Government Operations

Budget Unit Department for Local Government

37. Edmonson County/City of Brownsville Natural Gas line and Infrastructure 950,000

38. Harlan County Infrastructure and Renovation Projects Pool 1,000,000

t. Cabinet for Families and Children

Budget Unit Administration Services

39. Lincoln County Senior Citizens Center 360,000

Bond Funds Supported subtotal 127,000,000

To the extent that the proportional amount of the total General Fund Surplus balance amount allocated to the Statewide Infrastructure and Endowment Fund exceeds \$110,000,000, Surplus Fund appropriations are made in the amounts specified to the following projects:

u. Finance and Administration Cabinet

Budget Unit General Administration

40. Pike County Community Projects Pool 6,000,000

v. Tourism Development Cabinet

Budget Unit Department of Parks

41. Paintsville Lake Campground 2,850,000

w. Government Operations

Budget Unit Department for Local Government

42.	Grayson County Courthouse	150,000
43.	Mount Sterling/Montgomery County Community Center	1,000,000
44.	Greenup County Water/Fire Departments Projects	525,000

x. Tourism Development Cabinet

Budget Unit Department of Parks

45.	Lost River	125,000
46.	Kentucky Railway Museum, Inc.	500,000

y. Education, Arts and Humanities

Budget Unit Kentucky Center for the Arts

47.	Kentucky Center for the Arts	4,500,000

z. Postsecondary Education

Budget Unit University of Kentucky

48.	University System - Coldstream Research Building	1,200,000

aa. Government Operations

Budget Unit Department for Local Government

49.	Tollesboro Industrial Site	250,000
50.	Larue and Nelson County Water Lines	1,000,000
51.	Clay County Wastewater Plant Upgrade/Water Line Construction	1,900,000
52.	City of Lebanon Community Center	300,000
53.	Mayfield/Graves County Senior Citizens Center	700,000

ab. Education, Arts and Humanities

Budget Unit Office of the Secretary

54.	Underground Railroad Artifacts	50,000

ac. Finance and Administration

Budget Unit Office of the Secretary

	55.	Consolidated Community Projects Pool	5,000,000
ad.	Government Operations		
Budget Unit	Department for Local Government		
	56.	Exceptional Center - Marshall County	100,000
	57.	Grayson County Airport	200,000
	58.	Park City Park Improvement	50,000
	59.	Cave City Downtown Improvement	100,000
	60.	Carter County Water Lines	600,000
	61.	City of Berea Oldtown Infrastructure Project	300,000
	62.	East Pulaski County Community Park	40,000
ae.	Tourism Development Cabinet		
Budget Unit	Department of Parks		
	63.	Golf Course - Mineral Mound	5,000,000
af.	Government Operations		
Budget Unit	Department for Local Government		
	64.	Williamsburg/Whitley County Airport	2,000,000
	65.	Cutshin Water Project	250,000
	66.	Mason County Water Lines/Fire Departments Projects	200,000
	67.	Bath County Courthouse Renovation	700,000
ag.	Finance and Administration		
Budget Unit	Office of the Secretary		
	68.	Breckinridge County Water Line Project	550,000
ah.	Tourism Development Cabinet		
Budget Unit	Department of Parks		
	69.	Jessamine/Mercer/Boyle Counties Projects	1,000,000
ai.	Government Operations		
Budget Unit	Department for Local Government		

70.	Owsley/Lee/Wolfe Regional Jail	500,000
71.	Oldham County Sewer	3,000,000

aj. Tourism Development Cabinet

Budget Unit Department of Parks

72.	Lake Malone Road	173,000

ak. Government Operations

Budget Unit Department for Local Government

73.	Mount Olivet Sewer Project	400,000

al. Tourism Development Cabinet

Budget Unit Department of Parks

74.	Pennyrile Golf Course Renovation	3,000,000

am. Economic Development Cabinet

Budget Unit Office of the Secretary

75.	Business Development Job Training Center	2,000,000

an. Government Operations

Budget Unit Department for Local Government

76.	Salyersville Wastewater Expansion	500,000
77.	Red Fox Golf Course	3,000,000
78.	Louisville Zoo	2,000,000
79.	Flatwoods Infrastructure	75,000
80.	Paramount Theater - Ashland	2,150,000
81.	Hart County Jail	600,000
82.	Powell County Volunteer Fire Districts	300,000
83.	Marshall County/Draffenville Sewer Project	500,000

ao. Tourism Development Cabinet

Budget Unit Department of Parks

84.	Perryville Battlefield Development Project	800,000

	85. Grayson Lake Golf Course	500,000
	86. Multiple Projects Pool	4,027,000
ap.	Government Operations	
Budget Unit	Department for Local Government	
	87. Metcalfe County Park	150,000
	88. Menifee County Wellness Center	50,000
aq.	Cabinet for Economic Development	
Budget Unit	Office of the Secretary	
	89. a. Bluegrass Museum	1,500,000
	b. RiverPark Center - Owensboro	1,500,000
ar.	Government Operations	
Budget Unit	Department for Local Government	
	90. Brandenburg Riverport Dock Project	600,000
	91. Black Oak/Vanceburg Water Lines	200,000
as.	Cabinet for Economic Development	
Budget Unit	Office of the Secretary	
	92. Business Development Incubator	1,050,000
at.	Postsecondary Education	
Budget Unit	Morehead State University	
	93. Morehead State University Wellness Center	900,000
au.	Government Operations	
Budget Unit	Department for Local Government	
	94. East Clark County Water Lines	400,000
av.	Cabinet for Families and Children	
Budget Unit	Administration Services	
	95. Dare to Care Warehouse	250,000
aw.	Tourism Development Cabinet	

Budget Unit	Department of Parks	
96.	Consolidated Harlan County Projects Pool	2,000,000
ax.	Government Operations	
Budget Unit	Department for Local Government	
97.	Mason County Jail Remodeling	250,000
ay.	Tourism Development Cabinet	
Budget Unit	Department of Parks	
98.	Old Kentucky Home Golf Course	2,400,000
az.	Cabinet for Health Services	
Budget Unit	Administrative Support	
99.	Group Homes (3) Lexington/Fayette County	1,000,000
ba.	Finance and Administration	
Budget Unit	Office of the Secretary	
100.	Ohio County Water Line Project	500,000
bb.	Government Operations	
Budget Unit	Department for Local Government	
101.	Wilderness Trace Child Development Center	450,000
102.	Clay County Education Center	235,000
103.	Nicholas County Public Health	400,000
104.	Greenup County Athletic Complex	250,000
105.	Louisville Science Center	500,000
106.	Simpson County-Industrial Park	200,000
107.	Hickman - Fulton County Riverport	700,000
108.	Western Kentucky Information/Tourism Center	200,000
109.	Robertson County Water Project	200,000
bc.	Tourism Development Cabinet	
Budget Unit	Department of Parks	

110.	Nolin Lake State Park Campground/Infrastructure	2,000,000

bd. Cabinet for Economic Development

Budget Unit Office of the Secretary

111.	Fleming County Industrial Land Purchase	300,000

be. Government Operations

Budget Unit Department for Local Government

112.	Park Improvements/Development - Lexington/Fayette County	4,000,000

bf. Cabinet for Health Services

Budget Unit Administrative Support

113.	Beacon House	250,000

bg. Tourism Development Cabinet

Budget Unit Department of Parks

114.	Kincaid Lake Golf Course	3,000,000

bh. Government Operations

Budget Unit Department for Local Government

115.	Nicholasville Swimming Pool	600,000
116.	Black Oak Speculative Building	100,000
117.	Manchester Emergency Services	125,000
118.	West Liberty Water Plant	1,000,000
119.	Farm Youth Center Grant	50,000
120.	Knob Lick Water Lines	300,000
121.	Marshall County Rescue Squad	20,000
122.	Johnson County Rescue Squad Building	125,000
123.	Hacker Volunteer Fire Department	20,000
124.	Horse Creek Volunteer Fire Department	20,000
125.	Highview Hill Park	100,000
126.	Hardin County Public Library	40,000

	127. Vanceburg Depot Renovation	50,000
	128. Mason County Clerk's Office Remodeling	150,000
	129. Logan/Todd Regional Water Project	2,000,000
bi. Tourism Development Cabinet		
Budget Unit	Department of Parks	
	130. Dale Hollow Golf Course	500,000
bj. Government Operations		
Budget Unit	Department for Local Government	
	131. Anderson County Park (City Park)	150,000
	132. Scottsville Water Flow	250,000
	133. Menifee Community Education Center	50,000
	134. Henderson Riverfront Improvement	1,500,000
bk. Education		
Budget Unit	Department of Education	
	135. Jackson County Area Vocational School	2,000,000
bl. Government Operations		
Budget Unit	Department of Agriculture	
	136. Purchase of Development Rights	750,000
Budget Unit	Department for Local Government	
	137. Irvington Community Development	50,000
	138. Greenup County 911 System	35,000
	139. Carlisle County Sewage Treatment Plant	900,000
bm. Natural Resources and Environmental Protection		
Budget Unit	Kentucky River Authority	
	140. Kentucky River Parks	1,000,000
bn. Education, Arts and Humanities		
Budget Unit	Kentucky Educational Television Authority	

141.	Transmitters Replacement	6,000,000
bo.	Government Operations	
Budget Unit	Department for Local Government	
142.	Hancock County Volunteer Fire Department Building	100,000
bp.	Finance and Administration	
Budget Unit	Office of the Secretary	
143.	Grayson County Water Line Project	500,000
bq.	Government Operations	
Budget Unit	Department for Local Government	
144.	Miscellaneous Projects Pool	2,641,000
145.	Crystal Lake Dam Improvement, Kenton County	100,000
146.	Consolidated Projects Pool	350,000
Statewide Infrastructure General Fund Surplus subtotal		107,730,000
TOTAL SURPLUS PLAN		450,530,000

Projects enumerated above in the Statewide Infrastructure with priority ranking one (1) to thirty-nine (39) and related project amounts are authorized for bond issuance up to the total amount for Bond Funds supported projects if conditions of Part X are met in fiscal year 1998-99. General Fund debt service is provided for in the Finance and Administration Cabinet, Debt Service budget unit, and shall remain available in fiscal year 1999-2000 for payment. The Secretary of Finance and Administration Cabinet is directed to effect necessary actions to accomplish the purposes of this section, and then to certify action to the Legislative Research Commission.

The appropriation provided above for the Louisville/Jefferson County International Airport (Priority #4) is authorized to be used by the Regional Airport Authority to acquire the residential property designated by the Authority under the Voluntary Buyout Program. The Regional Airport Authority agrees to, in turn, deed over $20 million worth of property to the Kentucky State Fair Board, which would include the Ashton-Adair and

South Prestonia areas. The deeding of the $20 million of property to the State will be consistent with the framework of the existing September 1994 agreement between the State and the Regional Airport Authority on the first part of the Ashton-Adair property. State funds shall not be utilized until the Finance and Administration Cabinet and the Capital Projects and Bond Oversight Committee are satisfied that the following parameters are met:

(1) The $20 million appropriation shall be made available to the State Fair Board within 60 days after the effective date of this Act. The Regional Airport Authority shall provide to the Auditor of Public Accounts for review copies of its existing audits prepared by independent certified public accountants in order that the Auditor of Public Accounts may determine what additional financial or management audits, if any, are warranted.

(2) All costs for infrastructure within the boundaries of the Innovative Housing Program subdivision development shall be borne by the Innovative Housing Program.

(3) The Regional Airport Authority shall use land purchased in the Voluntary Buyout Program only for airport-related uses (commercial and industrial), fairgrounds/airport compatible uses (commercial and industrial), and airport-compatible uses (commercial and industrial). Uses that shall be prohibited include: aviaries and zoos; boarding and lodging houses; churches, parish halls, temples, convents, and monasteries; community residences; country clubs; dance halls; dancing instruction; day care centers, day nurseries, nursery schools, and kindergartens; dwellings, two-family or single-family, except for caretakers, custodians and watchmen; family care homes; fraternities, sororities, clubs, and lodges; funeral homes; home occupations; homes for the infirmed and aged; hospitals, health care facilities, and institutions; land fills; mobile home parks; multiple-family dwellings; music and vocal instruction; nursing homes; outdoor amphitheaters and music shells; schools (except airport-related); single-family dwellings; and social rehabilitation residences.

The appropriations provided above for projects at the University of Kentucky - University System - Coldstream Research Campus Infrastructure (Priority # 5) and the Coldstream Research Building (Priority # 48) are authorized to be used for the following purposes: infrastructure, research building development, or other necessary costs related to the development of the Coldstream Research Park. If economic opportunities or project planning necessitate a modification in the use of either or both of these appropriations for the Coldstream Research Park, that modification is authorized upon recommendation of the President of the University of Kentucky and the Secretary of the Economic Development Cabinet to the Secretary of the Finance and Administration Cabinet. The Secretary of the Finance and Administration Cabinet shall report any modification of the authorized projects to the Legislative Research Commission's Capital Projects and Bond Oversight Committee consistent with the provisions of KRS 45.750 to 45.810.

The appropriation provided above for the Adair County Industrial Park Development Fund (Priority #7) shall go through the Adair County Industrial Authority.

Of the $2.5 million appropriated above for the Blue Licks Lodge (Priority #19) up to ten percent (10%) may be used for the purchase of additional land for the Blue Licks State Resort Park.

The appropriation provided above for the Hindman Educational Complex projects (Priority # 26), except as otherwise directed in this paragraph, shall be administered by the Knott County Arts and Crafts Foundation, a public body corporate, to be established by the Knott County Fiscal Court according to the provisions of Section 501(c)(3) of the Internal Revenue Code. The Foundation shall be governed by a Board of Directors consisting of the following: three members appointed by the Knott County Judge/Executive; two members appointed by the Mayor of Hindman; two members appointed by the Governor; and two members appointed by the President of the Kentucky Community and Technical College System. Included in the above appropriation is

$750,000 for the Knott County Public Library for construction and equipment, if the library is constructed on land owned by the Knott County Fiscal Court in fee simple title; $1,250,000 for the construction, site development, equipment purchases, and other necessary expenses related to construction of the Hindman Branch of Hazard Community College; and $1,000,000 for the Foundation Board for capital expenditures.

Included in the Harlan County Infrastructure and Renovation Projects Pool (Priority # 38) are the following individual projects and related amounts: Harlan Regional sewer project - $425,000; Green Hills water project - $275,000; Wallins Creek water project - $250,000; and Evarts Depot renovation project - $50,000.

Included in the Pike County Community Projects Pool (Priority # 40) are the following individual projects and related amounts: Pike County Civic Center - $5,500,000, eight Pike County High School Recreational Facilities projects - $200,000, Elkhorn City Pool and Park Improvements - $75,000, Elkhorn Creek-Dorton area Recreational Facility - $75,000, Pikeville/Pike County Skate Park Phase II - $25,000, Black Gem Recreational Facilities - $25,000, Lick Creek Park Phase II Improvements - $25,000, Grapevine Park Phase II Improvements - $25,000, and Pike County Domestic Violence Board - $50,000.

Included in the Greenup County Water/Fire Departments Projects (Priority # 44) are the following individual projects and related amounts: Greenup County Water Project - $475,000, and the Greenup County Volunteer Fire Departments - $50,000 to be shared equally.

Included in the Consolidated Community Projects Pool (Priority # 55) are the following individual projects and related amounts: Northern Kentucky University Land Acquisition - $300,000; Union County Fairgrounds/Arena - $900,000; Wilder Civic Center - $500,000; and the Woodford County Community Center, Scope Expansion - $1,000,000; Emergency Management Service Command Center, Carroll County Services to Grant and Trimble Counties - $150,000; Nichols Water Line, Bullitt County -

$500,000; Shepherdsville/Bullitt County Convention Center - $360,000; Bullitt County/North Nelson Water Extension - $400,000; Bernheim Forest Streetlights/Highway 245 - $100,000; $5,000 each to Volunteer Fire Departments in Bedford, Milton, Warsaw, Glencoe, Sparta, and Gallatin; Gamaliel Community Center - $30,000; Cumberland County Adult Literacy Center - $70,000; Hardin County Fire Departments - $5,000 each to Central Hardin County, Glendale, Kentucky 86, Rineyville, Sonora, Stephensburg, Upton, Valley Creek, Vine Grove, West 84, West Point, and White Mills; Lewis County Recycling Center - $50,000; Rust Drive/Taylor Mill Water Project - $50,000; and City of Hindman Water Line Expansion - $500,000.

The appropriation provided above for the Williamsburg/Whitley County Airport (Priority # 64) is authorized to be used for the development or enhancement of industrial locations in Whitley County if there are any funds in excess of meeting the federal aviation match.

Included in the Mason County Water Lines/Fire Departments Projects (Priority # 66) are the following individual projects and related amounts - Mason County Water Lines - $100,000, and the Mason County Fire Departments - $100,000 to be shared equally.

The appropriation provided above for the Breckinridge County Water Line Project (Priority #68), the Ohio County Water Line Project (Priority #100), and the Grayson County Water Line Project (Priority #143) shall be used to provide financial assistance under the Kentucky Rural Water Act for these projects. The Lincoln Trail Area Development District is directed to coordinate the financing for the projects including, but not limited to, tax exempt bonds, notes, or other securities suitable for completion of the projects.

The appropriation for the Jessamine/Mercer/Boyle Counties Projects (Priority # 69) shall include the following individual projects and related amounts: Camp Nelson - Civil War Battlefield Trust - $850,000; Burgin Independent School System - $20,000;

Harrodsburg/Mercer County Parks - $100,000 which is in addition to the appropriation provided in Part II, Section F., Item 4.t.; and the Court Appointed Special Advocate (CASA) project in Boyle County - $30,000.

The appropriation for the Red Fox Golf Course (Priority # 77) provided above, as well as the appropriations provided in Part I, Section A, Item 12.b. of this Act related to the Red Fox Golf Course projects shall be administered through a new tri-county cooperative authority comprised of equal membership from Letcher, Knott, and Perry Counties.

Included in the Multiple Projects Pool (Priority #86) are the following individual projects and related amounts: sewer line extension in Kevil, Ballard County - $150,000; Hickman County Recreational Project - $10,000 which is in addition to the appropriation provided in Part II, Section F., Item 4.bo.; City of Milburn, Carlisle County, Water System Improvements - $40,000; Whitehall State Shrine, Lighting - $180,000; Pennyrile State Forest Nature Trail and Pedestrian Bridge - $77,000; Allen County 4-Way Stop Park - $100,000 which is in addition to the appropriation provided in Part II, Section F., Item 4.w.; City of Vicco - $15,000, City of Hazard - $10,000, City of Buckhorn - $5,000, and City of Hyden - $5,000; Perry County Schools - $15,000; Hazard City Schools - $5,000; Leslie County Schools - $5,000; Horse Park Chinese Exhibit - $50,000 to be matched with private funds; Providence City Water Towers Refurbishing - $50,000; Bailey Switch Fire Department - $15,000; Anderson County Park Improvements - $100,000; City of Lawrenceburg Senior Citizens - $150,000; Lake Barkley Lodge Trap Shoot - $550,000; Campbell County Waterline Extension - $225,000; Rockcastle Fire and Rescue Squad - $100,000; Rockcastle County Brindle Ridge Fire Department - $25,000; Russell County Little League - $15,000; and Clinton County/Albany Community Park - $25,000; Paintsville City Golf Course Improvements - $100,000; Jack Jouett House - $5,000; Freedom Hall Floor Refrigeration/Dehumidification Project - Kentucky Fair and Exposition Center - $2,000,000; Jakes Branch Volunteer Fire

Department - $2,000, Viper Volunteer Fire Department - $2,000, Troublesome Creek Volunteer Fire Department - $4,000, Buckhorn Volunteer Fire Department - $2,000, Grapevine/Chavies Volunteer Fire Department - $4,000, Lotts Creek Volunteer Fire Department - $4,000, Lost Creek Volunteer Fire Department - $4,000, Awawan Volunteer Fire Department - $2,000, Vicco/Sassafras Volunteer Fire Department - $4,000, Cornettsville Volunteer Fire Department - $2,000, Leatherwood Volunteer Fire Department - $4,000, Fisty Volunteer Fire Department - $4,000, Hazard Volunteer Fire Department - $4,000, Stinnett Volunteer Fire Department - $2,000, Thousandstix Volunteer Fire Department - $2,000, Coon Creek Volunteer Fire Department - $2,000, Hyden Volunteer Fire Department - $2,000, Wooton Volunteer Fire Department - $2,000, Cutshin Volunteer Fire Department - $2,000.

The appropriation provided above for the Brandenburg Riverport Dock Project (Priority # 90) is authorized to be used for the riverfront development, amphitheater, and museum.

The appropriation provided above for the Business Development Incubator (Priority #92) supports funding of a community partnership with local small business development organizations to establish a incubator for small start-up businesses in Lexington. Funds will be made available to the nonprofit Community Ventures Corporation's current microenterprise program.

Included in the Consolidated Harlan County Projects Pool (Priority #96) are the following individual projects and related amounts: Sleepy Hollow Golf Course expansion - $850,000; Watts Creek water project - $250,000; Benham Theater Project - $100,000; United Glove - $100,000; and Mine Portal #31 development project - $700,000.

The appropriation provided above for the Nolin Lake State Park (Priority # 110) shall be used for the design and development of a 60 site camping area with shower/restroom building and a control station. The project also includes funding infrastructure required to support the camping area.

The appropriation provided above for the Kincaid Lake Golf Course (Priority #114) shall be used for the purpose of constructing a nine-hole golf course.

The appropriation provided above for the West Liberty Water Plant, (Priority # 118) shall be a joint project between the City of West Liberty and Morgan County. Funds shall not be allotted until a Memorandum of Agreement, which includes a detailed plan of site selection, planning, design, construction, and operation is executed between the City of West Liberty and Morgan County and approved by the Governor's Office for Policy and Management.

The appropriation provided above for the Dale Hollow Golf Course (Priority # 130) is authorized to be used for design, construction, or equipment, and any excess funds may be used to design or construct a meeting facility.

Included in the Miscellaneous Projects Pool (Priority # 144) are the following individual projects and related amounts - Neon Downtown Revitalization Project - $100,000; Murray State University Animal Waste Fermentation Project - $100,000; St. Anthony Outreach Program - $100,000; Georgetown City Revitalization Project for utilities, lighting, and sidewalks - $100,000; Department of Agriculture Farm Safety Program - $125,000; Harlan County Communities Revitalization Program - $250,000 to be shared equally by the communities of Wallins Creek, Harlan, Loyall, Evarts, and Cumberland; Benham Community Project - $25,000; Lynch Community Project - $25,000; Letcher County Carcasonne Recreation Center - $50,000; Community Improvement Grants to Brooksville - $25,000 and Augusta - $25,000; Blanton Forest Economic Feasibility Study - $150,000; Paintsville Lake Primitive Campground and Route 4 Improvements - $80,000; Providence Fire Truck - $100,000; Boyd County Highland Museum - $100,000; Gap Knob Water Project - $346,000; Bloomfield Water Project - $600,000; and Nelson County Water Improvements - $60,000; Pineville Senior Citizen Center - $100,000; Whitesville Municipal Park Lighting - $75,000; City of

Providence Fire Truck - $100,000; and White Plains Veterans' Memorial - $5,000; Blackey Waterline Project - $100,000.

Included in the Consolidated Projects Pool (Priority #146) are the following individual projects and related amounts - Campbellsville Beautification Project - $200,000; Warsaw Volunteer Fire Department - $5,000; Glencoe Volunteer Fire Department - $5,000; Sparta Volunteer Fire Department - $5,000; Gallatin Volunteer Fire Department - $5,000; Bedford Volunteer Fire Department - $5,000; Milton Volunteer Fire Department - $5,000; Installation of Fire Hydrants and Valves - City of Falmouth - $40,000; Hardin County Public Library - $20,000; Challenger Center for Space Science - Hardin County - $20,000 which is in addition to the appropriation provided in Part II, Section F., Item 4.s.; and Route 8 Bridge Project - City of Ludlow - $40,000.

The funding for each project appropriated above is provided in furtherance of the declared public policy objectives of the Commonwealth including economic development, community improvement, and infrastructure needs. The funding for each project identified in this Part of this Act, Statewide Infrastructure and Endowment Fund, is appropriated to the Executive Branch budget unit identified with that project. This identification by established appropriation unit is for the purpose of ensuring that all funds and all projects appropriated as part of the General Fund Surplus Plan in this Part of this Act are subject to established statutory administrative procedures and appropriate General Assembly oversight required by KRS 45.750 to 45.810.

6. (a) To the extent that the available General Fund Surplus in fiscal year 1997-98 exceed the total component fund amounts allocated to fiscal year 1998-99, then the additional available General Fund Surplus amount is appropriated for fiscal year 1999-2000 allocation to the component funds.

(b) Notwithstanding KRS 48.140 and the provisions of Part X 1. to 5. above, if the total undesignated fund balance in the General Fund in fiscal year 1997-98 and 1998-99 respectively exceeds the total combined General Fund Surplus Plan appropriation amount, there is appropriated in fiscal year 1999-2000 to the Budget Reserve Trust Fund an amount, in addition to the $42,000,000 above combined appropriation, that enables the Budget Reserve Trust Fund to contain a fund balance up to five percent (5%) of the actual General Fund revenue in fiscal year 1998-99.

The Technology Trust Fund identified in Part X 5. II. 4. above is the Technology Trust Fund established by the 1996 Kentucky Acts, Chapter 380, Part X, to empower Kentucky state government through technology and redesigned business systems. The following provisions apply to that Technology Trust Fund and any additional amounts made available and appropriated to it in this Part of this Act. It is separate and distinct from the new State Technology Projects Fund as established for the first time in this Part of this Act.

7. The General Assembly has determined that the following provisions shall apply to all General Fund appropriations in this Act to the Technology Trust Fund originally authorized and appropriated by the 1996 Kentucky Acts, Chapter 380, Part X.

8. Appropriations allotted from the Technology Trust Fund for each project, initiative, or system, as well as all other associated resources made available from regular appropriations for the same purpose from a budget unit shall be transferred and credited to, and accounted for and expended from a discrete account established for the individual project, initiative, or system item in the Operating Budget and the Capital Budget.

9. In addition to the General Fund appropriations in this Part for the Technology Trust Fund, Restricted Funds, Federal Funds, the Road Fund, private funds, and any matching fund appropriations required are appropriated in support of the projects and priorities identified by the Redesign Steering Committee. However, KRS 45.760(14), 45.770, 45.780, and 45.800 notwithstanding, no funds from the emergency repair, maintenance and replacement account or the capital construction and equipment purchase contingency account shall be used for Technology Trust Fund projects, systems, or initiatives.

10. Figures for amounts in all determinations, authorizations, and appropriations under the Plan shall be rounded to the lower hundredth dollar.

11. Notwithstanding KRS 45.229, appropriations from the General Fund for the projects, systems, and initiatives identified and authorized as part of the Plan shall be continued appropriations and not lapse to the General Fund. Appropriations made to components of the Plan in fiscal year 1998-99 shall be continued in fiscal year 1999-2000.

12. Nothing in this Part shall be construed as modifying, suspending, or superseding the Model Procurement Code as set forth in KRS Chapter 45A.

13. Nothing in this Part shall be construed as modifying, suspending, or superseding the provisions of KRS Chapter 18A on the merit system.

STATE/EXECUTIVE BRANCH BUDGET SUMMARY

OPERATING BUDGET

	1997-98	1998-99	1999-00	
General Fund		18,435,500	5,959,253,000	6,283,915,500
Restricted Funds		6,220,600	2,835,455,600	2,833,032,300
Federal Funds		2,925,000	4,363,117,600	4,354,658,800
Road Fund	2,300,000	1,011,281,000	1,064,649,000	
Bond Funds			100,000,000	105,000,000
Subtotal	29,881,100	14,269,107,200	14,641,255,600	

CAPITAL PROJECTS BUDGET

	1997-98	1998-99	1999-00	
General Fund			36,263,000	385,000
Restricted Funds		12,488,000	623,868,000	121,601,000
Federal Funds		621,000	79,266,000	8,871,000
Bond Funds		3,200,000	758,600,000	
Road Fund		9,302,000	8,843,000	

Agency Bonds			96,100,000	
Capital Construction Surplus		1,477,000	1,462,000	
Investment Income		698,000	31,152,000	13,100,000
Other Funds		1,599,000	97,661,000	29,889,000
Subtotal	20,083,000	1,733,674,000	182,689,000	

TOTAL-STATE/EXECUTIVE BUDGET

	1997-98	1998-99	1999-00	
General Fund		18,435,500	5,995,516,000	6,284,300,500
Restricted Funds		18,708,600	3,459,323,600	2,954,633,300
Federal Funds		3,546,000	4,442,383,600	4,363,529,800
Road Fund	2,300,000	1,020,583,000	1,073,492,000	
Bond Funds		3,200,000	858,600,000	105,000,000
Agency Bonds			96,100,000	
Capital Construction Surplus		1,477,000	1,462,000	
Investment Income		698,000	31,152,000	13,100,000
Other Funds		1,599,000	97,661,000	29,889,000
TOTAL FUNDS		49,964,100	16,002,781,200	14,823,944,600

The above capital projects are directly funded in Part II, Capital Projects Budget, of this Act.