

## Education, Arts and Humanities

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	189,673,400	249,396,100	278,264,200	192,913,900	209,836,700
<b>Total General Fund</b>	189,673,400	249,396,100	278,264,200	192,913,900	209,836,700
<b>Restricted Funds</b>					
Balance Forward	3,323,200	910,100	561,200	908,200	559,300
Current Receipts	3,491,000	3,683,700	3,923,000	3,648,700	3,885,000
Non-Revenue Receipts	5,448,300	6,313,800	6,717,900	6,313,800	6,717,900
<b>Total Restricted Funds</b>	12,262,500	10,907,600	11,202,100	10,870,700	11,162,200
<b>Federal Funds</b>					
Balance Forward	186,300	121,800	50,000	125,300	53,500
Current Receipts	4,415,200	4,396,000	4,775,500	4,396,000	4,775,500
<b>Total Federal Funds</b>	4,601,500	4,517,800	4,825,500	4,521,300	4,829,000
<b>TOTAL SOURCE OF FUNDS</b>	206,537,400	264,821,500	294,291,800	208,305,900	225,827,900
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	27,313,500	30,612,400	32,839,700	28,821,500	30,685,900
Operating Expenses	15,554,500	17,405,600	18,634,900	15,672,600	15,912,400
Grants, Loans or Benefits	89,879,500	139,366,600	152,984,800	90,087,000	97,298,800
Debt Service	70,632,000	74,990,900	88,142,500	71,907,700	80,581,300
Capital Outlay	1,273,100	1,134,800	734,000	504,300	392,000
Construction	851,300	700,000	700,000	700,000	700,000
<b>TOTAL EXPENDITURES</b>	205,503,900	264,210,300	294,035,900	207,693,100	225,570,400
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	189,673,400	249,396,100	278,264,200	192,913,900	209,836,700
Restricted Funds	11,354,300	10,346,400	10,950,800	10,311,400	10,912,800
Federal Funds	4,476,200	4,467,800	4,820,900	4,467,800	4,820,900
<b>TOTAL EXPENDITURES</b>	205,503,900	264,210,300	294,035,900	207,693,100	225,570,400
<b>EXPENDITURES BY UNIT</b>					
Kentucky Arts Council	5,492,100	6,637,600	6,748,500	5,850,200	5,963,300
Kentucky Historical Society	6,719,100	8,573,000	10,070,500	6,892,700	7,559,200
Secretary	2,739,600	3,355,400	3,442,900	2,839,900	3,321,900
Kentucky Educational Television	18,355,500	19,607,300	20,042,500	16,988,200	18,989,800
School Facilities Construction Commission	70,864,000	73,664,400	86,821,700	72,145,200	79,030,500
Deaf and Hard of Hearing	1,074,400	1,520,400	1,444,300	1,075,700	1,098,600
Kentucky Heritage Council	2,076,100	3,360,200	3,394,900	2,020,700	2,029,700
Kentucky Center for the Arts	625,500	740,500	755,900	640,500	655,900
Environmental Education Council	232,000	250,800	256,100	150,000	150,000
Libraries And Archives	16,764,500	28,429,100	29,120,600	17,564,100	18,528,200
Teachers' Retirement System	80,561,100	118,071,600	131,938,000	81,525,900	88,243,300
<b>TOTAL EXPENDITURES</b>	205,503,900	264,210,300	294,035,900	207,693,100	225,570,400

The Education, Arts and Humanities Cabinet is charged with preserving Kentucky's heritage, preparing for its future, and promoting a statewide culture of lifelong learning. Each of the agencies in the Cabinet provides or oversees services that contribute to an enhanced quality of life for Kentuckians: excellence in public education, quality libraries, the preservation of historical landmarks, cultural enrichment through the visual and performing arts, and services to the deaf and hard of hearing.

**Education, Arts and Humanities  
Kentucky Arts Council**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	4,216,600	5,589,100	5,680,700	4,801,700	4,895,500
<b>Total General Fund</b>	4,216,600	5,589,100	5,680,700	4,801,700	4,895,500
<b>Restricted Funds</b>					
Balance Forward	183,500	136,000	65,500	136,000	65,500
Current Receipts	622,000	378,000	391,000	378,000	391,000
<b>Total Restricted Funds</b>	805,500	514,000	456,500	514,000	456,500
<b>Federal Funds</b>					
Balance Forward	144,800	92,100	45,400	92,100	45,400
Current Receipts	553,300	553,300	565,900	553,300	565,900
<b>Total Federal Funds</b>	698,100	645,400	611,300	645,400	611,300
<b>TOTAL SOURCE OF FUNDS</b>	5,720,200	6,748,500	6,748,500	5,961,100	5,963,300
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	938,800	1,097,300	1,146,500	995,300	1,042,700
Operating Expenses	713,200	809,200	815,000	689,500	695,300
Grants, Loans or Benefits	3,820,100	4,698,100	4,761,000	4,145,400	4,205,300
Capital Outlay	20,000	33,000	26,000	20,000	20,000
<b>TOTAL EXPENDITURES</b>	5,492,100	6,637,600	6,748,500	5,850,200	5,963,300
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	4,216,600	5,589,100	5,680,700	4,801,700	4,895,500
Restricted Funds	669,500	448,500	456,500	448,500	456,500
Federal Funds	606,000	600,000	611,300	600,000	611,300
<b>TOTAL EXPENDITURES</b>	5,492,100	6,637,600	6,748,500	5,850,200	5,963,300
<b>EXPENDITURES BY UNIT</b>					
Arts Council	4,951,100	5,801,300	5,907,000	5,011,300	5,117,000
Craft Marketing	541,000	836,300	841,500	836,300	841,500
Wage Equity				2,600	4,800
<b>TOTAL EXPENDITURES</b>	5,492,100	6,637,600	6,748,500	5,850,200	5,963,300

The Kentucky Arts Council was formed in 1965 by Executive Order and confirmed in 1966 when the General Assembly enacted KRS 153.210-235. The purpose of the Council is to develop and promote a broadly conceived state policy of support for the arts in Kentucky.

The Kentucky Arts Council supports, through grants and technical assistance, Kentucky arts organizations, schools, community arts councils and individual artists and craftpersons. These organizations and individuals contribute significantly to the economy, education and quality of life in Kentucky. They play a significant role in creating the positive climate and overseeing services necessary to implement the Kentucky Arts Council mission and plan; the Kentucky Education Reform Act; and Goal 5 of Kentucky's Strategic Plan for Economic Development.

The Council's major programs are: Arts and Cultural Organization Support, Community Arts Development, Arts Education, Crafts Marketing, Individual Artists Recognition and Support, Project Grants, Folk and Traditional Arts Support, and KAs Directories and Honors.

**Policy**

Included in the above General Fund appropriation is \$50,000 in each fiscal year for WRVG Public Radio in Georgetown; \$160,000 in each fiscal year for the Mountain Arts Council; and \$272,300 in fiscal year 2001 and \$259,300 in fiscal year 2002 to expand the Craft Marketing Program.

Included in the above General Fund appropriation is \$2,600 in fiscal year 2001 and \$4,800 in fiscal year 2002 for the Wage Equity Plan.

**Education, Arts and Humanities  
Kentucky Historical Society**

	<b>Revised FY 2000</b>	<b>Requested FY 2001</b>	<b>Requested FY 2002</b>	<b>Enacted FY 2001</b>	<b>Enacted FY 2002</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	5,756,100	7,905,500	8,976,000	6,260,200	6,502,700
<b>Total General Fund</b>	<b>5,756,100</b>	<b>7,905,500</b>	<b>8,976,000</b>	<b>6,260,200</b>	<b>6,502,700</b>
<b>Restricted Funds</b>					
Balance Forward	518,300	124,000	162,200	124,000	162,200
Current Receipts	382,700	594,600	611,700	559,600	573,700
<b>Total Restricted Funds</b>	<b>901,000</b>	<b>718,600</b>	<b>773,900</b>	<b>683,600</b>	<b>735,900</b>
<b>Federal Funds</b>					
Balance Forward	8,800			500	500
Current Receipts	177,700	111,100	413,100	111,100	413,100
<b>Total Federal Funds</b>	<b>186,500</b>	<b>111,100</b>	<b>413,100</b>	<b>111,600</b>	<b>413,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>6,843,600</b>	<b>8,735,200</b>	<b>10,163,000</b>	<b>7,055,400</b>	<b>7,652,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	3,660,100	4,670,900	5,115,600	3,814,900	4,226,200
Operating Expenses	2,920,300	3,688,600	4,741,400	2,953,300	3,208,500
Grants, Loans or Benefits	138,700	213,500	213,500	124,500	124,500
<b>TOTAL EXPENDITURES</b>	<b>6,719,100</b>	<b>8,573,000</b>	<b>10,070,500</b>	<b>6,892,700</b>	<b>7,559,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,756,100	7,905,500	8,976,000	6,260,200	6,502,700
Restricted Funds	777,000	556,400	681,400	521,400	643,400
Federal Funds	186,000	111,100	413,100	111,100	413,100
<b>TOTAL EXPENDITURES</b>	<b>6,719,100</b>	<b>8,573,000</b>	<b>10,070,500</b>	<b>6,892,700</b>	<b>7,559,200</b>
<b>EXPENDITURES BY UNIT</b>					
Oral History and Educational Outreach	824,700	1,113,000	1,189,600	849,100	865,100
Research and Publications	1,111,700	1,311,400	1,474,100	1,070,000	1,124,200
Museums	1,049,400	1,646,400	2,268,600	1,236,500	1,593,000
Administration	3,733,300	4,502,200	5,138,200	3,703,400	3,926,300
Wage Equity				33,700	50,600
<b>TOTAL EXPENDITURES</b>	<b>6,719,100</b>	<b>8,573,000</b>	<b>10,070,500</b>	<b>6,892,700</b>	<b>7,559,200</b>

Since 1836, the Society has served as a steward of the Commonwealth's heritage, preserving the wisdom and experiences of Kentuckians which are embodied in artifacts, manuscripts, records, memories and other memorabilia. As an educational institution, its museums and research library are destinations for thousands of students, families, and out-of-state tourists. Outreach services and programs strengthen and provide technical support to hundreds of community museums and history organizations throughout the state.

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

During fiscal year 1999, the Kentucky History Center, a 160,000 square foot museum and research center, opened. Equitable on-line access to Kentucky heritage information and Society collections is available. Exhibits and research facilities, more than four times the size of previous ones, have attracted two to three times the visitation. To prepare for this new era, the Society initiated a number of organizational changes.

The Administration program has an ongoing mission to provide overall agency direction, planning and management. The History Center Director and Deputy Director coordinate and oversee the Center and its operations. New units within the division include special events, information systems, facilities management, and marketing.

The Research and Publications program has six sub-units: maps and photographs, manuscripts, rare books, *The Register*, *Kentucky Ancestors*, and special publications, including the Governor's Papers and County History series. In preparation for the History Center, the program will: institute an On-line Public Access Catalog (OPAC) for electronic access to research collections; establish a digitizing unit to create electronic copies of fragile historic materials; and co-locate all special collections (photographs, maps, rare books) under one administrative section.

The Museum program uses exhibits and educational programming to interpret the state's history. Six sub-units compose the Museum program. They include educational services, visitors services, traveling exhibits, exhibit design and installation, collections, and military history. Three museums—the Kentucky History Center's "Kentucky History Museum," the Kentucky Military History Museum, and the Old State Capitol—will be operated by the program by the end of fiscal year 1999.

The Oral History and Educational Outreach program includes the Kentucky Oral History Commission, which awards grants to conduct oral history studies, and four sub-units—local history, junior historical society, Kentucky Folklife Program, and historical highway markers. In preparation for the Kentucky History Center the program is initiating the Resource Center for Heritage Education, a collaborative educational outreach initiative intended to promote the use of community history resources in Kentucky's schools.

## **Policy**

Included in the above General Fund appropriation is \$64,000 in each fiscal year for the Oral History Commission and \$33,700 in fiscal year 2001 and \$50,600 in fiscal year 2002 for the Wage Equity Plan.

**Education, Arts and Humanities  
Office of the Secretary**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,632,600	3,285,000	3,372,500	2,769,500	3,251,500
<b>Total General Fund</b>	2,632,600	3,285,000	3,372,500	2,769,500	3,251,500
<b>Restricted Funds</b>					
Balance Forward	1,400	300	300	1,400	1,400
Current Receipts	97,000	70,400	70,400	70,400	70,400
<b>Total Restricted Funds</b>	98,400	70,700	70,700	71,800	71,800
<b>Federal Funds</b>					
Current Receipts	10,000				
<b>Total Federal Funds</b>	10,000				
<b>TOTAL SOURCE OF FUNDS</b>	2,741,000	3,355,700	3,443,200	2,841,300	3,323,300
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	528,600	675,400	710,100	634,500	667,100
Operating Expenses	188,000	169,700	180,500	162,300	174,100
Grants, Loans or Benefits	2,023,000	2,510,300	2,552,300	2,043,100	2,480,700
<b>TOTAL EXPENDITURES</b>	2,739,600	3,355,400	3,442,900	2,839,900	3,321,900
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	2,632,600	3,285,000	3,372,500	2,769,500	3,251,500
Restricted Funds	97,000	70,400	70,400	70,400	70,400
Federal Funds	10,000				
<b>TOTAL EXPENDITURES</b>	2,739,600	3,355,400	3,442,900	2,839,900	3,321,900
<b>EXPENDITURES BY UNIT</b>					
Secretary	1,030,100	1,119,100	1,153,100	995,800	1,028,700
Martin Luther King Commission	14,000	4,100	4,200	4,100	4,200
Governor's Scholars	1,260,500	1,261,800	1,290,400	1,261,800	1,290,400
School for the Arts	300,000	832,200	851,600	440,000	855,000
Development Office	135,000	138,200	143,600	138,200	143,600
<b>TOTAL EXPENDITURES</b>	2,739,600	3,355,400	3,442,900	2,839,900	3,321,900

Kentucky Revised Statute 12.020 provides for the Office of the Secretary, Education, Arts and Humanities Cabinet. The Office, in conjunction with the Governor, is responsible for the development and implementation of statewide education, arts and humanities policy and programs, and provides coordination, direction and management oversight for the agencies within the Cabinet. Within the appropriation unit for the Office of the Secretary are the following:

The Governor's Scholars Program is designed to motivate and empower Kentucky's brightest young people to become effective thinkers and citizen leaders with a zeal for excellence and a mind for innovation. The program provides an intensive residential summer academic and personal growth program for academically talented students about to enter their senior year in high school. The scholars, chosen competitively, spend five uninterrupted weeks in the program on two college campuses.

The Governor's School for the Arts (GSA) is a summer residential program at the Kentucky Center for the Arts for artistically gifted juniors and seniors in high school, serving approximately 160 students during the three-week program. In addition,

participating students are invited to attend the annual Kentucky College and Career Day at the Kentucky Fair and Expositio Center. Colleges and universities across the nation recognize the artistic excellence of GSA graduates. Two Kentuck universities offer scholarships to GSA graduates by virtue of their attendance at GSA

The mission of the Office of Operations and Development is to coordinate and assist in partnership, planning and fundrais activities (federal, corporate, foundation and individual) for the cabinet agencies. Current major programs include the Kentuck History Center, the Kentucky Folklife Festival, the Kentucky Arts Council Foundation, and In Performance at the Governor Mansion. All of the funds raised must be used for agency purposes only.

The Martin Luther King, Jr. Commission was transferred to the cabinet from the Governor's Office in December, 1996. Th Commission is charged with the responsibility to develop appropriate ceremonies and activities consistent with the celebration of Martin Luther King Day in Kentucky.

## **Policy**

Included in the above appropriation is \$76,700 in fiscal year 2001 and \$80,600 in fiscal year 2002 for costs associated with hirin a Cabinet Administrative Services Director. Also included is: \$4,100 in fiscal year 2001 and \$4,200 in fiscal year 2002 fo operating expenses related to the Martin Luther King Jr. Commission; \$1,301,800 in fiscal year 2001 and \$1,740,400 in fisc; year 2002 for the Governor's Scholars Program (which will allow the program to add 25 students to the existing campuses i fiscal year 2001 and a third campus and 300 to 350 students in fiscal year 2002); \$400,000 in fiscal year 2001 and \$405,000 i fiscal year 2002 for the Governor's School for the Arts; \$50,000 in each fiscal year for the Blue Apple Players; and \$75,000 i each fiscal year for the East Kentucky Center for Science, Math and Technology

**Education, Arts and Humanities  
Kentucky Educational Television**

	<b>Revised FY 2000</b>	<b>Requested FY 2001</b>	<b>Requested FY 2002</b>	<b>Enacted FY 2001</b>	<b>Enacted FY 2002</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	14,770,000	17,761,000	18,116,000	15,141,900	17,063,300
<b>Total General Fund</b>	<b>14,770,000</b>	<b>17,761,000</b>	<b>18,116,000</b>	<b>15,141,900</b>	<b>17,063,300</b>
<b>Restricted Funds</b>					
Balance Forward	1,483,400				
Current Receipts	754,800	678,900	679,600	678,900	679,600
Non-Revenue Receipts	647,300	467,400	546,900	467,400	546,900
<b>Total Restricted Funds</b>	<b>2,885,500</b>	<b>1,146,300</b>	<b>1,226,500</b>	<b>1,146,300</b>	<b>1,226,500</b>
<b>Federal Funds</b>					
Current Receipts	700,000	700,000	700,000	700,000	700,000
<b>Total Federal Funds</b>	<b>700,000</b>	<b>700,000</b>	<b>700,000</b>	<b>700,000</b>	<b>700,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>18,355,500</b>	<b>19,607,300</b>	<b>20,042,500</b>	<b>16,988,200</b>	<b>18,989,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	9,537,400	9,794,100	10,350,300	9,530,200	10,042,800
Operating Expenses	6,616,200	6,471,200	6,460,200	6,090,000	6,015,000
Grants, Loans or Benefits	532,000	732,000	732,000	532,000	532,000
Debt Service		1,564,000	1,564,000		1,564,000
Capital Outlay	818,600	346,000	236,000	136,000	136,000
Construction	851,300	700,000	700,000	700,000	700,000
<b>TOTAL EXPENDITURES</b>	<b>18,355,500</b>	<b>19,607,300</b>	<b>20,042,500</b>	<b>16,988,200</b>	<b>18,989,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	14,770,000	17,761,000	18,116,000	15,141,900	17,063,300
Restricted Funds	2,885,500	1,146,300	1,226,500	1,146,300	1,226,500
Federal Funds	700,000	700,000	700,000	700,000	700,000
<b>TOTAL EXPENDITURES</b>	<b>18,355,500</b>	<b>19,607,300</b>	<b>20,042,500</b>	<b>16,988,200</b>	<b>18,989,800</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration and Support	2,479,900	2,353,700	2,447,200	2,353,700	2,447,200
Broadcasting and Education	11,286,800	11,343,700	11,594,300	10,271,200	10,517,800
Engineering	4,588,800	4,345,900	4,437,000	4,345,900	4,437,000
Debt Service		1,564,000	1,564,000		1,564,000
Wage Equity				17,400	23,800
<b>TOTAL EXPENDITURES</b>	<b>18,355,500</b>	<b>19,607,300</b>	<b>20,042,500</b>	<b>16,988,200</b>	<b>18,989,800</b>

As required by KRS 168, the Kentucky Authority for Educational Television (KET) produces and transmits educational programming for students in public schools, state-supported institutions of higher education, and others desiring broadcast programs. The Authority consists of nine members: the Chief State School Officer, an ex officio member, a staff member of the Department of Education elected by the State Board upon the recommendation of the Chief State School Officer, a representative of the University of Kentucky and a representative of the state colleges and universities elected by the Council on Postsecondary Education and five additional members nominated by the Governor's Higher Education Nominating Committee and appointed by the Governor. Members need not possess special or prescribed qualifications except that they shall be citizens of Kentucky. The term of each member is four years.



KET is divided into three program areas: General Administration and Support, Engineering, and Broadcasting and Education.

KET operates a statewide network of 15 television transmitters and five translators (signal relays). It also operates a satellite delivery system including a four-channel uplink, and approximately 1,700 downlinks at all public schools, colleges, state parks, and many libraries and other public buildings in nearly every Kentucky community. This satellite system also feeds the second Louisville transmitter and several cable systems around the Commonwealth.

The Federal Communications Commission has mandated that all Educational Broadcasters file for DTV station licenses by March 1, 2000 and those stations must be operational three years later. In KET's case this means that KET is required to have all 16 DTV Broadcast Transmitters in operation by May 2003. The pilot DTV system currently being installed by KET in Louisville is the first of 16 transmitters.

### **Policy**

Included in the above appropriation is \$75,000 in each fiscal year of the biennium for improved service to the deaf and hard of hearing (closed captioning, etc.). Also included is \$370,000 in each fiscal year for the KET Fund for Independent Productions for matching grants to independent producers within the Commonwealth such as Appalshop and WKYU. Also included is \$1,278,000 and \$286,000 in fiscal year 2002 for debt service for DTV/SDTV/HDV Broadcast Transmission and NTSC Broadcast Transmitters, respectively.

Included in the above General Fund appropriation is \$17,400 in fiscal year 2001 and \$23,800 in fiscal year 2002 for the Wage Equity Plan.

**Education, Arts and Humanities  
Kentucky Educational Television  
General Administration and Support**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,479,900	2,353,700	2,447,200	2,353,700	2,447,200
<b>Total General Fund</b>	<b>2,479,900</b>	<b>2,353,700</b>	<b>2,447,200</b>	<b>2,353,700</b>	<b>2,447,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>2,479,900</b>	<b>2,353,700</b>	<b>2,447,200</b>	<b>2,353,700</b>	<b>2,447,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	1,751,200	1,627,200	1,708,900	1,627,200	1,708,900
Operating Expenses	728,700	726,500	738,300	726,500	738,300
<b>TOTAL EXPENDITURES</b>	<b>2,479,900</b>	<b>2,353,700</b>	<b>2,447,200</b>	<b>2,353,700</b>	<b>2,447,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	2,479,900	2,353,700	2,447,200	2,353,700	2,447,200
<b>TOTAL EXPENDITURES</b>	<b>2,479,900</b>	<b>2,353,700</b>	<b>2,447,200</b>	<b>2,353,700</b>	<b>2,447,200</b>

The General Administration and Support Unit oversees the implementation of the Kentucky Educational Television's (KET's) mission as directed by the Kentucky Authority for Educational Television and as mandated in KRS 168. KET was established by the Kentucky General Assembly in the early 1960s for the purpose of supporting educational excellence in the Commonwealth. The agency's mission includes service to citizens of the Commonwealth in the home, in institutions of education, and in the workplace.

This unit recommends and carries out the policies of the Authority in all matters of the agency. These policies are designed to make a positive difference in the lives of individual citizens, in communities of all sizes, and in the Commonwealth as a whole.

The unit organizes and administers the operation of the agency. This includes assurance that the agency is in compliance with pertinent state regulations and federal broadcasting laws. The unit also works to ascertain in as many ways as is feasible the desires of the citizens of the Commonwealth which it serves.

The unit carries out research and planning activities to verify the needs of current and potential audiences. It then works to assure effective, efficient, appropriate service to those audiences. Major areas of agency effort include programs and services in public affairs, K-12 student learning and teacher training, adult basic education, higher education, outreach programs on important state issues, and cultural and performing arts programs.

The unit recognizes that coordination of efforts with other agencies, organization, and institutions is essential to effective service. It works to insure complementing, productive, non-duplicative efforts with groups such as, the Kentucky Department of Education, the Division of Information Systems, the Workforce Development Cabinet, colleges and universities, and all public school districts, to name a few.

The agency has been recognized as the educational telecommunications leader in the Commonwealth. As such, the General Administration and Support Unit also conducts activities which lead to constructive recommendations on current practice and future directions of telecommunications for the Commonwealth. Technologies which the agency currently exploits include broadcast television, microwave transmission, digital satellite communications, two-way video/audio via T1 lines, the Internet, CD-ROM, and extensive videotape distribution.

**Education, Arts and Humanities  
Kentucky Educational Television  
Broadcasting and Education**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	8,733,900	10,489,900	10,660,300	9,417,400	9,583,800
<b>Total General Fund</b>	8,733,900	10,489,900	10,660,300	9,417,400	9,583,800
<b>Restricted Funds</b>					
Balance Forward	1,443,300				
Current Receipts	509,300	433,400	434,100	433,400	434,100
Non-Revenue Receipts	600,300	420,400	499,900	420,400	499,900
<b>Total Restricted Funds</b>	2,552,900	853,800	934,000	853,800	934,000
<b>TOTAL SOURCE OF FUNDS</b>	11,286,800	11,343,700	11,594,300	10,271,200	10,517,800
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	5,651,000	6,194,000	6,566,300	5,912,700	6,235,000
Operating Expenses	4,224,700	4,096,700	4,085,000	3,715,500	3,639,800
Grants, Loans or Benefits	532,000	732,000	732,000	532,000	532,000
Capital Outlay	768,600	321,000	211,000	111,000	111,000
Construction	110,500				
<b>TOTAL EXPENDITURES</b>	11,286,800	11,343,700	11,594,300	10,271,200	10,517,800
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	8,733,900	10,489,900	10,660,300	9,417,400	9,583,800
Restricted Funds	2,552,900	853,800	934,000	853,800	934,000
<b>TOTAL EXPENDITURES</b>	11,286,800	11,343,700	11,594,300	10,271,200	10,517,800

Broadcasting and Education acquires or produces programs and related support material which will most effectively carry out the mission and policies set by the Authority. This process includes soliciting feedback from appropriate audiences and seeking input from agencies and groups such as the Kentucky Department of Education, the Higher Education Telecommunications Consortium, Kentucky Information Resources Management Commission, etc. The unit daily assembles five channels of television programming (KET broadcast, KET2, and three instructional satellite channels) for delivery to a variety of audiences.

One category of programming is aimed at needs of students at all levels. Instructional programming for elementary and secondary schools directly supports KERA's learning goals and outcomes. The unit produces live interactive distance learning courses designed to provide equal access to a variety of learning opportunities for all students. It also produces KERA-related professional development opportunities for educators throughout the state. It also provides for the delivery of college courses to postsecondary students across the Commonwealth.

Another category of programs is designed to help people in the workplace. Acquired and/or produced programming serves under-educated adults, professionals in need of training, and other citizens with various needs related to their jobs and professions.

The unit also produces a full schedule of programs for citizens at home. This includes educational and public affairs programming and quality arts experiences for all Kentuckians. Some of these programs come from national sources and others are locally produced. A full line-up of educational children's programs offers a quality alternative to commercial television viewing.

A statewide regional support staff of instructional and technical specialists provides training, information, and help with technical issues. This service is provided freely to educational institutions and to people in the homes of the Commonwealth.

The Operations staff maintain and operate network master control, studio, and remote facilities. They are responsible for the maintenance of \$15 million worth of equipment at the Network Center. They stay abreast of new technology developments, helping to make their activities increasingly more effective and efficient.

**Education, Arts and Humanities  
Kentucky Educational Television  
Engineering**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	3,556,200	3,353,400	3,444,500	3,353,400	3,444,500
<b>Total General Fund</b>	3,556,200	3,353,400	3,444,500	3,353,400	3,444,500
<b>Restricted Funds</b>					
Balance Forward	40,100				
Current Receipts	245,500	245,500	245,500	245,500	245,500
Non-Revenue Receipts	47,000	47,000	47,000	47,000	47,000
<b>Total Restricted Funds</b>	332,600	292,500	292,500	292,500	292,500
<b>Federal Funds</b>					
Current Receipts	700,000	700,000	700,000	700,000	700,000
<b>Total Federal Funds</b>	700,000	700,000	700,000	700,000	700,000
<b>TOTAL SOURCE OF FUNDS</b>	4,588,800	4,345,900	4,437,000	4,345,900	4,437,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	2,135,200	1,972,900	2,075,100	1,972,900	2,075,100
Operating Expenses	1,662,800	1,648,000	1,636,900	1,648,000	1,636,900
Capital Outlay	50,000	25,000	25,000	25,000	25,000
Construction	740,800	700,000	700,000	700,000	700,000
<b>TOTAL EXPENDITURES</b>	4,588,800	4,345,900	4,437,000	4,345,900	4,437,000
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	3,556,200	3,353,400	3,444,500	3,353,400	3,444,500
Restricted Funds	332,600	292,500	292,500	292,500	292,500
Federal Funds	700,000	700,000	700,000	700,000	700,000
<b>TOTAL EXPENDITURES</b>	4,588,800	4,345,900	4,437,000	4,345,900	4,437,000

KET's Engineering Services Unit oversees delivery of KET programs and other resources by all appropriate means. It operates and maintains a land-based broadcast network of 15 transmitters and five translators capable of delivering one channel of service into all parts of the state. In addition, KET operates another transmitter in the Louisville area, delivering a second service to the largest metropolitan area in the state and surrounding counties and cable services across the state. The Engineering Service Unit operates all technical equipment to specifications mandated by the Federal Communications Commission.

The unit also operates and maintains the KET Star Channels satellite delivery system comprised of a four-channel uplink at the KET Telecommunications Center and approximately 1,700 receiving dishes at schools, colleges, libraries, state parks, and other public buildings in nearly every Kentucky community. This satellite system also feeds the second Louisville transmitter and several cable systems around the Commonwealth. KET also utilizes T1 telephone lines for two-way teaching and conferencing and the Internet for education and information delivery and interaction.

Engineering works to develop new uses of technologies that can extend the capacity of limited staff and financial resources. It works to interface KET's technical capacities with other appropriate technical systems (i.e., KEWS, DIS, LRC, etc.) in Kentucky and elsewhere, further extending the variety, reach, accessibility, and versatility of KET services to the Commonwealth.

The Federal Communications Commission has mandated that all Educational Broadcasters file for DTV station licenses by May 1, 2000 and those stations must be operational three years later. In KET's case this means that KET is required to have all 16 DTV Broadcast Transmitters in operation by May 2003. The pilot DTV system currently being installed by KET is the first of 16 transmitters.

**Education, Arts and Humanities  
School Facilities Construction Commission**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	70,864,000	73,664,400	86,821,700	72,145,200	79,030,500
<b>Total General Fund</b>	<b>70,864,000</b>	<b>73,664,400</b>	<b>86,821,700</b>	<b>72,145,200</b>	<b>79,030,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>70,864,000</b>	<b>73,664,400</b>	<b>86,821,700</b>	<b>72,145,200</b>	<b>79,030,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	205,000	210,000	216,100	210,000	216,100
Operating Expenses	27,000	27,500	27,100	27,500	27,100
Debt Service	70,632,000	73,426,900	86,578,500	71,907,700	78,787,300
<b>TOTAL EXPENDITURES</b>	<b>70,864,000</b>	<b>73,664,400</b>	<b>86,821,700</b>	<b>72,145,200</b>	<b>79,030,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	70,864,000	73,664,400	86,821,700	72,145,200	79,030,500
<b>TOTAL EXPENDITURES</b>	<b>70,864,000</b>	<b>73,664,400</b>	<b>86,821,700</b>	<b>72,145,200</b>	<b>79,030,500</b>
<b>EXPENDITURES BY UNIT</b>					
School Facilities Construction Commission	70,821,000	73,620,400	86,776,600	72,101,200	78,985,400
Education Technology	43,000	44,000	45,100	44,000	45,100
<b>TOTAL EXPENDITURES</b>	<b>70,864,000</b>	<b>73,664,400</b>	<b>86,821,700</b>	<b>72,145,200</b>	<b>79,030,500</b>

The School Facilities Construction Commission, created by the 1985 Extraordinary Session of the General Assembly (KRS 157.611 et seq.), exists to assist local school districts with their school building needs. The School Facilities Construction Commission is responsible for the distribution of available state funds to eligible local school districts which have demonstrated a reasonable local effort to provide adequate school facilities but still have unmet building needs. The Commission is empowered to act on behalf of local school districts to issue bonds in the name of the Commission and to enter into lease arrangements with local boards of education to finance construction of new facilities or major renovation of existing school facilities.

The School Facilities Construction Commission is the successor agency of the Kentucky School Building Authority and is appropriated funds to meet debt obligations for ongoing projects which were authorized by the School Building Authority.

Administration of offers of assistance to local school districts made under the auspices of the Kentucky Education Technology System (KETS) is performed by staff attached to the School Facilities Construction Commission.

**Policy**

The 2000-2002 Budget of the Commonwealth includes \$1.8 million in fiscal year 2001 and \$8.1 million in fiscal year 2002 for debt service to support \$92 million in debt authorized by the 1998 Regular Session of the General Assembly for which debt service was not provided. This, combined with existing debt service, will enable local school districts to take advantage of the full \$201 million in bonded indebtedness authorized in 1998.

The enacted budget also includes authorization for the School Facilities Construction Commission to make an additional \$100 million in offers of assistance during the 2000-2002 biennium in anticipation of debt service availability during the 2002-2004 biennium.

**Education, Arts and Humanities  
Deaf and Hard of Hearing**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	853,200	1,320,400	1,244,300	875,700	898,600
<b>Total General Fund</b>	853,200	1,320,400	1,244,300	875,700	898,600
<b>Restricted Funds</b>					
Balance Forward	21,200				
Current Receipts	200,000	200,000	200,000	200,000	200,000
<b>Total Restricted Funds</b>	221,200	200,000	200,000	200,000	200,000
<b>TOTAL SOURCE OF FUNDS</b>	1,074,400	1,520,400	1,444,300	1,075,700	1,098,600
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	682,400	940,800	990,400	764,600	790,700
Operating Expenses	300,000	444,100	448,900	307,100	302,900
Grants, Loans or Benefits	2,000	4,000	5,000	4,000	5,000
Capital Outlay	90,000	131,500			
<b>TOTAL EXPENDITURES</b>	1,074,400	1,520,400	1,444,300	1,075,700	1,098,600
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	853,200	1,320,400	1,244,300	875,700	898,600
Restricted Funds	221,200	200,000	200,000	200,000	200,000
<b>TOTAL EXPENDITURES</b>	1,074,400	1,520,400	1,444,300	1,075,700	1,098,600
<b>EXPENDITURES BY UNIT</b>					
Deaf and Hard of Hearing	853,200	1,320,400	1,244,300	873,700	894,700
TDD Distribution	217,100	200,000	200,000	200,000	200,000
KAC Grant	4,100				
Wage Equity				2,000	3,900
<b>TOTAL EXPENDITURES</b>	1,074,400	1,520,400	1,444,300	1,075,700	1,098,600

In accordance with KRS 163.500 - 163.525, the Commission serves in an advisory capacity to the Governor and the General Assembly concerning policies and programs to enhance the quality and coordination of services for deaf and hard of hearing individuals in both the public and private sectors. Additionally, the Commission oversees the provision of interpreter services to deaf and hard of hearing individuals. The Commission surveys, identifies, and tabulates public and private entities that provide services to deaf and hard of hearing residents of Kentucky for information, referral, and advocacy services. The Commission administers a TDD Distribution program which distributes specialized telecommunications equipment to qualified deaf, hard of hearing, and speech-impaired residents of Kentucky. The Commission cooperates with and assists local, state, and federal governments and public and private agencies in the development of programs for the deaf and hard of hearing. Finally, the Commission reviews legislative programs relating to services to deaf and hard of hearing persons and conducts studies of conditions affecting the health and welfare of the deaf and hard of hearing.

**Policy**

Included in the above General Fund appropriation is \$2,000 in fiscal year 2001 and \$3,900 in fiscal year 2002 for the Wage Equity Plan.

**Education, Arts and Humanities  
Kentucky Heritage Council**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	901,900	2,317,600	2,342,800	978,100	977,600
<b>Total General Fund</b>	901,900	2,317,600	2,342,800	978,100	977,600
<b>Restricted Funds</b>					
Balance Forward	11,500	6,000	6,000	3,000	3,000
Current Receipts	231,500	246,800	256,300	246,800	256,300
<b>Total Restricted Funds</b>	243,000	252,800	262,300	249,800	259,300
<b>Federal Funds</b>					
Balance Forward	3,000			3,000	3,000
Current Receipts	934,200	795,800	795,800	795,800	795,800
<b>Total Federal Funds</b>	937,200	795,800	795,800	798,800	798,800
<b>TOTAL SOURCE OF FUNDS</b>	2,082,100	3,366,200	3,400,900	2,026,700	2,035,700
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	1,075,600	1,198,200	1,261,000	1,183,700	1,245,800
Operating Expenses	365,300	370,000	369,400	370,000	369,400
Grants, Loans or Benefits	635,200	1,792,000	1,764,500	467,000	414,500
<b>TOTAL EXPENDITURES</b>	2,076,100	3,360,200	3,394,900	2,020,700	2,029,700
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	901,900	2,317,600	2,342,800	978,100	977,600
Restricted Funds	240,000	246,800	256,300	246,800	256,300
Federal Funds	934,200	795,800	795,800	795,800	795,800
<b>TOTAL EXPENDITURES</b>	2,076,100	3,360,200	3,394,900	2,020,700	2,029,700
<b>EXPENDITURES BY UNIT</b>					
Kentucky Heritage Council	2,076,100	3,360,200	3,394,900	2,020,700	2,029,700
<b>TOTAL EXPENDITURES</b>	2,076,100	3,360,200	3,394,900	2,020,700	2,029,700

The Kentucky Heritage Council provides a comprehensive state historic preservation program through its subprograms: General Preservation Services, Site Identification and Evaluation, Site Development, and Site Protection. The Council administers the National Historic Preservation Program in Kentucky, distributes federal funds, and provides technical assistance to local units of government, planning agencies, state and federal agencies, and local preservation agencies on all aspects of historic preservation. Major program activities include the Survey of Historic Sites in Kentucky, the National Register Program, the Kentucky Main Street Revitalization Program, implementing the Investment Tax Credit Program, and the Restoration Grants Program. The Kentucky Heritage Council is administered in accordance with KRS 171.380.

**Policy**

Included in the above General Fund appropriation is \$25,000 in fiscal year 2001 for the Downtown Revitalization Program in Mayfield. Also included in the above General Fund appropriation is \$50,000 in fiscal year 2001 for Underground Railroad research and documentation.



**Education, Arts and Humanities  
Kentucky Center for the Arts**

	<b>Revised FY 2000</b>	<b>Requested FY 2001</b>	<b>Requested FY 2002</b>	<b>Enacted FY 2001</b>	<b>Enacted FY 2002</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	625,500	740,500	755,900	640,500	655,900
<b>Total General Fund</b>	<b>625,500</b>	<b>740,500</b>	<b>755,900</b>	<b>640,500</b>	<b>655,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>625,500</b>	<b>740,500</b>	<b>755,900</b>	<b>640,500</b>	<b>655,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	34,500	37,000	37,000	37,000	37,000
Operating Expenses	591,000	663,500	718,900	603,500	618,900
Capital Outlay		40,000			
<b>TOTAL EXPENDITURES</b>	<b>625,500</b>	<b>740,500</b>	<b>755,900</b>	<b>640,500</b>	<b>655,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	625,500	740,500	755,900	640,500	655,900
<b>TOTAL EXPENDITURES</b>	<b>625,500</b>	<b>740,500</b>	<b>755,900</b>	<b>640,500</b>	<b>655,900</b>

The Kentucky Center for the Arts, which opened in November, 1983 is the Commonwealth's performing arts center. Over 400,000 people attend events at the Kentucky Center each year. It is the performance home of five of the region's finest arts organizations: Kentucky Opera, Louisville Ballet, The Louisville Orchestra, Louisville Theatrical Association, and Stage One: The Louisville Children's Theatre. The Kentucky Center's own programming mission includes encouraging and supporting performing arts, presenting the finest in nationally and internationally renowned artists and presenting the works of Kentucky arts groups and artists.

The Kentucky Center houses three theatres: the 2,479-seat Robert S. Whitney Hall, 622-seat Moritz von Bomhard Theater, and the Boyd Martin Experimental Theatre, which can accommodate 90 to 139 patrons. The facility features a multi-tiered lobby, two rehearsal halls, a 150-seat restaurant and a retail shop specializing in arts-related items and Kentucky crafts. On display in and around the Kentucky Center is one of the nation's finest collections of large-scale 20th-century sculpture. All areas of the facility are accessible to those with physical disabilities, and special services for the hearing impaired and visually impaired are available during performances.

The facility's ongoing mission is to reach out to the entire state with educational programs and artistic events. Since its opening, the Kentucky Center has provided comprehensive statewide arts educational programs which touch students, teachers, parents, and administrators in 120 counties. The Kentucky Center's management also provides a wide range of consulting services throughout the state. Regional, national, and international attention has been drawn to the Commonwealth via "The Lonesome Pine Specials" concert series which is a co-production of the Kentucky Center, Kentucky Educational Television (KET), and the Kentucky Network. This series has reached 72 percent of United States television households via 180 public television stations. The concerts have also been heard on 123 public radio stations and have been seen in eight foreign countries. A wide variety of other cultural and educational programs are also seen on KET as part of the Kentucky Center's outreach efforts.

**Education, Arts and Humanities  
Environmental Education Council**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation		100,800	106,100		
<b>Total General Fund</b>		100,800	106,100		
<b>Restricted Funds</b>					
Balance Forward	115,400	33,400	33,400	33,400	33,400
Non-Revenue Receipts	150,000	150,000	150,000	150,000	150,000
<b>Total Restricted Funds</b>	265,400	183,400	183,400	183,400	183,400
<b>TOTAL SOURCE OF FUNDS</b>	265,400	284,200	289,500	183,400	183,400
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	99,000	201,600	212,200	100,800	106,100
Operating Expenses	50,500	22,200	18,900	22,200	18,900
Grants, Loans or Benefits	82,500	27,000	25,000	27,000	25,000
<b>TOTAL EXPENDITURES</b>	232,000	250,800	256,100	150,000	150,000
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund		100,800	106,100		
Restricted Funds	232,000	150,000	150,000	150,000	150,000
<b>TOTAL EXPENDITURES</b>	232,000	250,800	256,100	150,000	150,000

The role of the Environmental Education Council is to improve the environmental literacy of all Kentuckians. The Council performs this role by sponsoring programs and activities that increase or coordinate environmental education services in the Commonwealth. Those programs and activities include the following:

- Maintaining a clearinghouse of information on environmental education resources available through state and federal agencies and the private sector, and searching for ways to avoid duplication of those services.
- Providing training and leadership development in environmental education for K - 12 educators, including helping them to provide a balanced view of environmental issues, and assisting educators to infuse environmental education more broadly into the curriculum. The Council also provides grants to schools and educational organizations as funds allow.
- Providing opportunities for Kentucky's adult population to become more environmentally aware and to understand not only the problems that exist, but also how each person's actions contribute to the health of the environment.

**Education, Arts and Humanities  
Libraries And Archives**

	<b>Revised FY 2000</b>	<b>Requested FY 2001</b>	<b>Requested FY 2002</b>	<b>Enacted FY 2001</b>	<b>Enacted FY 2002</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	13,225,500	24,336,600	24,931,200	13,471,600	14,338,800
<b>Total General Fund</b>	<b>13,225,500</b>	<b>24,336,600</b>	<b>24,931,200</b>	<b>13,471,600</b>	<b>14,338,800</b>
<b>Restricted Funds</b>					
Balance Forward	906,400	610,400	293,800	610,400	293,800
Current Receipts	1,203,000	1,515,000	1,714,000	1,515,000	1,714,000
<b>Total Restricted Funds</b>	<b>2,109,400</b>	<b>2,125,400</b>	<b>2,007,800</b>	<b>2,125,400</b>	<b>2,007,800</b>
<b>Federal Funds</b>					
Balance Forward	29,700	29,700	4,600	29,700	4,600
Current Receipts	2,040,000	2,235,800	2,300,700	2,235,800	2,300,700
<b>Total Federal Funds</b>	<b>2,069,700</b>	<b>2,265,500</b>	<b>2,305,300</b>	<b>2,265,500</b>	<b>2,305,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>17,404,600</b>	<b>28,727,500</b>	<b>29,244,300</b>	<b>17,862,500</b>	<b>18,651,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	6,637,900	7,295,300	7,896,900	7,058,700	7,407,800
Operating Expenses	3,029,100	3,640,300	3,775,200	3,347,900	3,402,900
Grants, Loans or Benefits	6,818,000	17,014,500	17,014,500	6,914,500	7,289,500
Debt Service					230,000
Capital Outlay	279,500	479,000	434,000	243,000	198,000
<b>TOTAL EXPENDITURES</b>	<b>16,764,500</b>	<b>28,429,100</b>	<b>29,120,600</b>	<b>17,564,100</b>	<b>18,528,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	13,225,500	24,336,600	24,931,200	13,471,600	14,338,800
Restricted Funds	1,499,000	1,831,600	1,888,700	1,831,600	1,888,700
Federal Funds	2,040,000	2,260,900	2,300,700	2,260,900	2,300,700
<b>TOTAL EXPENDITURES</b>	<b>16,764,500</b>	<b>28,429,100</b>	<b>29,120,600</b>	<b>17,564,100</b>	<b>18,528,200</b>
<b>EXPENDITURES BY UNIT</b>					
General Operations	9,600,000	11,068,600	11,760,100	10,303,600	11,267,700
Direct Local Aid	7,164,500	17,360,500	17,360,500	7,260,500	7,260,500
<b>TOTAL EXPENDITURES</b>	<b>16,764,500</b>	<b>28,429,100</b>	<b>29,120,600</b>	<b>17,564,100</b>	<b>18,528,200</b>

The Department for Libraries and Archives serves Kentucky's need to know by assuring equitable access to high quality library information resources and services and by helping public agencies ensure that adequate documentation of government programs is created, efficiently maintained and made readily accessible.

The program is directed by six goals:

- Improve support of people in new organization to create a work environment which fosters productivity and innovation.
- Strengthen the systems and services required to meet the information needs of the people of Kentucky and government employees in our state.
- Improve the recognition of and support for library and archival services in the Commonwealth.

- Improve the management of government records
- Ensure the creation of adequate documentation of government agency policies, procedures, and transactions in Kentucky.
- Strengthen the position of public libraries as vital resources in meeting the economic, educational, cultural, and recreational needs of all Kentuckians.

This agency is unique in state government as it serves both governmental agencies and the people of Kentucky directly through its local libraries. The agency also serves several distinct customer populations such as the general public, the blind and physically handicapped, institutionalized persons, state government personnel, state and local public agencies, and researchers needing historic public records.

The Kentucky Department of Libraries was created by the 1962 General Assembly. The Department was reorganized in 1973 to include the Division of Archives and Records from the Finance and Administration Cabinet and was renamed the Kentucky Department of Libraries and Archives. Administration of the Library for the Blind and Physically Handicapped was granted to the Department by executive order on June 30, 1975. In 1982, the General Assembly renamed this organization the Department for Libraries and Archives.

### **Policy**

Included in the above General Fund appropriation is \$230,000 in fiscal year 2002 for debt service for a Document Management Digitization system. This project is discussed in detail in the Capital Construction narrative. Also included is \$375,000 in fiscal year 2002 to establish a Public Library Construction and Renovation Fund.

Included in the above General Fund appropriation is \$28,200 in fiscal year 2001 and \$44,900 in fiscal year 2002 for the Wage Equity Plan.

Up to \$50,000 from the fiscal year 2001 General Fund appropriation is authorized for use by the Office of the Secretary through the Heritage Commission for the purpose of supporting research and documentation of the Underground Railroad in Kentucky.

**Education, Arts and Humanities  
Libraries And Archives  
General Operations**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	6,611,000	7,561,100	8,155,700	6,796,100	7,663,300
<b>Total General Fund</b>	6,611,000	7,561,100	8,155,700	6,796,100	7,663,300
<b>Restricted Funds</b>					
Balance Forward	890,500	597,500	284,900	597,500	284,900
Current Receipts	1,197,000	1,510,000	1,709,000	1,510,000	1,709,000
<b>Total Restricted Funds</b>	2,087,500	2,107,500	1,993,900	2,107,500	1,993,900
<b>Federal Funds</b>					
Balance Forward	28,600	28,600	3,500	28,600	3,500
Current Receipts	1,499,000	1,659,800	1,724,700	1,659,800	1,724,700
<b>Total Federal Funds</b>	1,527,600	1,688,400	1,728,200	1,688,400	1,728,200
<b>TOTAL SOURCE OF FUNDS</b>	10,226,100	11,357,000	11,877,800	10,592,000	11,385,400
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	6,637,900	7,295,300	7,896,900	7,058,700	7,407,800
Operating Expenses	2,838,100	3,448,300	3,583,200	3,155,900	3,210,900
Grants, Loans or Benefits	17,500	19,000	19,000	19,000	394,000
Debt Service					230,000
Capital Outlay	106,500	306,000	261,000	70,000	25,000
<b>TOTAL EXPENDITURES</b>	9,600,000	11,068,600	11,760,100	10,303,600	11,267,700
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	6,611,000	7,561,100	8,155,700	6,796,100	7,663,300
Restricted Funds	1,490,000	1,822,600	1,879,700	1,822,600	1,879,700
Federal Funds	1,499,000	1,684,900	1,724,700	1,684,900	1,724,700
<b>TOTAL EXPENDITURES</b>	9,600,000	11,068,600	11,760,100	10,303,600	11,267,700
<b>EXPENDITURES BY UNIT</b>					
Administrative Services	2,698,000	3,332,000	3,370,600	2,806,300	2,844,200
Field Services	2,205,500	2,370,100	2,484,600	2,318,100	2,430,100
State Library Services	1,970,500	2,250,200	2,323,100	2,159,700	2,606,000
Public Records	2,726,000	3,116,300	3,581,800	2,991,300	3,342,500
Wage Equity				28,200	44,900
<b>TOTAL EXPENDITURES</b>	9,600,000	11,068,600	11,760,100	10,303,600	11,267,700

**Education, Arts and Humanities  
Libraries And Archives  
General Operations  
Administrative Services**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,122,500	2,740,400	2,758,800	2,214,700	2,232,400
<b>Total General Fund</b>	2,122,500	2,740,400	2,758,800	2,214,700	2,232,400
<b>Restricted Funds</b>					
Balance Forward	10,400	7,400	4,400	7,400	4,400
Current Receipts	4,000	4,000	3,000	4,000	3,000
<b>Total Restricted Funds</b>	14,400	11,400	7,400	11,400	7,400
<b>Federal Funds</b>					
Balance Forward	500	500	500	500	500
Current Receipts	568,500	584,600	604,800	584,600	604,800
<b>Total Federal Funds</b>	569,000	585,100	605,300	585,100	605,300
<b>TOTAL SOURCE OF FUNDS</b>	2,705,900	3,336,900	3,371,500	2,811,200	2,845,100
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	1,241,000	1,380,500	1,419,100	1,279,800	1,317,700
Operating Expenses	1,357,000	1,679,500	1,724,500	1,454,500	1,499,500
Grants, Loans or Benefits	2,000	2,000	2,000	2,000	2,000
Capital Outlay	98,000	270,000	225,000	70,000	25,000
<b>TOTAL EXPENDITURES</b>	2,698,000	3,332,000	3,370,600	2,806,300	2,844,200
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	2,122,500	2,740,400	2,758,800	2,214,700	2,232,400
Restricted Funds	7,000	7,000	7,000	7,000	7,000
Federal Funds	568,500	584,600	604,800	584,600	604,800
<b>TOTAL EXPENDITURES</b>	2,698,000	3,332,000	3,370,600	2,806,300	2,844,200

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

The Administrative Services Division formulates and implements executive direction for policy, procedures, and planning for the Department in accordance with KRS 171.125-171.306 and 171.410-171.740. The Administrative Services Division provides administrative support to all programs of the Department and coordinates and oversees management and administrative functions for the entire agency. The Division includes the Director's Office, Fiscal Operations Office, Personnel Services, Grants and Contracts, Information Technology, and Facilities and Building Operations. In addition, this division provides administrative support to the Office of the Secretary of the Cabinet and other agencies in the Education, Arts and Humanities Cabinet.

**Education, Arts and Humanities**  
**Libraries And Archives**  
**General Operations**  
**Field Services**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,886,500	2,035,300	2,138,800	1,983,300	2,084,300
<b>Total General Fund</b>	1,886,500	2,035,300	2,138,800	1,983,300	2,084,300
<b>Restricted Funds</b>					
Balance Forward	13,800	9,800	7,300	9,800	7,300
Current Receipts	3,500	5,000	5,000	5,000	5,000
<b>Total Restricted Funds</b>	17,300	14,800	12,300	14,800	12,300
<b>Federal Funds</b>					
Balance Forward	12,200	12,200	1,000	12,200	1,000
Current Receipts	311,500	316,100	338,300	316,100	338,300
<b>Total Federal Funds</b>	323,700	328,300	339,300	328,300	339,300
<b>TOTAL SOURCE OF FUNDS</b>	2,227,500	2,378,400	2,490,400	2,326,400	2,435,900
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	1,997,900	2,171,500	2,284,000	2,119,500	2,229,500
Operating Expenses	183,600	181,600	183,600	181,600	183,600
Grants, Loans or Benefits	15,500	17,000	17,000	17,000	17,000
Capital Outlay	8,500				
<b>TOTAL EXPENDITURES</b>	2,205,500	2,370,100	2,484,600	2,318,100	2,430,100
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,886,500	2,035,300	2,138,800	1,983,300	2,084,300
Restricted Funds	7,500	7,500	7,500	7,500	7,500
Federal Funds	311,500	327,300	338,300	327,300	338,300
<b>TOTAL EXPENDITURES</b>	2,205,500	2,370,100	2,484,600	2,318,100	2,430,100

The Division of Field Services provides support to public libraries to improve library service for the citizens of Kentucky. Support includes: direct grants, central service operations, and regional professional consultation. Mandated by law, the Kentucky Department for Libraries and Archives through the Field Services Division gives assistance and advice to public libraries per KRS 171.140; accepts and appropriates funds for providing, improving and equalizing public libraries and providing public library service to state institutions per KRS 171.140; provides books and other reading material to the blind and physically handicapped per KRS 171.145; and provides direct state aid to local public libraries per KRS 171.201.

The Public Library Development Office's professional and technical staff provide consultative and technical assistance to 120 counties concerning public library services and programs of the agency. The staff are located in 14 regional offices, housed in public libraries. This program also supports the central office administration.

The Program Development Office Branch manages the special consultant personnel who provide guidance in adult and children's services. This unit, supported with federal funds, plans and implements statewide programs in collection development; makes available special consulting services to older adults and adults in literacy programs; provides assistance in developing children's programs and selecting their books; awards and monitors cash book grants; and, administers the Certification of Librarians program.

The Kentucky Talking Book Library/Institutions Branch provides special library materials, which are produced in formats for the service clientele, and playback equipment, all of which are circulated to eligible users. Materials which are not produced nationally, but are of special interest to Kentucky Talking Book patrons, are recorded by volunteers and coordinated by central staff. This Branch also provides library materials and professional consultation to state residential institution libraries.

**Education, Arts and Humanities  
Libraries And Archives  
General Operations  
State Library Services**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,403,500	1,516,100	1,582,700	1,425,600	1,865,600
<b>Total General Fund</b>	1,403,500	1,516,100	1,582,700	1,425,600	1,865,600
<b>Restricted Funds</b>					
Balance Forward	9,400	9,400	9,400	9,400	9,400
Current Receipts	1,000	1,000	1,000	1,000	1,000
<b>Total Restricted Funds</b>	10,400	10,400	10,400	10,400	10,400
<b>Federal Funds</b>					
Balance Forward	14,900	14,900	1,000	14,900	1,000
Current Receipts	566,000	719,200	739,400	719,200	739,400
<b>Total Federal Funds</b>	580,900	734,100	740,400	734,100	740,400
<b>TOTAL SOURCE OF FUNDS</b>	1,994,800	2,260,600	2,333,500	2,170,100	2,616,400
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	1,229,500	1,302,000	1,368,100	1,271,500	1,336,000
Operating Expenses	741,000	948,200	955,000	888,200	895,000
Grants, Loans or Benefits					375,000
<b>TOTAL EXPENDITURES</b>	1,970,500	2,250,200	2,323,100	2,159,700	2,606,000
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,403,500	1,516,100	1,582,700	1,425,600	1,865,600
Restricted Funds	1,000	1,000	1,000	1,000	1,000
Federal Funds	566,000	733,100	739,400	733,100	739,400
<b>TOTAL EXPENDITURES</b>	1,970,500	2,250,200	2,323,100	2,159,700	2,606,000

The State Library Services Division acts under the provisions of KRS 171.200 to equalize opportunities for library service and access to information and to promote and maintain cooperative arrangements for information and resource sharing among all types of libraries and information centers, including state agencies. Under KRS 171.170, it monitors federal and state grants awarded to libraries to promote cooperative arrangements.

State Library Support is the administrative unit of the Division, providing coordinated program planning and control.

Information Services provides information and research to support the needs of state agencies and backs up requests from public libraries and three information centers for information needed by the citizens of Kentucky but not attainable on the local level. Staff is responsible for the analysis of trends in the informational needs of clientele and for appropriate selection of materials to support these needs.

Through its Audio Visual Unit information services provides a central source for 16mm. films and video cassettes for library programs and supplies materials for the educational and training needs of libraries and state agencies.

Technical Support supplies centralized cataloging, classification and processing of materials for small public libraries, as well as cataloging, processing and collection maintenance needed for the State Library's collections. Records are entered into a national database (OCLC) as well as being maintained for the Kentucky Union Database. This unit serves as a model for quality control throughout the state and supplies training and consulting services to librarians and to state agency personnel involved in the organization of agency collections of reference materials. This Branch also supports the maintenance of the Kentucky Union Database, an electronic card catalog, which is utilized for statewide resource sharing among all types of libraries.



Network Development supports and develops programs and services to enable all of Kentucky's libraries (public, academic, school, corporate, medical, etc.) to share information for the benefits of their users. Principal coordination and direction is provided through the Kentucky Library Network (KLN), administered by this Department.

Kentucky Library Information Center (KLIC) offices provide reference service and respond to all journal requests to public libraries throughout the state. They also supply document retrieval services for state agencies and small members of KLN.

**Education, Arts and Humanities**  
**Libraries And Archives**  
**General Operations**  
**Public Records**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,198,500	1,269,300	1,675,400	1,144,300	1,436,100
<b>Total General Fund</b>	1,198,500	1,269,300	1,675,400	1,144,300	1,436,100
<b>Restricted Funds</b>					
Balance Forward	856,900	570,900	263,800	570,900	263,800
Current Receipts	1,188,500	1,500,000	1,700,000	1,500,000	1,700,000
<b>Total Restricted Funds</b>	2,045,400	2,070,900	1,963,800	2,070,900	1,963,800
<b>Federal Funds</b>					
Balance Forward	1,000	1,000	1,000	1,000	1,000
Current Receipts	53,000	39,900	42,200	39,900	42,200
<b>Total Federal Funds</b>	54,000	40,900	43,200	40,900	43,200
<b>TOTAL SOURCE OF FUNDS</b>	3,297,900	3,381,100	3,682,400	3,256,100	3,443,100
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	2,169,500	2,441,300	2,825,700	2,359,700	2,479,700
Operating Expenses	556,500	639,000	720,100	631,600	632,800
Debt Service					230,000
Capital Outlay		36,000	36,000		
<b>TOTAL EXPENDITURES</b>	2,726,000	3,116,300	3,581,800	2,991,300	3,342,500
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,198,500	1,269,300	1,675,400	1,144,300	1,436,100
Restricted Funds	1,474,500	1,807,100	1,864,200	1,807,100	1,864,200
Federal Funds	53,000	39,900	42,200	39,900	42,200
<b>TOTAL EXPENDITURES</b>	2,726,000	3,116,300	3,581,800	2,991,300	3,342,500

The Public Records Division, working in close cooperation with the State Archives and Records Commission, fulfills the Department's statutory mandate to manage and control public records in the state, in whatever medium. Its authority extends to all state and local government agencies. Under the terms of KRS 171.410-740, the Department's Public Records Division works with government agencies to ensure creation and preservation of adequate and proper documentation of the agency's organizational functions, policies, decisions, procedures, and essential transactions, as well as information which protects the legal and financial rights of the government and of individuals directly affected by an agency's activities.

As required by KRS 171.450, it establishes standards, procedures, and administrative regulations for recording, managing, preserving and reproducing government records, whatever their medium. Under the terms of KRS 171.680, it works with the head of state government agencies and their designated representatives to create and maintain active, continuing programs for the efficient management of their records. Division staff collaborate with agencies on the inventory, analysis, and scheduling for retention of their records and electronic records systems. When approved by the State Archives and Records Commission, these records schedules furnish public agencies with clear legal authority to make disposition of records they create and maintain. The Open Records Act explicitly recognizes the connection between policy goals for public records management and information systems planning under statute, and those of the Open Records Act.

Under the terms of KRS 171.500, the Department is the central repository for Kentucky public records. The Division operates the State Archives to house and make available for research permanently valuable state and local government records. To provide agencies with secure, economical storage for their non-current records, the Division also manages the State Records

Center. While serving distinct needs, these two kinds of facilities are the state's statutorily mandated central record depositories. Division staff also provide state agencies with direct services in records management, archival management, management of electronic records, centralized micrographics and imaging applications, and document preservation. They serve as consultants to these agencies on a range of archival and records management issues.

The Public Records Division serves Kentucky citizens directly, as well as meets the needs of hundreds of government agencies at all levels of government. These services are provided through the following subprograms:

State Records Branch helps 132 state-level agencies and their subunits and more than 300 boards and commissions develop and maintain programs to manage government information from its creation, through maintenance and use, to final disposition, as required by KRS 171.680. It provides archival and records management assistance in support of those tasks, especially through records identification, description, appraisal, and scheduling. It participates in review of all biennial state agency Information Resources Plans (IRP), submitted to the Kentucky Information Resources Management Commission (KIRM). The Branch also manages the two leased facilities which comprise the State Records Center, the state's central repository for secure high volume storage of non-permanent records still needed by agencies, which makes possible significant annual savings to state government through cost avoidance.

Archival Services Branch provides records appraisal, arrangement, description and reference services; oversees archival control of state publications; oversees publication of the Guide to Kentucky Archival and Manuscript Collections; creates and publishes finding aids to provide access to the Department's archival holdings; and makes available on-line information about the Department's holdings and the holdings of nearly 300 Kentucky archival and manuscript repositories. It operates the State Archives, which contains more than 95,000 cubic feet of original records. These records are made available to the public and to government officials through the Archives Research Room. Branch staff annually answers more than 20,000 information requests from government officials, private citizens, attorneys, journalists, historians, genealogists, and other researchers.

Technology Analysis and Support Branch works with other Division Branches in providing advice and technical support to state and local agencies on archival and records management considerations in the application of information technology to their programs and operations. It inventories and schedules electronic records systems and coordinates Division review of all biennial state agency Information Resources Plans (IRP), submitted to KIRM. The Branch provides staff support to KIRM on information policy, imaging and technical standards issues, and ensures that KIRM members and staff are aware of archival and records management issues as they relate to information resources planning and management. It also manages the Department's Public Records Management System (PRMS), the database employed by the Division for the life-cycle tracking of record series. The Branch oversees the work of the Department's Document Preservation Laboratory, including professional consulting, education and training programs, records disaster recovery assistance, and laboratory conservation treatment.

Image Management Branch provides centralized image management and micrographics services to state and local government agencies, in response to functions mandated by KRS 171.550, on a cost recovery basis. These services help improve and speed access to information, reduce the volume of paper based files, and ensure archival preservation and continued availability of information contained in fragile paper records. The Branch also monitors development in other imaging technologies and their application to public records management.

Local Records Branch helps more than 2,900 local government agencies develop and maintain record management programs to manage government information from its creation through its maintenance and use, to its final and proper disposition, as required by KRS 171.680. It provides archival and records management assistance in support of those tasks, especially through records identification, description, appraisal and scheduling, and through professional counseling and training. It also administers a grant-in-aid program to local governments.

Public Records Support provides policy development, coordination of program planning, and administrative direction of Division programs in public records administration and archival management. It coordinates support for the work of the State Archives and Records Commission and the State Historical Records Advisory Board.

**Education, Arts and Humanities  
Direct Local Aid**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	6,614,500	16,775,500	16,775,500	6,675,500	6,675,500
<b>Total General Fund</b>	<b>6,614,500</b>	<b>16,775,500</b>	<b>16,775,500</b>	<b>6,675,500</b>	<b>6,675,500</b>
<b>Restricted Funds</b>					
Balance Forward	15,900	12,900	8,900	12,900	8,900
Current Receipts	6,000	5,000	5,000	5,000	5,000
<b>Total Restricted Funds</b>	<b>21,900</b>	<b>17,900</b>	<b>13,900</b>	<b>17,900</b>	<b>13,900</b>
<b>Federal Funds</b>					
Balance Forward	1,100	1,100	1,100	1,100	1,100
Current Receipts	541,000	576,000	576,000	576,000	576,000
<b>Total Federal Funds</b>	<b>542,100</b>	<b>577,100</b>	<b>577,100</b>	<b>577,100</b>	<b>577,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>7,178,500</b>	<b>17,370,500</b>	<b>17,366,500</b>	<b>7,270,500</b>	<b>7,266,500</b>
<b>EXPENDITURES BY CLASS</b>					
Operating Expenses	191,000	192,000	192,000	192,000	192,000
Grants, Loans or Benefits	6,800,500	16,995,500	16,995,500	6,895,500	6,895,500
Capital Outlay	173,000	173,000	173,000	173,000	173,000
<b>TOTAL EXPENDITURES</b>	<b>7,164,500</b>	<b>17,360,500</b>	<b>17,360,500</b>	<b>7,260,500</b>	<b>7,260,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	6,614,500	16,775,500	16,775,500	6,675,500	6,675,500
Restricted Funds	9,000	9,000	9,000	9,000	9,000
Federal Funds	541,000	576,000	576,000	576,000	576,000
<b>TOTAL EXPENDITURES</b>	<b>7,164,500</b>	<b>17,360,500</b>	<b>17,360,500</b>	<b>7,260,500</b>	<b>7,260,500</b>
<b>EXPENDITURES BY UNIT</b>					
Field Services	5,918,000	16,019,000	16,019,000	5,919,000	5,919,000
State Library Services	566,500	661,500	661,500	661,500	661,500
Public Records	680,000	680,000	680,000	680,000	680,000
<b>TOTAL EXPENDITURES</b>	<b>7,164,500</b>	<b>17,360,500</b>	<b>17,360,500</b>	<b>7,260,500</b>	<b>7,260,500</b>

Direct Local Aid is a program designed to identify those services that are directly provided to the citizens of the Commonwealth. The services are administered by three of the Libraries and Archives' current programs: Field Services Division, State Library Services Division, and the Public Records Division. The various direct services provided include direct cash grants, library books and other library materials, and bookmobiles.

There are several grant programs provided by the Department for Libraries and Archives. These include: Public Library Development, State-Aid, Public Library Books, Construction, Networking, and Local Records. Additionally, public libraries are provided with bookmobiles so that those persons not living close to a public library may have the opportunity to utilize library services.

The Public Library Development Office provides grants from federal funds for training, continuing education, demonstration projects and major urban resource libraries to eligible public libraries from federal funds.

The State Aid program provides cash grants to all counties for support of public library services.

The Bookmobile program provides bookmobiles to eligible county libraries based on the criteria of age, service, use, and condition.

The Program Development Office provides grants to public libraries in order to demonstrate library service to specific user and non-user groups. Examples include services to older adults, young adults, children, and adult new readers.

The Construction program matches grants to public libraries for major library building projects and repairs.

The Institutions program provides grants to public libraries for the administration of public library services in state correctional institutions.

The Library for the Blind and Physically Handicapped program provides grants to public libraries in support of library services for the blind and physically handicapped in localized areas of the state.

The Local Records program provides funds to assist local governments to preserve and restore public documents and to improve local government records management programs.

### **Policy**

Included in the above appropriation is \$200,000 in each fiscal year to provide funds for bookmobiles/extension service:

Included in the above General Fund appropriation is \$3,669,500 in each fiscal year to award grants to local libraries at the rate of 73 cents per capita, notwithstanding KRS 171.201

**Education, Arts and Humanities  
Teachers' Retirement System**

	<b>Revised FY 2000</b>	<b>Requested FY 2001</b>	<b>Requested FY 2002</b>	<b>Enacted FY 2001</b>	<b>Enacted FY 2002</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	75,828,000	112,375,200	125,917,000	75,829,500	82,222,300
<b>Total General Fund</b>	<b>75,828,000</b>	<b>112,375,200</b>	<b>125,917,000</b>	<b>75,829,500</b>	<b>82,222,300</b>
<b>Restricted Funds</b>					
Balance Forward	82,100				
Non-Revenue Receipts	4,651,000	5,696,400	6,021,000	5,696,400	6,021,000
<b>Total Restricted Funds</b>	<b>4,733,100</b>	<b>5,696,400</b>	<b>6,021,000</b>	<b>5,696,400</b>	<b>6,021,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>80,561,100</b>	<b>118,071,600</b>	<b>131,938,000</b>	<b>81,525,900</b>	<b>88,243,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	3,914,200	4,491,800	4,903,600	4,491,800	4,903,600
Operating Expenses	753,900	1,099,300	1,079,400	1,099,300	1,079,400
Grants, Loans or Benefits	75,828,000	112,375,200	125,917,000	75,829,500	82,222,300
Capital Outlay	65,000	105,300	38,000	105,300	38,000
<b>TOTAL EXPENDITURES</b>	<b>80,561,100</b>	<b>118,071,600</b>	<b>131,938,000</b>	<b>81,525,900</b>	<b>88,243,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	75,828,000	112,375,200	125,917,000	75,829,500	82,222,300
Restricted Funds	4,733,100	5,696,400	6,021,000	5,696,400	6,021,000
<b>TOTAL EXPENDITURES</b>	<b>80,561,100</b>	<b>118,071,600</b>	<b>131,938,000</b>	<b>81,525,900</b>	<b>88,243,300</b>

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

Administration of the System is the responsibility of the nine-member Board of Trustees. Two of the members are ex-officio, serving by reason of their constitutional offices. They are the Commissioner of Education and the State Treasurer. The remaining seven trustees are elected by the members of the Retirement System for four-year terms. Four of these must be active members of the Retirement System, one must be a retired member, and two must be persons from outside the teaching profession. The Board of Trustees appoints an Executive Secretary who is responsible for the administration of the affairs of the Retirement System under policies established by the Board. The most important objectives of the Board of Trustees are to maintain a retirement system that is actuarially sound and to maintain member benefits at a level that is comparable with the benefits provided other state employees through the Kentucky Employees' Retirement System and the Social Security System.

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

Benefits are financed through member contributions, corresponding contributions by the state and income accruing from the invested reserves of the system. The General Assembly has set the member and state contribution rate at 9.855 percent of gross salary. University faculty members contribute 8.375 percent of gross salary and the state matches this amount. In addition, each employer contributes an overmatch of 3.25 percent of gross salary to help reduce the system's unfunded liability. The reserves of the agency are invested in a manner that will provide a reasonable rate of return with major emphasis being placed upon the protection of the reserves.

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

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

### **Policy**

The 2000-2002 Budget of the Commonwealth includes General Fund support in the amount of \$2,311,500 in fiscal year 2001 and \$5,925,000 in fiscal year 2002 which, when combined with the automatic one and one-half percent (1.5 percent) increase funded from internal system earnings, will provide a 2.3 percent cost-of-living increase for retired members in fiscal year 2001 and 2.3 percent in fiscal year 2002.

The enacted budget includes sufficient General Fund support to meet the amortized cost of previously-enacted cost-of-living adjustments and other benefit improvements for system members.

The budget as enacted includes General Fund support in the amount of \$3,698,800 in fiscal year 2001 and \$7,886,400 in fiscal year 2002 to make initial payments on the amortized cost of increased retirement allowances for those recipients retiring during the 2000-2002 biennium who are eligible to add accrued sick leave to their final year of service.

## Families and Children

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	279,010,300	327,070,100	350,692,800	304,350,200	322,239,500
Tobacco Settlement - I				7,597,800	9,082,800
Continuing Appropriation	16,809,100				
Reorganization Adjustments	221,500				
<b>Total General Fund</b>	<b>296,040,900</b>	<b>327,070,100</b>	<b>350,692,800</b>	<b>311,948,000</b>	<b>331,322,300</b>
<b>Restricted Funds</b>					
Balance Forward	28,689,400				
Current Receipts	52,343,900	80,081,300	86,399,200	84,363,200	89,055,800
Non-Revenue Receipts	7,083,700	13,424,300	13,998,700	13,174,300	13,738,700
<b>Total Restricted Funds</b>	<b>88,117,000</b>	<b>93,505,600</b>	<b>100,397,900</b>	<b>97,537,500</b>	<b>102,794,500</b>
<b>Federal Funds</b>					
Balance Forward	4,036,200				
Current Receipts	584,260,200	548,298,300	561,709,400	545,355,600	558,954,600
Non-Revenue Receipts	-48,751,100	-38,214,400	-36,229,200	-39,770,000	-37,724,800
<b>Total Federal Funds</b>	<b>539,545,300</b>	<b>510,083,900</b>	<b>525,480,200</b>	<b>505,585,600</b>	<b>521,229,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>923,703,200</b>	<b>930,659,600</b>	<b>976,570,900</b>	<b>915,071,100</b>	<b>955,346,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	308,674,000	314,028,200	323,302,100	302,106,700	313,118,600
Operating Expenses	96,239,600	93,319,300	103,831,700	86,865,300	88,912,200
Grants, Loans or Benefits	518,639,600	521,754,500	547,608,900	526,009,500	553,154,600
Debt Service		1,468,000	1,736,000		69,000
Capital Outlay	150,000	89,600	92,200	89,600	92,200
<b>TOTAL EXPENDITURES</b>	<b>923,703,200</b>	<b>930,659,600</b>	<b>976,570,900</b>	<b>915,071,100</b>	<b>955,346,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	296,040,900	327,070,100	350,692,800	311,948,000	331,322,300
Restricted Funds	88,117,000	93,505,600	100,397,900	97,537,500	102,794,500
Federal Funds	539,545,300	510,083,900	525,480,200	505,585,600	521,229,800
<b>TOTAL EXPENDITURES</b>	<b>923,703,200</b>	<b>930,659,600</b>	<b>976,570,900</b>	<b>915,071,100</b>	<b>955,346,600</b>
<b>EXPENDITURES BY UNIT</b>					
Administration Services	84,744,700	79,690,400	85,055,400	70,670,500	73,035,800
Disability Determinations	35,408,200	37,350,900	38,182,600	37,492,900	38,634,900
Community Based Services	803,550,300	813,618,300	853,332,900	806,907,700	843,675,900
<b>TOTAL EXPENDITURES</b>	<b>923,703,200</b>	<b>930,659,600</b>	<b>976,570,900</b>	<b>915,071,100</b>	<b>955,346,600</b>

The Cabinet for Families and Children was created by Executive Order 95-79 (which also abolished the Cabinet for Human Resources) on December 28, 1995, and ratified by the 1996 General Assembly. The Office of Aging Services was transferred to the Cabinet for Health Services by Executive Order 99-80.

Executive Order 98-731, effective June 16, 1998, consolidated the field operations of the Departments for Social Insurance and Social Services into one department, the Department for Community Based Services.

The Department for Community Based Services, the Office of Administration Services, the Department of Disability Determinations, and the Office of Family Resources and Youth Services Centers form the Cabinet for Families and Children. General Funds which support the Office of Family Resources and Youth Services are appropriated to the Department of Education and transferred to the Cabinet.



**Families and Children  
Administration Services**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	30,592,400	37,953,300	41,978,600	30,439,400	31,231,100
Reorganization Adjustments	221,500				
<b>Total General Fund</b>	<b>30,813,900</b>	<b>37,953,300</b>	<b>41,978,600</b>	<b>30,439,400</b>	<b>31,231,100</b>
<b>Restricted Funds</b>					
Balance Forward	8,902,800				
Current Receipts	3,009,600	3,024,300	3,024,300	2,945,600	2,930,900
Non-Revenue Receipts	-4,156,300	1,237,800	1,237,800	1,237,800	1,237,800
<b>Total Restricted Funds</b>	<b>7,756,100</b>	<b>4,262,100</b>	<b>4,262,100</b>	<b>4,183,400</b>	<b>4,168,700</b>
<b>Federal Funds</b>					
Balance Forward	3,900				
Current Receipts	3,304,900	3,243,200	3,250,900	3,073,700	3,131,300
Non-Revenue Receipts	42,865,900	34,231,800	35,563,800	32,974,000	34,504,700
<b>Total Federal Funds</b>	<b>46,174,700</b>	<b>37,475,000</b>	<b>38,814,700</b>	<b>36,047,700</b>	<b>37,636,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>84,744,700</b>	<b>79,690,400</b>	<b>85,055,400</b>	<b>70,670,500</b>	<b>73,035,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	31,482,400	30,288,000	31,284,200	27,877,500	29,363,400
Operating Expenses	50,102,600	44,805,900	48,902,500	40,042,000	40,848,300
Grants, Loans or Benefits	3,009,700	3,038,900	3,040,500	2,661,400	2,662,900
Debt Service		1,468,000	1,736,000		69,000
Capital Outlay	150,000	89,600	92,200	89,600	92,200
<b>TOTAL EXPENDITURES</b>	<b>84,744,700</b>	<b>79,690,400</b>	<b>85,055,400</b>	<b>70,670,500</b>	<b>73,035,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	30,813,900	37,953,300	41,978,600	30,439,400	31,231,100
Restricted Funds	7,756,100	4,262,100	4,262,100	4,183,400	4,168,700
Federal Funds	46,174,700	37,475,000	38,814,700	36,047,700	37,636,000
<b>TOTAL EXPENDITURES</b>	<b>84,744,700</b>	<b>79,690,400</b>	<b>85,055,400</b>	<b>70,670,500</b>	<b>73,035,800</b>
<b>EXPENDITURES BY UNIT</b>					
Administration Services	84,744,700	79,690,400	85,055,400	70,514,000	72,810,500
Wage Equity				156,500	225,300
<b>TOTAL EXPENDITURES</b>	<b>84,744,700</b>	<b>79,690,400</b>	<b>85,055,400</b>	<b>70,670,500</b>	<b>73,035,800</b>

Administration Services groups the administrative and program support systems for the Cabinet for Families and Children into one major program area in accordance with KRS 194.040 and Executive Order 96-862. The primary functions of the offices in this area are to provide support services for major program areas and line staff for the Department for Community Based Services, the Department of Disability Determinations, and the Office of Family Resources and Youth Services Centers and to coordinate the Cabinet's efforts in the development and delivery of quality human services.

The Office of the Secretary is responsible for ensuring that the Cabinet implements all legislative, executive, and federally mandated programs. The Secretary directs the implementation of programs which will meet the mission of the Cabinet – to provide statewide leadership in protecting and promoting the well being of Kentuckians by achieving quality human services through the maximization of financial, technological and human resources to efficiently and effectively deliver services.

The Secretary's Office is also responsible for providing and interpreting information about the Cabinet for Families and Children both externally to the public and internally to the employees. Communications staff coordinate information and inquiries relating to programs and functions of the Cabinet by preparing press releases and responding to news media inquiries.

The Office of the General Counsel provides legal services and assistance to all units of the Cabinet in any legal action in which they may be involved. The Office of the General Counsel employs all attorneys of the Cabinet and also administers all personnel service contracts for legal services. This Office reviews and drafts legal documents and instruments, legislation and statutes and advises the Secretary, Commissioners and Directors

The Office of the Ombudsman provides reviews of complaints made by citizens with regard to services rendered by the Cabinet for Families and Children which cannot be resolved through normal administrative remedies (KRS 194.030). Ombudsmen staff field complaints or inquiries, independently investigate their grievances, and negotiate resolution or instigate corrective action where appropriate.

The Office of Technology Services provides technical support services in the areas of network services, production services, system support services, and support for strategic technology initiatives. Responsibilities include: reviewing and processing technology purchase requests, network planning, security of electronic information, computer room operations, production job support, telephone/computer installation, cabling and site preparation, processing of computer services billing, preparation of the Cabinet's Information Resources Plan, management of large computer projects, and other technology related services. The Office is responsible for ensuring that technology resources are used effectively and efficiently. The Office is also responsible for planning for technology needs which support the direct delivery of human services by the Cabinet.

The Office of Program Support coordinates and directs the personnel, fiscal, budget, planning and management review activities of the Cabinet. Staff provide technical support to the departments and offices, as well as, participate in the review of state and federal legislation, budget planning and development of administrative and fiscal policy directives and procedures. The Office serves as the liaison to external agencies including the Governor's Office for Policy and Management, the Legislative Research Commission and the Finance and Administration Cabinet. The Office of Program Support is also the lead office for coordinating efforts with the Legislative Research Commission for review of the Cabinet's administrative regulations.

The Office of Performance Enhancement is responsible for management of an effective contract program for the Cabinet. The Office also focuses on quality issues and how to assure and measure program and service quality of Cabinet programs:

## **Policy**

Executive Order 2000-8, effective January 4, 2000, transferred the Kentucky Commission on Community Volunteerism and Service from the Council on Postsecondary Education to the Cabinet for Families and Children

Included in the enacted budget is an allocation from the General Fund of \$156,500 in fiscal year 2001 and \$225,300 in fiscal year 2002 for the Wage Equity Plan.

A General Fund allocation of \$69,000 is provided in fiscal year 2002 for debt service for bonds totaling \$640,000 for Child Advocacy Centers.

**Families and Children  
Community Based Services**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	248,417,900	289,116,800	308,714,200	273,910,800	291,008,400
Tobacco Settlement - I				7,597,800	9,082,800
Continuing Appropriation	16,809,100				
<b>Total General Fund</b>	265,227,000	289,116,800	308,714,200	281,508,600	300,091,200
<b>Restricted Funds</b>					
Balance Forward	19,783,700				
Current Receipts	49,037,200	76,983,000	83,299,100	81,343,600	86,049,100
Non-Revenue Receipts	11,240,000	12,186,500	12,760,900	11,936,500	12,500,900
<b>Total Restricted Funds</b>	80,060,900	89,169,500	96,060,000	93,280,100	98,550,000
<b>Federal Funds</b>					
Balance Forward	3,752,600				
Current Receipts	544,722,000	506,573,100	519,117,600	503,657,900	516,030,100
Non-Revenue Receipts	-90,212,200	-71,241,100	-70,558,900	-71,538,900	-70,995,400
<b>Total Federal Funds</b>	458,262,400	435,332,000	448,558,700	432,119,000	445,034,700
<b>TOTAL SOURCE OF FUNDS</b>	803,550,300	813,618,300	853,332,900	806,907,700	843,675,900
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	256,146,800	261,505,300	268,834,100	251,852,300	260,119,100
Operating Expenses	42,961,800	45,161,300	51,759,400	43,471,200	44,894,100
Grants, Loans or Benefits	504,441,700	506,951,700	532,739,400	511,584,200	538,662,700
<b>TOTAL EXPENDITURES</b>	803,550,300	813,618,300	853,332,900	806,907,700	843,675,900
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	265,227,000	289,116,800	308,714,200	281,508,600	300,091,200
Restricted Funds	80,060,900	89,169,500	96,060,000	93,280,100	98,550,000
Federal Funds	458,262,400	435,332,000	448,558,700	432,119,000	445,034,700
<b>TOTAL EXPENDITURES</b>	803,550,300	813,618,300	853,332,900	806,907,700	843,675,900
<b>EXPENDITURES BY UNIT</b>					
Family Support	326,688,700	309,433,300	306,250,700	305,748,000	300,574,700
Child Support	60,340,200	58,960,000	62,239,800	58,418,000	61,290,300
Family and Community Services	282,154,700	313,697,900	340,478,000	299,700,900	324,869,000
Child Care	104,789,900	114,307,900	127,147,000	123,993,800	138,314,800
Energy	29,576,800	17,219,200	17,217,400	17,219,200	17,217,400
Wage Equity				1,827,800	1,409,700
<b>TOTAL EXPENDITURES</b>	803,550,300	813,618,300	853,332,900	806,907,700	843,675,900

The Department for Community Based Services is responsible for the following programs: Family Support (including Temporary Assistance to Needy Families, Food Stamps, Medicaid Eligibility, Welfare-to-Work, and State Supplementation), Child Support, Energy and Weatherization, Family and Community Services (including Family Based Services, Adult Services, and Alternatives for Children), and Child Day Care.

These programs provide income and supplementation to Kentuckians who, because of social, educational, mental, or physical impairments are without sufficient resources to meet their basic needs. Additionally, the Department's mission is directed toward preserving the family as a unit when possible and protecting individuals from abuse, neglect, and exploitation with safety and permanency as the paramount goals. The family based services concept is incorporated into programming through staff training, policies and procedures, and purchase of care.

**Policy**

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

Included in the enacted budget is an allocation from the General Fund of \$1,827,800 in fiscal year 2001 and \$1,409,700 in fiscal year 2002 for the Wage Equity Plan.

Included in the Department's appropriation is authority to increase expenditures up to \$1,400,000 for expanded lease space in various counties.

**Families and Children  
Community Based Services  
Family Support**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	104,358,900	122,170,000	124,906,000	116,550,400	117,980,300
Continuing Appropriation	13,529,200				
<b>Total General Fund</b>	<b>117,888,100</b>	<b>122,170,000</b>	<b>124,906,000</b>	<b>116,550,400</b>	<b>117,980,300</b>
<b>Restricted Funds</b>					
Balance Forward	2,349,500				
Current Receipts	5,078,700	3,650,000	5,300,000	7,507,000	8,909,600
Non-Revenue Receipts	10,926,600	11,736,500	12,310,900	11,486,500	12,050,900
<b>Total Restricted Funds</b>	<b>18,354,800</b>	<b>15,386,500</b>	<b>17,610,900</b>	<b>18,993,500</b>	<b>20,960,500</b>
<b>Federal Funds</b>					
Balance Forward	615,800				
Current Receipts	270,087,400	224,019,700	215,412,000	222,644,800	213,748,600
Non-Revenue Receipts	-80,257,400	-52,142,900	-51,678,200	-52,440,700	-52,114,700
<b>Total Federal Funds</b>	<b>190,445,800</b>	<b>171,876,800</b>	<b>163,733,800</b>	<b>170,204,100</b>	<b>161,633,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>326,688,700</b>	<b>309,433,300</b>	<b>306,250,700</b>	<b>305,748,000</b>	<b>300,574,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	99,042,100	110,045,300	113,255,200	106,902,900	110,411,400
Operating Expenses	17,364,200	17,480,400	20,229,200	16,779,300	17,019,700
Grants, Loans or Benefits	210,282,400	181,907,600	172,766,300	182,065,800	173,143,600
<b>TOTAL EXPENDITURES</b>	<b>326,688,700</b>	<b>309,433,300</b>	<b>306,250,700</b>	<b>305,748,000</b>	<b>300,574,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	117,888,100	122,170,000	124,906,000	116,550,400	117,980,300
Restricted Funds	18,354,800	15,386,500	17,610,900	18,993,500	20,960,500
Federal Funds	190,445,800	171,876,800	163,733,800	170,204,100	161,633,900
<b>TOTAL EXPENDITURES</b>	<b>326,688,700</b>	<b>309,433,300</b>	<b>306,250,700</b>	<b>305,748,000</b>	<b>300,574,700</b>
<b>EXPENDITURES BY UNIT</b>					
TANF	224,256,000	198,326,100	201,759,300	197,996,000	200,540,900
Food Stamps	46,099,700	50,152,600	53,712,700	47,294,400	49,975,400
Medical Assistance	24,261,200	26,890,400	28,838,600	26,235,200	27,741,000
State Supplementation	18,406,300	18,120,800	17,836,400	18,279,000	18,213,700
Welfare to Work	13,665,500	15,943,400	4,103,700	15,943,400	4,103,700
<b>TOTAL EXPENDITURES</b>	<b>326,688,700</b>	<b>309,433,300</b>	<b>306,250,700</b>	<b>305,748,000</b>	<b>300,574,700</b>

The Family Support Program consists of the following subprograms: Temporary Assistance to Needy Families, Food Stamps, Medicaid Eligibility, State Supplementation, and Welfare to Work.

**Temporary Assistance to Needy Families (TANF)**

On August 22, 1996, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) amended Title IV-A of the Social Security Act to authorize block grants to states for Temporary Assistance for Needy Families (TANF). The Kentucky Transitional Assistance Program (K-TAP) is Kentucky's TANF cash assistance program. It provides financial assistance to

**Families and Children  
Community Based Services  
Child Support**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation		52,900	9,863,400		9,013,100
<b>Total General Fund</b>		52,900	9,863,400		9,013,100
<b>Restricted Funds</b>					
Balance Forward	532,300				
Current Receipts	19,964,800	21,493,400	12,898,100	21,356,400	13,407,500
<b>Total Restricted Funds</b>	20,497,100	21,493,400	12,898,100	21,356,400	13,407,500
<b>Federal Funds</b>					
Balance Forward	1,409,000				
Current Receipts	45,147,300	44,288,000	46,517,600	43,935,900	45,909,000
Non-Revenue Receipts	-6,713,200	-6,874,300	-7,039,300	-6,874,300	-7,039,300
<b>Total Federal Funds</b>	39,843,100	37,413,700	39,478,300	37,061,600	38,869,700
<b>TOTAL SOURCE OF FUNDS</b>	60,340,200	58,960,000	62,239,800	58,418,000	61,290,300
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	16,799,200	17,332,200	18,245,500	16,907,100	17,834,300
Operating Expenses	6,507,300	6,982,100	7,702,100	6,865,200	7,163,800
Grants, Loans or Benefits	37,033,700	34,645,700	36,292,200	34,645,700	36,292,200
<b>TOTAL EXPENDITURES</b>	60,340,200	58,960,000	62,239,800	58,418,000	61,290,300
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund		52,900	9,863,400		9,013,100
Restricted Funds	20,497,100	21,493,400	12,898,100	21,356,400	13,407,500
Federal Funds	39,843,100	37,413,700	39,478,300	37,061,600	38,869,700
<b>TOTAL EXPENDITURES</b>	60,340,200	58,960,000	62,239,800	58,418,000	61,290,300

In 1975, federal Public Law 93-647 created the Child Support (CS) program under Title IV-D of the Social Security Act. The goal of CS is to ensure that children are financially supported by both of their parents through the collection of support from parents who are legally obligated to pay. State statutes governing the operation of the CS program in the Commonwealth were enacted under the Kentucky Child Support Recovery Act and are in KRS 205.710 - 205.800.

The core child support functions are: the location of non-custodial parents; the establishment of paternity; the establishment, enforcement and modification of child support orders; and the collection and disbursement of child support payments. In addition, program requirements have expanded to include many new methods of maximizing the success of the CS goal, such as: in-hospital paternity establishment; establishment and enforcement of medical support orders; the collection of spousal support; the tracking, monitoring and disbursement of non-IV-D wage withholding orders; and the suspension of the driver's license for delinquent payors.

Child Support services are available automatically for families receiving aid under the Temporary Assistance for Needy Families (TANF) program. Any current child support collected reimburses the state and federal governments for TANF payments made to the family. Child Support services are also available to families not receiving TANF. Child support payments, collected on behalf of non-TANF families, are sent to the family. Services are also provided to non-custodial parents for the establishment of paternity by application.

The Division of Child Support (DCS) has decentralized most program functions and has assumed critical administrative responsibilities as detailed in the Administrative Process of Child Support Act, enacted by the 1984 General Assembly. This gives the Division the ability to use administrative processes to enforce child support obligations in addition to the traditional judicial channels. The DCS maintains program administration contracts with approximately 104 county officials to provide judicial processes and other CS functions locally.

The state and federal governments share program costs. Revenues accrue to the state in the form of current collections made to reimburse the state and federal government for TANF benefits paid and through incentives earned for both TANF and non-TANF collections.

Federal Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, puts many new demands on the CS program. Implementation of the new hire reporting, central state case registry, central collection and disbursement unit, and financial data match mandates will be completed by the end of fiscal year 2000.

The law also phases in changes in the computation of incentive payments. The current method of basing incentives solely on cost/benefit ratio for collections will be replaced with performance criteria in five program areas. These changes will result in decreased revenue for Kentucky. Additionally, the decreased TANF caseloads are expected to reduce agency revenues. From fiscal year 1995 to fiscal year 1997, the TANF child support caseload dropped by 22.4 percent and nearly 43 percent from fiscal year 1997 to fiscal year 1999. Although it is not anticipated that the decrease will continue at this rate, the caseload is expected to continue to decline.

Federal funding for CS and the TANF block grant are interdependent. In order to receive a TANF block grant, states must operate a Title IV-D program (Child Support) which meets federal requirements. Failure to implement mandated activities in a timely and accurate manner jeopardizes both the Title IV-A and Title IV-D federal funding.

### **Policy**

A restricted fund appropriation from the Food Stamp Enhanced Account is provided in the amount of \$653,400 for fiscal year 2002. A General Fund appropriation of \$8.5 million and a federal fund appropriation of \$16.5 million are included in fiscal year 2002 to continue mandated Child Support activities.

**Families and Children  
Community Based Services  
Family and Community Services**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	127,384,300	150,157,200	158,729,500	137,579,600	146,142,300
Continuing Appropriation	3,279,900				
<b>Total General Fund</b>	130,664,200	150,157,200	158,729,500	137,579,600	146,142,300
<b>Restricted Funds</b>					
Balance Forward	16,752,500				
Current Receipts	24,006,500	51,839,600	65,101,000	52,480,200	63,732,000
Non-Revenue Receipts	450,000	450,000	450,000	450,000	450,000
<b>Total Restricted Funds</b>	41,209,000	52,289,600	65,551,000	52,930,200	64,182,000
<b>Federal Funds</b>					
Balance Forward	945,900				
Current Receipts	112,501,900	123,397,800	127,959,900	121,337,800	126,307,100
Non-Revenue Receipts	-3,166,300	-12,146,700	-11,762,400	-12,146,700	-11,762,400
<b>Total Federal Funds</b>	110,281,500	111,251,100	116,197,500	109,191,100	114,544,700
<b>TOTAL SOURCE OF FUNDS</b>	282,154,700	313,697,900	340,478,000	299,700,900	324,869,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	101,563,900	106,744,600	111,279,300	97,883,500	103,431,800
Operating Expenses	18,017,800	19,574,000	22,648,500	18,701,900	19,531,000
Grants, Loans or Benefits	162,573,000	187,379,300	206,550,200	183,115,500	201,906,200
<b>TOTAL EXPENDITURES</b>	282,154,700	313,697,900	340,478,000	299,700,900	324,869,000
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	130,664,200	150,157,200	158,729,500	137,579,600	146,142,300
Restricted Funds	41,209,000	52,289,600	65,551,000	52,930,200	64,182,000
Federal Funds	110,281,500	111,251,100	116,197,500	109,191,100	114,544,700
<b>TOTAL EXPENDITURES</b>	282,154,700	313,697,900	340,478,000	299,700,900	324,869,000
<b>EXPENDITURES BY UNIT</b>					
Family Based Services	78,305,200	77,081,200	81,258,600	73,792,500	77,483,000
Adult Services	28,132,200	34,103,900	35,149,400	29,355,900	30,211,600
Alternatives For Children	175,717,300	202,512,800	224,070,000	196,552,500	217,174,400
<b>TOTAL EXPENDITURES</b>	282,154,700	313,697,900	340,478,000	299,700,900	324,869,000

Family and Community Services are directed toward preserving the family as a unit and protecting individuals from abuse, neglect, and exploitation, with safety and permanency as the paramount goals. The Department for Community Based Services (DCBS) incorporates the family-based service concept into its programming through staff training, policies and procedures, and purchase of care. Family-based services are designed to provide maximum services to a family at the time of crisis in order to prevent disruption of the family unit. The family-based services concept has been developed with the help of professional consultants and other service providers in keeping with the recommendations of the 1984 Governor's Protective Services Advisory Committee for a more comprehensive approach to child protection with greater emphasis on prevention. The 1985 Extraordinary Session of the Kentucky General Assembly made these reforms possible by funding additional social work positions in order to reduce caseloads, by establishing Training and Quality Assurance Units, and by increasing day care rates and restructuring rates for foster care and private child care. These initiatives have been a part of the Department's continuation budget since 1986. The increase in reports of abuse and neglect of children, adults, and the elderly have placed even greater demands on an already overburdened system.



families to meet basic subsistence and childcare needs. Technical eligibility requirements that must be met include age, residency, enumeration and deprivation of parental support due to death, continued absence, unemployment, or incapacity of a parent. Resources must be within agency limits, and gross income must fall below the gross income scale for the appropriate family size to meet financial eligibility. The program is administered by the Department for Community Based Services (DCBS) with offices in every county. Effective July 1, 1989, in accordance with House Bill 381, Kentucky implemented a ratable reduction methodology for calculating the grant and raised the need standard. This change allowed more applicants to become eligible for the program and also allows recipients who have income to retain more and still receive a grant. This methodology continues under K-TAP. Effective May 1, 1997, implementation of a two month disregard of earned income further encouraged employment. Effective June 1999, a job retention bonus was added for an adult K-TAP recipient who obtains and maintains full employment, and an education bonus was added for a K-TAP recipient who completes educational goals. Post-K-TAP recipients, with earnings, may receive additional supportive services for 12 months, such as housing assistance, case management, and transportation. TANF funds are also used for other assistance for relocation, school attendance incentives, and family services.

The Kentucky Works Program, which replaced the JOBS program, was implemented April 1, 1997. As a part of K-TAP, Kentucky Works helps recipients in their transition to self-sufficiency by providing guidance in developing an individualized Transitional Assistance Agreement (TAA). Based on an individual's situation, Kentucky Works case managers refer participants to training, education, employment, or other components necessary to facilitate the participant's transition into the workforce.

Referrals to transportation and childcare providers as well as the payment of supportive services, such as car repairs and items or services needed for participation, are made to ensure participants are able to fully participate in the program.

The Kinship Care Program pilot began in selected counties in October 1, 1999, with statewide implementation anticipated in July 2000. This program will provide financial assistance and support services to non-parental relatives caring for children in their homes. The target group of children are those who cannot remain in the home of their parents due to abuse or neglect.

For Kinship Care cases, a one-time start-up amount of up to five hundred dollars (\$500) per child shall be provided for the purpose of supplying each child's immediate need for: clothing, school supplies, additional furniture, a deposit for a larger apartment, or other items or services needed to assist the child in establishing himself in the new environment. The caretaker relative shall not be a member of the Kinship Care case, and his/her income or resources will be disregarded.

The IV-A (AFDC) grant was originally an open-ended entitlement grant which required a 50/50 match for administration and the Federal Medical Assistance Program (FMAP) 70/30 match for benefits. The IV-F (JOBS) grant was a capped grant. The Personal Responsibility and Work Opportunity Reconciliation Act combined these two grants into one grant, Temporary Assistance for Needy Families. This block grant includes all federal dollars to fund all administrative and benefit expenditures; i.e., cash assistance subsidies, supportive services (transportation), personnel, operating, indirect and contract partnerships. There is a state fund Maintenance of Effort (MOE) requirement of at least 80 percent of fiscal year 1994 expenditures, which is \$71.9 million.

Coordinated efforts continue within the Cabinet for Families and Children (Department for Community Based Services) through change management and restructuring to work with the communities toward the goals of this self-sufficiency, protection and permanency. The flexibility of the TANF block grant promotes these Cabinet goals.

## **Policy**

The budget assumes a decrease in average monthly TANF recipients of almost six percent from the current year into 2001 and another six percent decline into 2002. While caseloads have declined significantly over the last seven years in Kentucky and other states, many states are now reporting a leveling in caseloads. In Kentucky, the rate of decline has dropped significantly. While recipients will be terminated at the end of 60 months, new recipients will continue to enter the program, and former recipients who have not exhausted their entire 60 months of eligibility may re-enter the program. It should be noted that many of the recipients with the greatest job skills have been placed in employment during the first two years of PRWORA. Those remaining either require more assistance in becoming job ready or live in areas where job opportunities are limited. These recipients will require more time and effort on the part of caseworkers who are assisting those recipients toward their goal of self-sufficiency.

A restricted fund appropriation from the PA Claims and Recovery Account is included for \$1,500,000 in each year of the biennium.

## **Food Stamps**

The Food Stamp program is authorized by the Food Stamp Act of 1977 and KRS 194B.050. The Food Stamp program helps low-income people buy adequate food for a nutritional diet. It is designed to promote the general welfare and to safeguard the health and well-being of the nation's population by raising the levels of nutrition among low-income households. Any household having a lower or temporarily reduced monthly income may be eligible to receive food stamps if basic eligibility requirements are met. A household is any individual, family or group of people living together who buy and prepare food together.

Basic requirements for Food Stamp eligibility:

- Citizenship - Only household members who are U.S. citizens or certain legal aliens are eligible.
- Work Registration - All able-bodied household members between 16 and 59 years of age must register for work, seek and accept suitable employment, unless they are already working full-time, or are otherwise exempt.
- Resources - Households may have up to \$2,000 worth of resources. Resources are money in a checking or savings account, property, vehicles and other valuables belonging to the household. Some resources are not counted, such as home and contents, personal belongings and some vehicles depending on their value and use.
- Income - There are limits to the amount of income a household is allowed depending on its size. Money earned by working or payments received on a regular basis by any household member are counted as income. If gross income does not exceed the maximum limit, the following deduction from income will be made before the food stamp allotment is figured:
  - A standard deduction of \$134 for all households.
  - A 20 percent deduction from earned income.
  - Dependent care costs including child care and care of disabled adults, if it is needed, so that a household member can work, look for a job, or get training or education leading to a job. The dependent care maximum is \$200 monthly per dependent under two years of age and \$175 monthly per each other dependent.
  - Shelter costs include rent or mortgage payments, utilities, property taxes and home insurance. Only the amount of shelter costs which exceed one-half of the household's income, after the other deductions, is deducted, not to exceed \$275.

There are special rules for certain households with aged/disabled members.

- If there are one or more persons in a household and one is age 60 or over, \$3,000 in resources may be retained and still be eligible.
- Households with member age 60 or over, or disabled:
  - do not have a maximum limit put on their shelter deductions;
  - are given all deductions before their net income is compared to the maximum net income scale shown on the chart below;
  - may have medical expenses for the aged/disabled member exceeding \$35 per month deducted.

If eligible, the amount of food stamps a household may receive depends on the household's size and income after deductions. There is a maximum food stamp allotment for each household size. If the household has little or no income, the maximum is issued. The chart below shows the maximum income limits and the maximum food stamp allotment a household may receive.

Household Size	1	2	3	4	5	6	7	8	Each Added Member
Maximum Gross Income Per Month	\$873	\$1,176	\$1,479	\$1,783	\$2,086	\$2,389	\$2,693	\$2,996	\$304
Maximum Net Income Per Month	671	905	1,138	1,371	1,605	1,838	2,071	2,305	234
Maximum FS Allotment Per Month	125	230	329	419	497	597	659	754	94

Administrative activities include: accepting applications from any household, determining eligibility within 30 days, and providing an appeal process to all applicants/recipients.

The National Voter Registration Act of 1993, also known as the Motor Voter Act, requires applications for voter registration be provided at agencies that provide benefits under K-TAP, WIC, Medicaid, Food Stamps, Armed Forces recruitment offices, driver licensing, and agencies providing services to persons with disabilities. These agencies, of which the Department for Community Based Services is one, must distribute voter registration forms, provide assistance in completing forms and ensure the completed voter registration forms reach the proper state election office for processing.

The Food Stamp Employment and Training (FS E&T) program is designed to assist able-bodied food stamp recipients in obtaining employment which leads to self-sufficiency.

Implementation of FS E&T was mandated in 1987 by the Food Stamp Act of 1977, as amended in 1985 and 1996 and reflected in 7CFR 273.7. Targeted mandatory work registrants in the 53 active FS E&T counties must participate in either the Vocational Education Training or Workfare components.

In August 1997, Public Law 105-33 again amended the Food Stamp Act in relation to the FS E&T program. The law mandates that 80 percent of the federal FS E&T funding be spent on able-bodied adults without dependents between the ages of 18-49 who are placed in and complying with a work program meeting the eligibility standards of 7 U.S.C. 2015(o).

### **Medicaid Eligibility**

The Department for Community Based Services (DCBS), under a contract with the Department for Medicaid Services, performs eligibility determinations for the Medicaid Program thereby utilizing DCBS's network of field staff with offices in each of Kentucky's 120 counties.

The Medicaid program is authorized under Title XIX of the U.S. Social Security Act and KRS 205.520. The 1960 Amendments to the Social Security Act (Kerr-Mills) provided for federal/state funding for medical care for persons receiving a public assistance cash payment for subsistence needs, designated as currently categorically needy, and for the medically indigent only. Kentucky adopted the program in 1961. Currently the categorically needy recipients include persons who receive Supplemental Security Income (SSI) administered by the Social Security Administration or State Supplementation (SS) aged, blind, and disabled recipients.

Other eligible persons are designated as medically needy only. Under Title XIX, the 1965 Amendments allowed for expansion of the Medicaid program to persons other than the aged who were not in receipt of cash payment for subsistence needs. Eligibility criteria parallel the categorically needy except for income. As implemented in July, 1966, the Medicaid program extended coverage beyond the basic categorical groups of aged, blind, disabled, and families with dependent children deprived due to death, absence, or incapacity of parent, to the medically indigent families with children with unemployed parents and also for the "unborn" child. Effective April 1973, eligibility policy was implemented to discontinue medical assistance cases with no ongoing medical needs. Eligibility for cases with continuing medical needs are determined quarterly as excess income is "spent-down" to required level.

Coverage began for children in intact families, without the requirement of a deprivation factor, as a result of the Deficit Reduction Act of 1984, (DEFRA). Children born after September 30, 1983, who had not reached age five, meeting income and resource standards of AFDC (not eligible for AFDC), were eligible for Medicaid. In January 1985, coverage was extended to pregnant women in intact families. In July 1987, Kentucky voluntarily extended coverage to children in intact families to age 18.

The Omnibus Budget Reconciliation Act of 1986 (OBRA) provided for a categorical program to cover pregnant women and children in intact families with income below the poverty level and meeting required resource standards. Effective October 1987, the program covered pregnant women and children up to age two. Effective October 1988, the program covered pregnant women and children up to age one with income below 125 percent of the poverty level. In April 1989, the resource was eliminated. Effective April 1, 1990, as a result of Omnibus Budget Reconciliation Act of 1989, Kentucky began covering pregnant women and children up to age six with income below 133 percent of the poverty level. Effective July 1, 1990, pregnant women and children up to age one with incomes below 185 percent of the poverty level were covered as an option of OBRA 87. Effective January 1, 1991, as a result of OBRA 90, coverage began for deemed eligible newborns until the child reaches age six, with incomes up to 100 percent of poverty. For this group the age limit is increased each year until children under 100 percent of poverty are phased in. There have been increases in Medicaid caseloads due to the increased coverage groups under the poverty level pregnant women and children categories.

The Family Support Act of 1988 provides for AFDC families to receive up to 12 months of Transitional Medical Assistance (TMA) after termination of AFDC benefits if certain criteria are met. Families who lose AFDC benefits solely because the caretaker relative becomes employed or due to loss of time-limited earnings deduction and who meet reporting and income requirements are eligible for TMA benefits. Transitional Medical Assistance benefits are the same as those provided under AFDC. Provisions of the Personal Responsibility and Work Opportunity Act of 1996 ended categorical Medicaid eligibility of family cash assistance recipients. The TMA is now authorized due to loss of Medicaid in the AFDC Related Medicaid category due to employment or due to loss of time-limited earnings deduction and who meet reporting and income requirements.

Effective September 1, 1999, DCBS responsibilities in the Non-emergency Medical Transportation Program changed. Due to the implementation of the Kentucky Human Service Transportation Delivery Network (HSTDN), an Empower Kentucky initiative that established a coordinated transportation delivery system, DCBS staff are responsible only for the preauthorization of services, voucher issuance and voucher payment authorization for non-emergency stretcher transportation services in non-

managed care areas of the state and for mental health patients. To request other medical transportation, the Medicaid recipient contacts their HSTDN provider directly.

The Medicare Catastrophic Care Act of 1988 mandated the coverage of Qualified Medicare Beneficiaries (QMB's). The income limit is 100 percent of poverty level and resources twice the SSI standard. The program became effective January 1989. Coverage includes payment of Medicare premiums, coinsurance, and deductibles for Medicare covered services for the QMB population which includes existing Medicaid eligible recipients with Medicare coverage and persons who become Medicaid eligible under the Act. The Omnibus Budget Reconciliation Act (OBRA) of 1989 established Qualified Disabled Working Individuals (QDWI) benefits for individuals who lose Retirement, Survivors, and Disability Insurance (RSDI) benefits due to earnings, but who continue to be eligible for Medicare Part A. The QDWI coverage provides for payment of the Medicare Part A premium only. The QDWI income standard is 200 percent of poverty level. The Omnibus Budget Reconciliation Act (OBRA) of 1990 established Specified Low-income Medicare Beneficiaries (SLMB's) with income in excess of the QMB standard but less than or equal to the SLMB scale maximum limit, currently 110 percent of poverty. Coverage includes payment of the Medicare Part B premium only. Effective January 1995, the income limit increased to 120 percent of poverty.

The Balanced Budget Act of 1997 established two additional categories of Qualified Medicare Beneficiaries. Qualified Beneficiaries I provides reimbursement of the Medicare Part B premium to Medicare recipients with incomes greater than 100 percent and less than or equal to 120 percent of the poverty level. Qualified Beneficiaries II provides reimbursement of the home health portion of the Part B premium to Medicare recipients with incomes greater than 135 percent and less than or equal to 175 percent of the poverty level.

Effective April 1995, pursuant to the Omnibus Budget Reconciliation Act (OBRA) 1993, the state implemented an Estate Recovery program. Estate Recovery may result in the state filing a claim against the estate of an individual in order to recoup Medicaid expenditures paid on behalf of the individual for care in a nursing facility, an Intermediate Care Facility for the Mentally Retarded and Developmentally Disabled, Supports for Community Living or Home and Community Based Services.

The National Voter Registration Act of 1993, also known as the Motor Voter Act, requires applications for voter registration be provided at agencies that provide benefits under K-TAP, WIC, Medicaid and Food Stamps, plus Armed Forces recruitment offices, driver licensing, and agencies providing services to persons with disabilities. These agencies must distribute voter registration forms, provide assistance in completing forms and ensure the completed voter registration forms reach the proper state election office for processing.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 ended categorical Medicaid eligibility of family cash assistance recipients. States are required to complete separate determinations of Medicaid eligibility using AFDC income and resource standards and methodologies contained in the Title IV-A State Plan as of July 16, 1996. This new category is referred to as AFDC Related Medicaid.

The Balanced Budget Act of 1997 authorized Title XXI, the State Children's Health Insurance Program (CHIP), of the Social Security Act. The program provides federal matching funds to states to initiate and expand health insurance coverage to uninsured low-income children through expansion of the Medicaid program or through an insurance program. Kentucky's program, the Kentucky Children's Health Insurance Program (KCHIP), is a three-phase expansion of medical coverage for children. Beginning July 1, 1998, Medicaid coverage was expanded to include children ages 14 through 18 years of age at 100 percent of the poverty level. The second phase, effective July 1, 1999, expanded coverage to children ages 1 through 18 at 150 percent of the poverty level. The third phase was implemented in November 1999, and covers children ages zero through 18 at or below 200 percent of the poverty level. An extensive outreach effort to enroll eligible children is under way. In addition to media campaigns, community partnerships have been formed to assist in public awareness, the identification of eligible children and the application process. Health Departments are providing assistance with application distribution and a toll-free information and application assistance line. A major focus of the outreach effort involves working with the Department of Education to provide information on KCHIP to the families of every child in school attendance statewide. A simplified, mail-in application form that does not require an application interview is being utilized. The Department of Community Based Services is responsible for processing KCHIP applications. Through the KCHIP outreach effort, it is anticipated that children eligible for Medicaid will also be identified and enrolled. It is estimated that there are over 120,000 uninsured children under 200 percent of the poverty level in Kentucky who would be eligible for Medicaid or KCHIP.

The Balanced Budget Act of 1997 changed Section 1902(A)(1)(II) of the Social Security Act to require mandatory Medicaid coverage of children who, but for the change in the definition of childhood disability enacted with the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, would continue to be eligible for SSI and Medicaid. The State must maintain Medicaid eligibility until the child reaches age 19 or is otherwise determined ineligible. Approximately 3,000 children were identified and Medicaid cases established as a result of this legislation. These cases are subject to annual recertification and disability determinations as prescribed by SSA and the Disability Determination Services.

Pursuant to KRS 205.8451 and 907 KAR 1:675, the Medicaid Intentional Program Violation procedures were implemented August 1, 1999. These procedures provide for the application of penalties for individuals committing fraud and abuse in the Medicaid program. Penalties involve repayment of benefits and/or disqualification from the program.

Effective January 1, 1999, the Department for Medicaid Services implemented a Home and Community Based Waiver program to provide in-home services to individuals with brain injuries. Technical and financial eligibility for the Acquired Brain Injury program is similar to the Home and Community Based Waiver program.

### **State Supplementation**

In 1972 Social Security Amendments mandated the Social Security Administration to assume Title XVI, Aid to the Aged, Blind or Disabled (AABD). This law also mandated the states to supplement from all state monies, any difference between an SSI payment and the prior AABD payment for persons who were receiving Title XVI on December 31, 1973. The State Supplementation program is authorized by KRS 205.245. Supplementation payments are available to aged, blind or disabled individuals who have insufficient income to meet their needs for care in a licensed personal care home, family care home, or to purchase caretaker services to prevent institutionalization. Technical requirements for individuals who are aged, blind, or disabled must be met as well as citizenship and Kentucky residency, enumeration, and special needs. Resource limits are \$2,000 for an individual and \$3,000 for a couple. The state supplementation payment is determined by subtracting countable income from the standard of need based on the living arrangement.

The Persons with Mental Health/Mental Retardation (MI/MR) Supplement provides payments to qualified personal care homes with at least 35 percent of the residents having a diagnosis of mental illness or mental retardation that does not require institutionalization. The home may qualify for quarterly supplement payments of 50 cents per diem for each state supplementation recipient in their care as of the first calendar day of each qualifying month. The Office of the Inspector General, Division of Licensing and Regulation, certifies homes to participate in the MI/MR program. The MI/MR supplement serves as an incentive for certified personal care homes to accept individuals with mental illness and mental retardation and may also result in a decrease in the number of repeat admissions to the more costly state psychiatric hospitals.

#### **PAYMENT STANDARD AS OF JANUARY 1, 2000**

Personal Care		\$906
Family Care		\$651
Caretaker	- Single	\$545
	- Individual with Ineligible Spouse	\$545
	- Eligible Couple, One Requiring Care	\$797
	- Eligible Couple, Both Requiring Care	\$841

### **Policy**

Effective June 1998, the Cabinet implemented a two dollar per day increase for Personal Care recipients. This increase is continued and included for fiscal year 2001 and 2002.

Additionally, a restricted fund appropriation from the Food Stamp Enhanced Account of \$357,000 for fiscal year 2001 and \$763,000 for fiscal year 2002 is included in the budget for a rate increase for Personal Care and Family Care recipients.

### **Welfare to Work**

In August 1996, the Personal Responsibility and Work Opportunity Reconciliation Act reformed the nation's welfare laws. A new system of block grants to the states for Temporary Assistance for Needy Families (TANF) was created, changing the nature and provision of welfare benefits in America. Moving people from welfare-to-work is now one of the primary goals of federal welfare policy. The new Balanced Budget Act of 1997, signed by the President on August 5, helps to achieve that goal by authorizing the U.S. Department of Labor to provide Welfare-to-Work Grants to States and local communities to create additional job opportunities for the hardest-to-employ recipients of TANF. The Kentucky Transitional Assistance Program (K-TAP) is Kentucky's TANF program.

Welfare-to-Work (WtW) block grant programs are administered at the state level by the Cabinet for Families and Children in cooperation with the Workforce Development Cabinet, Office of Training and Reemployment, and at the local level by Workforce Investment Boards. The Workforce Investment Act of 1998 (WIA) replaces the Job Training Partnership Act (JTPA), and replaces local Private Industry Councils (PICs) with Local Workforce Investment Boards as local administrators of the WtW program. Local Workforce Investment Areas (LWIAs) replace Service Delivery Areas (SDAs) as the geographic areas whose population is served by Workforce Investment Boards.

The total funding level for WtW grants is \$3 billion, \$1.5 billion each in fiscal years 1998 and 1999. There are two types of grants. There are formula grants to states and competitive grants to local communities.

Seventy-five percent of the WtW funds are allocated as grants to states based on a formula that equally considers states' shares of the national number of poor individuals and adult recipients of assistance under TANF. The states then distribute at least 85 percent of what they receive to local Workforce Investment Boards, which oversee and guide job-training programs in the Local Workforce Investment Areas. The formula focuses funding on high poverty areas. The states can use the remaining 15 percent of the formula funds to operate their own WtW projects or to provide additional support for projects operated by the LWIAs.

The remaining 25 percent of the WtW funds are distributed by the U.S. Department of Labor through a competitive grant process to LWIAs, political subdivisions and private entities (such as community based organizations) who apply in conjunction with a LWIA or political subdivision. Special consideration will be given to rural areas and cities with large concentrations of poverty.

For the formula grant portion of the program, states must spend one dollar of non-federal funds for every two dollars they receive in federal funds. In-kind contributions can constitute one-half of matching funds. Applicants for competitive grants are not required to match federal funds, but applications must indicate what resources the applicants will be contributing to their projects so that the Department of Labor's Employment and Training Administration can determine how well competitive grant funds will "leverage" local resources.

Funds may be used to help move eligible individuals into jobs by: job creation through public or private sector wage subsidies; on-the-job training; contracts with public or private providers of job readiness, job placement, and post-employment services; job vouchers for similar services; community service or work experience; or job retention and supportive services (if such services are not otherwise available).

At least 70 percent of the grant funds must be spent on individuals who face two of three specified labor market deficiencies and who are long-term welfare recipients, or who face termination from TANF within 12 months; or who are non-custodial parents of minors whose custodial parent meets these criteria. Labor market deficiencies include (1) lack of high school diploma or GED and low reading or math skills, (2) requiring a substance abuse treatment for employment, and (3) a poor work history.

Up to 30 percent of the grant funds may be spent on individuals who are "recent" recipients of TANF assistance or non-custodial parents who have characteristics associated with long-term welfare dependence, such as school dropout, teen pregnancy, or poor work history.

Finally there are small set-asides from the FY 1998 and 1999 appropriations for special purposes such as for program evaluations (\$18 million) and for performance bonuses for the states (\$100 million). States may qualify for a performance bonus in fiscal year 2000 based on a formula for measuring performance developed by the Secretary of Labor, in consultation with the Secretary of Health and Human Services and organizations representing states. Factors taken into account include job placement, duration of placement, and any increase in earnings.

## **Policy**

A restricted fund appropriation from the Food Stamp Enhanced Account is included in the amount of \$2,000,000 in fiscal year 2001 and \$1,346,000 in fiscal year 2002.

**Families and Children  
Community Based Services  
Child Support**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation		52,900	9,863,400		9,013,100
<b>Total General Fund</b>		52,900	9,863,400		9,013,100
<b>Restricted Funds</b>					
Balance Forward	532,300				
Current Receipts	19,964,800	21,493,400	12,898,100	21,356,400	13,407,500
<b>Total Restricted Funds</b>	20,497,100	21,493,400	12,898,100	21,356,400	13,407,500
<b>Federal Funds</b>					
Balance Forward	1,409,000				
Current Receipts	45,147,300	44,288,000	46,517,600	43,935,900	45,909,000
Non-Revenue Receipts	-6,713,200	-6,874,300	-7,039,300	-6,874,300	-7,039,300
<b>Total Federal Funds</b>	39,843,100	37,413,700	39,478,300	37,061,600	38,869,700
<b>TOTAL SOURCE OF FUNDS</b>	60,340,200	58,960,000	62,239,800	58,418,000	61,290,300
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	16,799,200	17,332,200	18,245,500	16,907,100	17,834,300
Operating Expenses	6,507,300	6,982,100	7,702,100	6,865,200	7,163,800
Grants, Loans or Benefits	37,033,700	34,645,700	36,292,200	34,645,700	36,292,200
<b>TOTAL EXPENDITURES</b>	60,340,200	58,960,000	62,239,800	58,418,000	61,290,300
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund		52,900	9,863,400		9,013,100
Restricted Funds	20,497,100	21,493,400	12,898,100	21,356,400	13,407,500
Federal Funds	39,843,100	37,413,700	39,478,300	37,061,600	38,869,700
<b>TOTAL EXPENDITURES</b>	60,340,200	58,960,000	62,239,800	58,418,000	61,290,300

In 1975, federal Public Law 93-647 created the Child Support (CS) program under Title IV-D of the Social Security Act. The goal of CS is to ensure that children are financially supported by both of their parents through the collection of support from parents who are legally obligated to pay. State statutes governing the operation of the CS program in the Commonwealth were enacted under the Kentucky Child Support Recovery Act and are in KRS 205.710 - 205.800.

The core child support functions are: the location of non-custodial parents; the establishment of paternity; the establishment, enforcement and modification of child support orders; and the collection and disbursement of child support payments. In addition, program requirements have expanded to include many new methods of maximizing the success of the CS goal, such as: in-hospital paternity establishment; establishment and enforcement of medical support orders; the collection of spousal support; the tracking, monitoring and disbursement of non-IV-D wage withholding orders; and the suspension of the driver's license for delinquent payors.

Child Support services are available automatically for families receiving aid under the Temporary Assistance for Needy Families (TANF) program. Any current child support collected reimburses the state and federal governments for TANF payments made to the family. Child Support services are also available to families not receiving TANF. Child support payments, collected on behalf of non-TANF families, are sent to the family. Services are also provided to non-custodial parents for the establishment of paternity by application.

The Division of Child Support (DCS) has decentralized most program functions and has assumed critical administrative responsibilities as detailed in the Administrative Process of Child Support Act, enacted by the 1984 General Assembly. This gives the Division the ability to use administrative processes to enforce child support obligations in addition to the traditional judicial channels. The DCS maintains program administration contracts with approximately 104 county officials to provide judicial processes and other CS functions locally.

The state and federal governments share program costs. Revenues accrue to the state in the form of current collections made to reimburse the state and federal government for TANF benefits paid and through incentives earned for both TANF and non-TANF collections.

Federal Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, puts many new demands on the CS program. Implementation of the new hire reporting, central state case registry, central collection and disbursement unit, and financial data match mandates will be completed by the end of fiscal year 2000.

The law also phases in changes in the computation of incentive payments. The current method of basing incentives solely on a cost/benefit ratio for collections will be replaced with performance criteria in five program areas. These changes will result in decreased revenue for Kentucky. Additionally, the decreased TANF caseloads are expected to reduce agency revenues. From fiscal year 1995 to fiscal year 1997, the TANF child support caseload dropped by 22.4 percent and nearly 43 percent from fiscal year 1997 to fiscal year 1999. Although it is not anticipated that the decrease will continue at this rate, the caseload is expected to continue to decline.

Federal funding for CS and the TANF block grant are interdependent. In order to receive a TANF block grant, states must operate a Title IV-D program (Child Support) which meets federal requirements. Failure to implement mandated activities in a timely and accurate manner jeopardizes both the Title IV-A and Title IV-D federal funding.

### **Policy**

A restricted fund appropriation from the Food Stamp Enhanced Account is provided in the amount of \$653,400 for fiscal year 2002. A General Fund appropriation of \$8.5 million and a federal fund appropriation of \$16.5 million are included in fiscal year 2002 to continue mandated Child Support activities.



**Families and Children  
Community Based Services  
Family and Community Services**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	127,384,300	150,157,200	158,729,500	137,579,600	146,142,300
Continuing Appropriation	3,279,900				
<b>Total General Fund</b>	130,664,200	150,157,200	158,729,500	137,579,600	146,142,300
<b>Restricted Funds</b>					
Balance Forward	16,752,500				
Current Receipts	24,006,500	51,839,600	65,101,000	52,480,200	63,732,000
Non-Revenue Receipts	450,000	450,000	450,000	450,000	450,000
<b>Total Restricted Funds</b>	41,209,000	52,289,600	65,551,000	52,930,200	64,182,000
<b>Federal Funds</b>					
Balance Forward	945,900				
Current Receipts	112,501,900	123,397,800	127,959,900	121,337,800	126,307,100
Non-Revenue Receipts	-3,166,300	-12,146,700	-11,762,400	-12,146,700	-11,762,400
<b>Total Federal Funds</b>	110,281,500	111,251,100	116,197,500	109,191,100	114,544,700
<b>TOTAL SOURCE OF FUNDS</b>	282,154,700	313,697,900	340,478,000	299,700,900	324,869,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	101,563,900	106,744,600	111,279,300	97,883,500	103,431,800
Operating Expenses	18,017,800	19,574,000	22,648,500	18,701,900	19,531,000
Grants, Loans or Benefits	162,573,000	187,379,300	206,550,200	183,115,500	201,906,200
<b>TOTAL EXPENDITURES</b>	282,154,700	313,697,900	340,478,000	299,700,900	324,869,000
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	130,664,200	150,157,200	158,729,500	137,579,600	146,142,300
Restricted Funds	41,209,000	52,289,600	65,551,000	52,930,200	64,182,000
Federal Funds	110,281,500	111,251,100	116,197,500	109,191,100	114,544,700
<b>TOTAL EXPENDITURES</b>	282,154,700	313,697,900	340,478,000	299,700,900	324,869,000
<b>EXPENDITURES BY UNIT</b>					
Family Based Services	78,305,200	77,081,200	81,258,600	73,792,500	77,483,000
Adult Services	28,132,200	34,103,900	35,149,400	29,355,900	30,211,600
Alternatives For Children	175,717,300	202,512,800	224,070,000	196,552,500	217,174,400
<b>TOTAL EXPENDITURES</b>	282,154,700	313,697,900	340,478,000	299,700,900	324,869,000

Family and Community Services are directed toward preserving the family as a unit and protecting individuals from abuse, neglect, and exploitation, with safety and permanency as the paramount goals. The Department for Community Based Services (DCBS) incorporates the family-based service concept into its programming through staff training, policies and procedures, and purchase of care. Family-based services are designed to provide maximum services to a family at the time of crisis in order to prevent disruption of the family unit. The family-based services concept has been developed with the help of professional consultants and other service providers in keeping with the recommendations of the 1984 Governor's Protective Services Advisory Committee for a more comprehensive approach to child protection with greater emphasis on prevention. The 1985 Extraordinary Session of the Kentucky General Assembly made these reforms possible by funding additional social work positions in order to reduce caseloads, by establishing Training and Quality Assurance Units, and by increasing day care rates and restructuring rates for foster care and private child care. These initiatives have been a part of the Department's continuation budget since 1986. The increase in reports of abuse and neglect of children, adults, and the elderly have placed even greater demands on an already overburdened system.

The Department, recognizing the vital and essential role communities/neighborhoods (i.e., agencies, organizations, schools, individuals) play in protecting and sustaining children, adults and families, is intensifying its efforts toward community involvement as an integral facet of the service delivery system.

Community Partnerships and Collaboratives are a broad-based approach to serving families and their children within the natural context of their community and/or neighborhoods. Making the community a place where children and families can thrive is just one component of a larger effort to improve the economic well being of the state and community.

These family-based initiatives typically focus on linking diverse networks of programs and services such as health, education and family support. Family-based community collaboratives also serve as vehicles for bringing together the resources of many sectors, government, business, philanthropy, media, communities of faith, schools, health agencies, social service providers and families in order to address a common set of goals.

The most successful community partnerships begin with a process to create a shared vision, which serves as the basis for mobilizing support, and for identifying and securing the human and fiscal resources needed to implement proposed plans. Many of the collaboratives across the Commonwealth take a holistic approach in supporting families toward self-sufficiency. These programs provide a safety net of services such as: extended day care services, job training, personal development, parenting skills, housing, and mentoring as families make the transition from welfare to work.

The major thrust for this systemic change is the value placed on family involvement in all areas including policy development, decision making, and case consultation. Family centered services are the vital link within community partnerships to best protect children and move families toward self-sufficiency.

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

### **Family-Based Services**

Family-Based Services provided by DCBS staff are designed to provide maximum in-home services in order to safely preserve the family unit. This approach to the delivery of social services focuses on individuals in the context of the family. Services in this context are intended to strengthen and maintain families, and prevent family dissolution and out-of-home placement. Family based services include child protection, reunification following out-of-home placement, homemaker services, preventive services for families, community based juvenile services, family preservation services, parent education, mental health services through contracts with local comprehensive care centers, self-help services provided through local child abuse councils, and preventative assistance.

### **Policy**

Nonrecurring agency food stamp enhancement funds of \$675,000 are provided in fiscal year 2001 to fund operating costs for nine new children's advocacy centers. General Fund support of \$1,016,300 is provided in fiscal year 2002 to fund an additional four centers. With the funding that is included in the base budget (\$150,000) by fiscal year 2002, there will be sufficient funding for 15 child advocacy centers which will provide statewide coverage. As a related item, a General Fund allocation of \$280,000 is included in the Justice Administration budget each year of the biennium to provide exams for victims of child sexual abuse.

### **Adult Services**

Adult Services has three major components: protection, self-support and guardianship.

Adult Services are directed toward preserving the vulnerable individual's independence to the maximum degree possible and/or protecting him/her from abuse, neglect and/or exploitation pursuant to KRS 209. The elements of adult services are: 1) protection-adults, 2) protection-spouse abuse, 3) homemakers-adults (which is the direct provision of homemaker services to adults at risk/in need of protection), 4) interdisciplinary evaluations to determine an adult's degree of disability and need for guardianship, 5) services provided by spouse abuse centers and crisis centers, 6) alternate care (also called patient movement and placement) which involves assisting individuals with appropriate community and institutional placements, and 7) preventive services for adults which entails assessment, planning, and guidance to individuals referred by the courts, the Cabinet's Ombudsman, neighbors, state and federal legislators, or self-referral. This often involves finding food, shelter, clothing, and medical treatment.

Adult Self-Support includes the Community Services Block Grant which provides funding for emergency needs of economically disadvantaged citizens. The program helps alleviate the stresses on the family unit resulting from poverty and promotes achieving self-sufficiency.

Adult Guardianship services are provided for legally disabled adult residents of Kentucky for whom the Cabinet has been appointed guardian and/or conservator. The staff of the Guardianship branch act as advocates to assure that each client's civil and human rights are preserved and protected, that care needs are met, that living arrangements are appropriate, that entitlement eligibility is maintained and financial matters are managed.

### **Policy**

A restricted fund appropriation of \$700,000 is provided for fiscal year 2001 and a General Fund appropriation of \$400,000 is also provided along with a General Fund appropriation of \$1,100,000 for fiscal year 2002 to provide additional services to victims of domestic violence. This represents a 20 percent increase each year over the fiscal year 2000 budget.

### **Alternatives for Children**

Alternatives for Children supports the Family-Based Services subprogram by providing placement resources for children who have been or are at risk of being abused or neglected. These services are provided through the following elements: family foster care; specialized placements for emotionally disturbed children, status offenders, and expectant mothers in need of maternity home care; adoption services; family alternative diversion from the Kentucky Transitional Assistance program (K-TAP) employment retention assistance for families discontinued from K-TAP due to earnings to preserve self-sufficiency, preventive services for families including safety net services for the well being of children in families discontinued from K-TAP, IMPACT Plus services in collaboration with community partners to prevent the institutionalization of children. The legal authority for Alternatives for Children is: KRS 199, 600 and 620, Titles IV-B, IV-E and the Social Services Block Grant. Services are directed toward finding substitute care for children who must live apart from their family; working toward reuniting the child and family; and, when that is not possible, securing an alternative living arrangement that will provide permanency for the child. When children and parents must be separated because of the tragedy of physical abuse, sexual abuse, neglect, maltreatment or special circumstances, out-of-home care provides a planned, goal-directed service that strives to remedy or ameliorate the condition that caused the separation. The goal of out-of-home care is to provide opportunities for healing, growth, and development leading to healthier infants, children, youth and families, with safe and nurturing relationships intended to be permanent.

### **Policy**

A General Fund appropriation of \$4,535,500 for fiscal year 2001 and \$5,672,200 for fiscal year 2002 is provided for the continuation funding for placement services for the anticipated increase in the numbers of children who have been or are at risk of being abused or neglected. This General Fund increase will allow the program to generate \$2,332,800 of additional restricted funds and \$4,434,200 of additional federal funds over the biennium. Additional General Fund appropriations are also provided for rate increases for foster care, adoption subsidies and residential out-of-home care. The General Fund increase is \$6,000,000 for fiscal year 2001 and \$6,414,400 for fiscal year 2002. These funds are expected to generate \$3,671,500 in additional federal funds in fiscal year 2001 and \$1,454,200 in agency funds and \$4,347,600 in federal funds in fiscal year 2002. To the extent that the Cabinet can transfer TANF funds to the Department for Public Health in exchange for tobacco settlement dollars targeted for the home visitation program, such transfer up to \$3,000,000 per year would be permitted on a dollar for dollar basis. This transfer would be permitted, subject to the consent of both Cabinets, so long as permitted by federal regulations. This transfer should enable CFC to further leverage Medicaid and Title IV-E funds which could be used for rate increases in the Alternatives for Children subprogram.

Specific rates for private child care providers shall be based on the program model analysis created during the summer of 1999 in cooperation with private child care providers subject to the appropriations and provisions contained within the appropriations act resulting from the 2000 General Assembly.

Foster care rates will be benchmarked from United States Department of Agriculture estimated expenditures on a child by husband-wife families subject to the appropriations and provisions as contained in the appropriations act resulting from the 2000 General Assembly.

**Families and Children  
Community Based Services  
Child Care**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	16,674,700	16,736,700	15,215,300	17,953,000	16,463,000
Tobacco Settlement - I				7,597,800	9,082,800
<b>Total General Fund</b>	16,674,700	16,736,700	15,215,300	25,550,800	25,545,800
<b>Restricted Funds</b>					
Balance Forward	12,800				
Current Receipts	-12,800				
<b>Total Restricted Funds</b>					
<b>Federal Funds</b>					
Balance Forward	618,200				
Current Receipts	87,497,000	97,571,200	111,931,700	98,443,000	112,769,000
<b>Total Federal Funds</b>	88,115,200	97,571,200	111,931,700	98,443,000	112,769,000
<b>TOTAL SOURCE OF FUNDS</b>	104,789,900	114,307,900	127,147,000	123,993,800	138,314,800
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	38,592,500	27,225,200	25,882,100	28,173,000	26,859,900
Operating Expenses	1,019,800	1,069,400	1,121,200	1,069,400	1,121,200
Grants, Loans or Benefits	65,177,600	86,013,300	100,143,700	94,751,400	110,333,700
<b>TOTAL EXPENDITURES</b>	104,789,900	114,307,900	127,147,000	123,993,800	138,314,800
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	16,674,700	16,736,700	15,215,300	25,550,800	25,545,800
Federal Funds	88,115,200	97,571,200	111,931,700	98,443,000	112,769,000
<b>TOTAL EXPENDITURES</b>	104,789,900	114,307,900	127,147,000	123,993,800	138,314,800

Child day care services provided by the Department cover a wide range of areas to promote, expand and improve the quality of care for children in Kentucky. In the context of Family-Based Services, child day care is one of the support services, directed at: (1) preventing or remedying abuse, neglect or exploitation of children; (2) strengthening and maintaining client families; (3) preventing family dissolution; (4) preventing out-of-home placements and; (5) reducing client dependency on social services and public assistance by promoting self-sufficiency. These services are provided by subsidized child care through the Child Care and Development Fund (CCDF) for full and part-day care through the use of licensed, certified homes, relatives and enrolled providers in the state. The legal authority of the Child Day Care program is KRS 199.892-199.8996, and the Child Care and Development Fund, authorized by the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 (PL 104-193). The CCDF replaced the Child Care and Development Block Grant of 1990 (PL 99-457).

A major change for child care services provided under the CCDF is the requirement that states serve families through a single, integrated child care system. The CCDF was created by Congress in August 1996 as part of the federal welfare reform legislation, PRWORA, 1996, PL 104-193. This law provides states with two block grants – Temporary Assistance for Needy Families (TANF), which provides cash assistance and replaces AFDC, and CCDF, which combines four federal child care programs into a single funding source. Three of those programs; AFDC/JOBS Child Care, Transitional Child Care, and At-Risk of Welfare Dependency Child Care (formerly called Title IV-A Child Care), were repealed and all child care funding is now combined under the former Child Care and Development Block Grant (CCDBG) program.

Child day care services are designed to supplement, but not substitute for, the parents' responsibility for the child's protection, development, and supervision. Day care is provided to children needing this service in order to provide them a safe and secure environment that is responsive to their developmental needs and is directed toward keeping families intact whenever possible. Day care is also used to support low income working parents in their efforts to find and keep jobs. Child day care is purchased

the Cabinet from licensed centers, certified small family child care homes caring for up to six unrelated children, relative providers and in some cases non-relative providers meeting enrollment requirements of health and safety guideline:

The Department for Community Based Services (DCBS) has provided day care services for more than 25 years. Federal initiatives, which began in 1990, have provided an opportunity to significantly improve the quality and quantity of child care services in Kentucky. Currently, on an average day, the Department pays for about 33,200 children of working parents (including K-TAP participants) and 2,804 children from protective service families. For the fiscal year ending June 30, 1999, the Department spent an average of \$6.7 million per month for child care.

The Child Care branch was established in 1990 in response to early Welfare Reform efforts. In July 1998, through reorganization of the Cabinet for Human Resources, the Child Care branch was abolished and a Division of Child Care was established in the Cabinet for Families and Children. This division administers the certification program for small family child care home providers serving no more than six unrelated children. Once certified, these homes are eligible to receive reimbursement for children served in any component of the program. In addition, these homes are eligible to participate in the federal child care food (school lunch) program. Other responsibilities of the Division include: Child Care Provider Enrollment (CCPE) which was developed in 1996; child development training for licensing staff; development and coordination of training and consultation for day care centers, and family home providers; program monitoring of contracts; working with the Child Care Resource and Referral Agencies (CCR&R's) including resource development in the areas of employer supported and intergenerational child care initiatives; liaison with licensing as related to child care; school age child care; review and promulgation of child care regulations; consultation with local staff and providers; liaison and partner with the Governor's Office of Early Childhood; and administration of child care subsidy programs

The Cabinet has elected under CCDF to contract with various agencies to act as Service Agents for child care services. Currently, Service Agents determine/redetermine eligibility, match clients to available resources, process documents for payment to providers, address unmet child care needs, and assist in the resolution of complaints. Division staff in collaboration with Service Agents are responsible for assisting unregulated providers in appropriately enrolling in the Enrolled Provider Program. In addition, the Cabinet contracts with Child Care Resource and Referral Agencies. These agencies, set up regionally, are responsible for helping families find quality child care services that meet their needs

The cost of services for working parents is partially offset by a sliding fee scale in which parents pay part of the cost based on income and family size. Services are also provided for 12 months following discontinuance of K-TAP due to employment. Services provided to families because of protective services needs are available without regard to income.

Kentucky's CCDF two-year plan focuses on meeting the need for child care as funded by the Cabinet. Specific strategies include

- Increasing the amount of child care funds available to maintain current levels of services
- As of July 1, 1999, family gross income eligibility was increased from 150 percent of poverty to 160 percent of poverty. For families transitioning from K-TAP, income eligibility continues for one year up to 85 percent of the state median income. To the extent funds become available, income eligibility may be increased for both initial and continuing eligibility. The Cabinet is planning to increase the income eligibility level from 160 percent to 165 percent in fiscal year 2001. The Governor's Task Force on Early Childhood has recommended that the income eligibility level be increased to 185 percent. The estimated cost for every five percent of increase is \$3.0 million
- As of October 1, 1999, maximum payment rates were increased based on the fall 1998 Market Rate Survey
- Parental responsibility is stressed with family co-payment starting for families whose income is above \$900 per month. As of October 1, 1999, no family shall pay more than ten percent of their gross income on child care.
- As of October 1, 1999, rates were increased \$2 for providers accredited by the National Association for the Education of Young Children, National Association for Family Child Care or the National School-Age Care Alliance, \$1 for licensed or certified non-traditional hours of care providers, and \$1 for providers of special needs child care. A cumulative amount of up to \$4 above the applicable maximum may be paid if the provider charges the public that amount

## Policy

The enacted budget provides General Fund expansion dollars of \$650,000 in fiscal year 2001 and \$1,229,000 in fiscal year 2002 to enable Kentucky to access the full amount available to the state under Child Care Development Fund. This General Fund increase brings additional federal dollars into the program in the amount of \$1,547,000 in fiscal year 2001 and \$2,919,500 in fiscal year 2002. An additional General Fund appropriation of \$850,000 in fiscal year 2001 and \$895,000 in fiscal year 2002 included to support establishment of a pilot early childhood development center

Additionally, as part of the Early Childhood initiatives, the program will receive Phase 1 Tobacco Settlement funds of \$7,597,800 in fiscal year 2001 and \$9,082,800 in fiscal year 2002. During fiscal year 2001 and fiscal year 2002, CFC has set aside federal CCDF funds in the budget to cover the costs of the additional licensing personnel (\$1,851,100) and technical assistance personnel (\$937,300). Currently, CFC contracts with the Office of the Inspector General for day care licensing activities. The funds for the additional licensing staff will be added to that contract. Three million dollars in Phase I Tobacco Settlement funds each year will be used to increase the child care subsidy program. This amount, along with the General Fund and federal funding expansion, is expected to be sufficient to cover families up to 170 percent of the federal poverty level, assuming current penetration rates. Other initiatives include a "star" rating system. Under the star system, during fiscal year 2001 and fiscal year 2002, centers in 15 pilot counties (the same counties which are currently pilot counties for the home visitation program administered by the Department for Public Health), will receive an additional amount for each subsidized child based on the star rating of the center. This program is expected to be expanded in the next biennium and some of the funds provided in fiscal year 2001 and fiscal year 2002 will be carried forward into the next biennium. This program will be phased in statewide over the next several years. Centers will also be eligible for a one-time star achievement award for increasing their star ratings. In fiscal year 2001, the one-time awards will be available to the 15 pilot counties. In fiscal year 2002, the award will be available statewide. Additional technical assistance personnel will be placed in the resource and referral agencies with which the cabinet currently contracts. These personnel will, along with the additional licensing personnel, assist centers in improving overall quality. The technical personnel have greater flexibility in assisting centers since they do not have to enforce regulatory provisions as do the licensing staff. Funding will also be provided for a database manager (\$97,800 in fiscal year 2001 and \$82,800 in fiscal year 2002) to help compile outcome data which will be reported back to the Office of Early Childhood and the Early Childhood Board.

**Families and Children  
Community Based Services  
Energy**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	136,600				
Non-Revenue Receipts	-136,600				
<b>Total Restricted Funds</b>					
<b>Federal Funds</b>					
Balance Forward	163,700				
Current Receipts	29,488,400	17,296,400	17,296,400	17,296,400	17,296,400
Non-Revenue Receipts	-75,300	-77,200	-79,000	-77,200	-79,000
<b>Total Federal Funds</b>	29,576,800	17,219,200	17,217,400	17,219,200	17,217,400
<b>TOTAL SOURCE OF FUNDS</b>	29,576,800	17,219,200	17,217,400	17,219,200	17,217,400
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	149,100	158,000	172,000	158,000	172,000
Operating Expenses	52,700	55,400	58,400	55,400	58,400
Grants, Loans or Benefits	29,375,000	17,005,800	16,987,000	17,005,800	16,987,000
<b>TOTAL EXPENDITURES</b>	29,576,800	17,219,200	17,217,400	17,219,200	17,217,400
<b>EXPENDITURES BY FUND SOURCE</b>					
Federal Funds	29,576,800	17,219,200	17,217,400	17,219,200	17,217,400
<b>TOTAL EXPENDITURES</b>	29,576,800	17,219,200	17,217,400	17,219,200	17,217,400
<b>EXPENDITURES BY UNIT</b>					
LIHEAP & Weatherization	22,995,600	12,400,900	12,399,700	12,400,900	12,399,700
Weatherization	6,581,200	4,818,300	4,817,700	4,818,300	4,817,700
<b>TOTAL EXPENDITURES</b>	29,576,800	17,219,200	17,217,400	17,219,200	17,217,400

The Low Income Home Energy Assistance program (PL 103-333) and the Weatherization Assistance program (PL 94-385) are federally funded programs which provide assistance to help low income households meet the rising cost of energy expenses through direct fuel bill subsidies or through energy conservation related repairs to houses.

The implementation of the Home Energy Assistance program is authorized by KRS 205.400. The goal of this program is to provide assistance to low income households for home heating. Eligibility criteria are: income not exceeding 110 percent of the federal poverty level; resources not exceeding \$1,500 or \$4,000 if there is a catastrophic illness in the household; and responsibility for home heating costs. The program is a federally funded block grant. The program is divided into two segments: subsidy, which provides heating assistance benefits to all eligible households; and crisis, which is designed to assist any low income family experiencing a home heating emergency.

The Weatherization Assistance program is intended to reduce energy consumption, lower the heating bills and ensure the health and safety of low income families whose annual income is at or below 125 percent of the federal poverty level. Funds are provided to perform heat system safety tests and repairs, reduce air infiltration, install insulation and other related energy conservation measures. Average cost per house for measures other than heat system repairs, including materials, labor and overhead is approximately \$1,854. Average cost per house for heat system repairs, including materials, labor and overhead is approximately \$1,000. Anticipated annual fuel savings is about \$300 per family. Each house can receive this assistance only one time.

The Department contracts with community action agencies and municipal governments to administer the program.

**Families and Children  
Disability Determinations**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	2,900				
Current Receipts	297,100	74,000	75,800	74,000	75,800
<b>Total Restricted Funds</b>	300,000	74,000	75,800	74,000	75,800
<b>Federal Funds</b>					
Balance Forward	279,700				
Current Receipts	36,233,300	38,482,000	39,340,900	38,624,000	39,793,200
Non-Revenue Receipts	-1,404,800	-1,205,100	-1,234,100	-1,205,100	-1,234,100
<b>Total Federal Funds</b>	35,108,200	37,276,900	38,106,800	37,418,900	38,559,100
<b>TOTAL SOURCE OF FUNDS</b>	35,408,200	37,350,900	38,182,600	37,492,900	38,634,900
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	21,044,800	22,234,900	23,183,800	22,376,900	23,636,100
Operating Expenses	3,175,200	3,352,100	3,169,800	3,352,100	3,169,800
Grants, Loans or Benefits	11,188,200	11,763,900	11,829,000	11,763,900	11,829,000
<b>TOTAL EXPENDITURES</b>	35,408,200	37,350,900	38,182,600	37,492,900	38,634,900
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	300,000	74,000	75,800	74,000	75,800
Federal Funds	35,108,200	37,276,900	38,106,800	37,418,900	38,559,100
<b>TOTAL EXPENDITURES</b>	35,408,200	37,350,900	38,182,600	37,492,900	38,634,900

In 1956, Congress passed an amendment to the Social Security Act for cash benefits to be paid to workers with a disability and certain of their disabled dependents. Eligibility for these payments is partly based on the employment record of the worker with a disability. In 1972, an amendment was added to provide payments to needy aged, blind and disabled persons under Title XVI, Supplemental Security Income (SSI). SSI provides payments to individuals with a disability who are below certain income and resource guidelines.

The purpose of these disability programs is to provide assistance to citizens who, because of a medical condition, are unable to work. Not only must the person be unable to perform the work he has previously done, but he must also be unable to do any other work appropriate to his age, education and prior work experience. These two titles provide the basis of the activities administered by the Department of Disability Determinations.

The Department determines medical eligibility for residents of the Commonwealth who apply for Social Security and SSI Disability benefits. The Department also reviews the continuing eligibility of those beneficiaries selected by the Social Security Administration (SSA). Additionally, the Department conducts face-to-face evidentiary hearings for those individuals who appeal an unfavorable review of their continuing eligibility.

The number of claims received by the Department depends upon: 1) the number of individuals who believe that they have a disability and apply for benefits; 2) the number of claims sent to the Department for continuing review or for other reasons by the SSA, and 3) Congressional mandates or legal actions. The number of claims that can be completed in a year depends on the level of staffing and funding.

Beginning in fiscal year 2000 there are several factors that will dominate the workload. First SSA will be sending almost 21,000 continuing reviews. These are claims of current benefit recipients who are due reevaluation to determine if their disability continues. Second, the Cabinet has entered into a contract with F. M. Blake and Associates to find disabled people and help them apply for Disability benefits. The contractor estimates that there could be as many as 12,000 additional claims processed this fiscal year. The third factor is "Process Unification." This is a very labor-intensive process that requires additional in-depth telephone interviews, detailed medical analysis, and detailed claims analysis. The aim is to make explicit the rationale for the decision process and to be certain that all factors are considered. The Department anticipates that the Blake efforts will extend into the coming biennium. The continuing reviews and "Process Unification" will be major factors through the biennium.



## Finance and Administration

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	207,188,000	266,088,000	274,285,200	260,068,200	290,634,300
Tobacco Settlement - I				1,258,000	7,547,000
Current Year Appropriation	1,632,000				
Mandated Allotments	106,100				
<b>Total General Fund</b>	<b>208,926,100</b>	<b>266,088,000</b>	<b>274,285,200</b>	<b>261,326,200</b>	<b>298,181,300</b>
<b>Restricted Funds</b>					
Balance Forward	4,663,700	2,277,600	5,673,400	2,440,900	5,249,400
Current Receipts	99,962,500	109,780,100	108,874,100	110,051,400	108,870,400
Non-Revenue Receipts	-304,000	2,897,000	4,973,000	-1,546,000	-473,000
<b>Total Restricted Funds</b>	<b>104,322,200</b>	<b>114,954,700</b>	<b>119,520,500</b>	<b>110,946,300</b>	<b>113,646,800</b>
<b>Federal Funds</b>					
Balance Forward	708,357				
Current Receipts	108,408,643	111,272,700	111,474,800	111,271,000	111,472,000
Non-Revenue Receipts	-50,985,000	-53,122,700	-53,274,800	-53,123,000	-53,275,000
<b>Total Federal Funds</b>	<b>58,132,000</b>	<b>58,150,000</b>	<b>58,200,000</b>	<b>58,148,000</b>	<b>58,197,000</b>
<b>Road Fund</b>					
Regular Appropriation	270,000	276,500	283,100	3,942,000	3,951,000
<b>Total Road Fund</b>	<b>270,000</b>	<b>276,500</b>	<b>283,100</b>	<b>3,942,000</b>	<b>3,951,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>371,650,300</b>	<b>439,469,200</b>	<b>452,288,800</b>	<b>434,362,500</b>	<b>473,976,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	69,760,700	72,743,100	75,929,800	71,791,400	75,048,500
Operating Expenses	113,617,800	117,939,700	119,296,300	118,855,400	122,142,500
Grants, Loans or Benefits	10,050,000	10,478,800	10,108,300	10,279,000	10,308,000
Debt Service	169,892,000	226,042,700	236,067,900	221,477,000	255,945,000
Capital Outlay	5,888,900	6,516,500	6,686,000	6,335,300	6,205,700
Construction		75,000	150,000	375,000	450,000
<b>TOTAL EXPENDITURES</b>	<b>369,209,400</b>	<b>433,795,800</b>	<b>448,238,300</b>	<b>429,113,100</b>	<b>470,099,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	208,926,100	266,088,000	274,285,200	261,326,200	298,181,300
Restricted Funds	101,881,300	109,281,300	115,470,000	105,696,900	109,770,400
Federal Funds	58,132,000	58,150,000	58,200,000	58,148,000	58,197,000
Road Fund	270,000	276,500	283,100	3,942,000	3,951,000
<b>TOTAL EXPENDITURES</b>	<b>369,209,400</b>	<b>433,795,800</b>	<b>448,238,300</b>	<b>429,113,100</b>	<b>470,099,700</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration	70,734,200	72,458,500	72,420,200	73,899,800	74,279,400
Debt Service	169,864,000	226,015,700	236,040,900	221,450,000	255,918,000
Administration	12,612,000	13,405,500	13,875,600	13,092,100	13,193,600
Facilities Management	28,929,100	30,811,400	30,715,900	29,232,300	29,836,300
County Costs	19,145,000	19,891,800	20,521,300	20,226,000	22,208,000
County Fees	67,925,100	71,212,900	74,664,400	71,212,900	74,664,400
<b>TOTAL EXPENDITURES</b>	<b>369,209,400</b>	<b>433,795,800</b>	<b>448,238,300</b>	<b>429,113,100</b>	<b>470,099,700</b>

The Finance and Administration Cabinet is the state agency responsible for the management of the financial resources of the Commonwealth and the provision of a number of central administrative services to agencies of state and local government. The mission of the Finance and Administration Cabinet is to effectively and efficiently manage and deliver the financial and administrative services, products, and systems of the Commonwealth. The Cabinet provides forward thinking leadership and support to other state agencies to ensure accountability and integrity in the use of public resources.

In order to fulfill these responsibilities, the Cabinet has been assigned wide-ranging duties with respect to policy formulation, expenditure control, state purchasing, construction of state facilities, property management, and various other activities to improve the efficiency and effectiveness of programs throughout state government.

**Finance and Administration  
General Administration**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	9,102,000	11,171,400	10,931,600	12,267,800	12,438,400
<b>Total General Fund</b>	9,102,000	11,171,400	10,931,600	12,267,800	12,438,400
<b>Restricted Funds</b>					
Balance Forward	3,548,300	2,249,600	1,441,900	2,249,600	1,366,900
Current Receipts	2,604,500	2,885,400	2,995,100	2,832,300	2,886,000
Non-Revenue Receipts	-403,000	-556,000	-593,000	-231,000	-258,000
<b>Total Restricted Funds</b>	5,749,800	4,579,000	3,844,000	4,850,900	3,994,900
<b>Federal Funds</b>					
Balance Forward	708,357				
Current Receipts	108,408,643	111,272,700	111,474,800	111,271,000	111,472,000
Non-Revenue Receipts	-50,985,000	-53,122,700	-53,274,800	-53,123,000	-53,275,000
<b>Total Federal Funds</b>	58,132,000	58,150,000	58,200,000	58,148,000	58,197,000
<b>TOTAL SOURCE OF FUNDS</b>	72,983,800	73,900,400	72,975,600	75,266,700	74,630,300
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	8,832,600	9,395,600	9,775,300	9,316,800	9,697,400
Operating Expenses	53,738,200	54,327,400	54,309,300	56,227,000	56,226,000
Grants, Loans or Benefits	8,000,000	8,400,000	8,000,000	8,200,000	8,200,000
Debt Service	28,000	27,000	27,000	27,000	27,000
Capital Outlay	135,400	308,500	308,600	129,000	129,000
<b>TOTAL EXPENDITURES</b>	70,734,200	72,458,500	72,420,200	73,899,800	74,279,400
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	9,102,000	11,171,400	10,931,600	12,267,800	12,438,400
Restricted Funds	3,500,200	3,137,100	3,288,600	3,484,000	3,644,000
Federal Funds	58,132,000	58,150,000	58,200,000	58,148,000	58,197,000
<b>TOTAL EXPENDITURES</b>	70,734,200	72,458,500	72,420,200	73,899,800	74,279,400
<b>EXPENDITURES BY UNIT</b>					
Secretary	4,670,200	6,089,500	5,906,600	5,279,000	5,493,000
Financial Management	53,227,700	53,088,600	53,251,600	53,374,000	53,545,000
Controller	12,836,300	13,280,400	13,262,000	15,240,000	15,215,000
Wage Equity				6,800	26,400
<b>TOTAL EXPENDITURES</b>	70,734,200	72,458,500	72,420,200	73,899,800	74,279,400

General Administration provides central coordination and management necessary to ensure the effective performance of the other programs administered by the Cabinet.

**Finance and Administration  
General Administration  
Secretary**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	3,704,500	5,395,700	5,192,400	4,525,000	4,716,000
Reorganization Adjustments	68,700				
<b>Total General Fund</b>	<b>3,773,200</b>	<b>5,395,700</b>	<b>5,192,400</b>	<b>4,525,000</b>	<b>4,716,000</b>
<b>Restricted Funds</b>					
Balance Forward	479,300	311,800	248,500	311,800	188,100
Current Receipts	729,500	630,500	630,500	630,300	631,000
<b>Total Restricted Funds</b>	<b>1,208,800</b>	<b>942,300</b>	<b>879,000</b>	<b>942,100</b>	<b>819,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>4,982,000</b>	<b>6,338,000</b>	<b>6,071,400</b>	<b>5,467,100</b>	<b>5,535,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	3,918,000	4,529,200	4,781,200	4,246,000	4,468,000
Operating Expenses	622,200	875,800	840,800	728,000	720,000
Grants, Loans or Benefits		400,000		200,000	200,000
Capital Outlay	130,000	284,500	284,600	105,000	105,000
<b>TOTAL EXPENDITURES</b>	<b>4,670,200</b>	<b>6,089,500</b>	<b>5,906,600</b>	<b>5,279,000</b>	<b>5,493,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	3,773,200	5,395,700	5,192,400	4,525,000	4,716,000
Restricted Funds	897,000	693,800	714,200	754,000	777,000
<b>TOTAL EXPENDITURES</b>	<b>4,670,200</b>	<b>6,089,500</b>	<b>5,906,600</b>	<b>5,279,000</b>	<b>5,493,000</b>
<b>EXPENDITURES BY UNIT</b>					
Office of the Secretary	579,800	996,900	625,500	777,000	803,000
Customer Resource Center	647,700	908,600	952,000	897,000	938,000
Equal Employment Contract Compliance	171,000	199,300	209,100	176,000	184,000
Administrative Policy and Audit	203,700	385,900	377,000	348,000	349,000
Technology Operations	585,000	1,335,700	1,368,200	871,000	907,000
Gubernatorial Transition	200,000				
Capital Plaza Operations	927,000	724,500	755,600	711,000	742,000
Office of Legal and Legislative Services	395,000	570,500	630,200	560,000	627,000
Office of Management and Budget	961,000	968,100	989,000	939,000	943,000
<b>TOTAL EXPENDITURES</b>	<b>4,670,200</b>	<b>6,089,500</b>	<b>5,906,600</b>	<b>5,279,000</b>	<b>5,493,000</b>

The Office of the Secretary provides the strategic direction and leadership for the Cabinet, establishing the focus for policy development, implementation, and program priorities. This Office includes Equal Employment Opportunity and Contract Compliance, funding for gubernatorial transition, Customer Resource Center, Administrative Policy and Audit, Office of Technology Operations, Capital Plaza Operations, Office of Management and Budget and Legal and Legislative Services. The Secretary serves as the Chief Financial Officer of the Commonwealth and acts as advisor to the Governor and the General Assembly on financial matters.

The Office of Equal Employment Opportunity and Contract Compliance is responsible for monitoring contracts in excess of \$250,000 to ensure compliance with the affirmative action provisions of the Kentucky Equal Employment Opportunity Act, KRS 45.550 - 45.640, and developing and monitoring the affirmative action plan for the Cabinet.

The Customer Resource Center performs three primary functions: (1) to operate a help desk to support over 4,000 users of the Management and Administrative Reporting Systems (MARS) across the Commonwealth; (2) to train employees on all MARS products; and (3) continuous process improvement and developing and analyzing reports to identify areas where improvement needed.

The Division of Administrative Policy and Audit is responsible for the development and execution of a plan of audits for the Finance and Administration Cabinet. The Division is also responsible for the development, documentation and distribution of necessary policies and procedures assuring the effective and efficient use of MARS by the user-agencies of state government.

The Office of Technology Operations coordinates and provides information technology resources for the Finance and Administration Cabinet, serving the Finance and Administration Cabinet agencies with planning assistance, network support systems development and maintenance, and hardware/software procurement.

The Office of Legal and Legislative Services provides legal and legislative assistance to the departments of the Finance and Administration Cabinet and Cabinet related entities. In the performance of these duties, members of this Office represent the Secretary and the Cabinet in civil litigation before the circuit and district courts of the Commonwealth, the courts of the United States federal legal system, and Commonwealth and Federal Appellate courts.

The Office for Management and Budget is responsible for providing personnel, fiscal, and payroll coordination and management for all departments within the Finance and Administration Cabinet and other Cabinet related entities in order to ensure the effective performance of their programs.

The Office of Capital Plaza Operations was created by KRS 42.014 and it is attached to the Office of the Secretary. The Office is responsible for managing, marketing and operating the Capital Plaza Complex, which encompasses the Capital Plaza Tower Office property, Fountain Place and Wilkinson Street commercial properties, and the Farnham Dudgeon Civic Center. The Office of Capital Plaza Operations also provides administrative management to the Capital Development Committee. The Capital Development Committee ensures the proper coordination of state government initiatives that impact the City of Frankfort and Franklin County government. The Capital Development Committee also created by Executive Order 97-1327 is composed of the following members: the Secretary of the Finance and Administration Cabinet, the Secretary of the Economic Development Cabinet, the Secretary of the Education, Arts and Humanities Cabinet, the Commissioner of the Department of Travel Development, the Executive Director of the Office of Capital Plaza Operations, the Mayor of the City of Frankfort, the Franklin County Judge/Executive, the Chairman of the Frankfort/Franklin County Tourist and Convention Commission, a resident of Franklin County appointed by the County Judge/Executive and a resident of Frankfort appointed by the Mayor.

## **Policy**

Included in the 2000-2002 Budget of the Commonwealth is an additional General Fund appropriation in the amount of \$188,000 in fiscal year 2001 and \$192,000 in fiscal year 2002 for two additional staff for the Office of Technology Operations.

Included in the 2000-2002 Budget of the Commonwealth is an additional General Fund appropriation in the amount of \$200,000 in fiscal year 2001 and \$200,000 in fiscal year 2002 for the Affordable Housing Trust Fund. These funds will be matched equal by the Kentucky Housing Authority.

Included in the 2000-2002 Budget of the Commonwealth is an additional General Fund appropriation in the amount of \$52,000 in fiscal year 2001 and \$55,000 in fiscal year 2002 for one additional employee for the Customer Resource Center.

Included in the 2000-2002 Budget of the Commonwealth is an additional General Fund appropriation in the amount of \$91,000 in fiscal year 2001 and \$81,000 in fiscal year 2002 for two additional auditors for the Division of Policy and Audit.

Included in the Budget of the Commonwealth is \$28,000 in fiscal year 2001 and \$43,000 in fiscal year 2002 from the General Fund to support increased operating expenditures in the Office of Technology Operations.

**Finance and Administration  
General Administration  
Financial Management**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	850,000	870,400	870,400	871,000	871,000
<b>Total General Fund</b>	<b>850,000</b>	<b>870,400</b>	<b>870,400</b>	<b>871,000</b>	<b>871,000</b>
<b>Restricted Funds</b>					
Balance Forward	2,773,500	1,653,800	956,500	1,653,800	941,800
Current Receipts	1,875,000	2,254,900	2,364,600	2,202,000	2,255,000
Non-Revenue Receipts	-749,000	-884,000	-923,000	-559,000	-588,000
<b>Total Restricted Funds</b>	<b>3,899,500</b>	<b>3,024,700</b>	<b>2,398,100</b>	<b>3,296,800</b>	<b>2,608,800</b>
<b>Federal Funds</b>					
Current Receipts	101,117,000	103,272,700	103,474,800	103,271,000	103,472,000
Non-Revenue Receipts	-50,985,000	-53,122,700	-53,274,800	-53,123,000	-53,275,000
<b>Total Federal Funds</b>	<b>50,132,000</b>	<b>50,150,000</b>	<b>50,200,000</b>	<b>50,148,000</b>	<b>50,197,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>54,881,500</b>	<b>54,045,100</b>	<b>53,468,500</b>	<b>54,315,800</b>	<b>53,676,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	1,740,300	1,598,300	1,678,000	1,808,000	1,896,000
Operating Expenses	51,455,100	51,449,300	51,532,600	51,525,000	51,608,000
Debt Service	28,000	27,000	27,000	27,000	27,000
Capital Outlay	4,300	14,000	14,000	14,000	14,000
<b>TOTAL EXPENDITURES</b>	<b>53,227,700</b>	<b>53,088,600</b>	<b>53,251,600</b>	<b>53,374,000</b>	<b>53,545,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	850,000	870,400	870,400	871,000	871,000
Restricted Funds	2,245,700	2,068,200	2,181,200	2,355,000	2,477,000
Federal Funds	50,132,000	50,150,000	50,200,000	50,148,000	50,197,000
<b>TOTAL EXPENDITURES</b>	<b>53,227,700</b>	<b>53,088,600</b>	<b>53,251,600</b>	<b>53,374,000</b>	<b>53,545,000</b>
<b>EXPENDITURES BY UNIT</b>					
Administration	2,377,700	2,218,200	2,381,200	2,503,000	2,674,000
KIA Fund A Water Revolving	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Banking Contract	850,000	870,400	870,400	871,000	871,000
<b>TOTAL EXPENDITURES</b>	<b>53,227,700</b>	<b>53,088,600</b>	<b>53,251,600</b>	<b>53,374,000</b>	<b>53,545,000</b>

The Office of Financial Management is responsible for analyzing cash flow requirements, maximizing the return on state investments, coordinating cash needs with debt and investment activity, developing a long-term debt plan, and evaluating the economic impact of debt funded projects. In addition, this Office approves debt issues of all state debt issuing entities, administers the total bonded indebtedness of the Commonwealth, and provides staff assistance to many debt-issuing authorities.

**Policy**

Included in the 2000-2002 Budget of the Commonwealth is \$325,000 in fiscal year 2001 and \$335,000 in fiscal year 2002 in restricted funds to support the Water Resources Development Initiatives.

**Finance and Administration  
General Administration  
Controller**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	4,547,500	4,905,300	4,868,800	6,865,000	6,825,000
Reorganization Adjustments	-68,700				
<b>Total General Fund</b>	<b>4,478,800</b>	<b>4,905,300</b>	<b>4,868,800</b>	<b>6,865,000</b>	<b>6,825,000</b>
<b>Restricted Funds</b>					
Balance Forward	295,500	284,000	236,900	284,000	237,000
Non-Revenue Receipts	346,000	328,000	330,000	328,000	330,000
<b>Total Restricted Funds</b>	<b>641,500</b>	<b>612,000</b>	<b>566,900</b>	<b>612,000</b>	<b>567,000</b>
<b>Federal Funds</b>					
Balance Forward	708,357				
Current Receipts	7,291,643	8,000,000	8,000,000	8,000,000	8,000,000
<b>Total Federal Funds</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>8,000,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>13,120,300</b>	<b>13,517,300</b>	<b>13,435,700</b>	<b>15,477,000</b>	<b>15,392,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	3,174,300	3,268,100	3,316,100	3,256,000	3,307,000
Operating Expenses	1,660,900	2,002,300	1,935,900	3,974,000	3,898,000
Grants, Loans or Benefits	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Capital Outlay	1,100	10,000	10,000	10,000	10,000
<b>TOTAL EXPENDITURES</b>	<b>12,836,300</b>	<b>13,280,400</b>	<b>13,262,000</b>	<b>15,240,000</b>	<b>15,215,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	4,478,800	4,905,300	4,868,800	6,865,000	6,825,000
Restricted Funds	357,500	375,100	393,200	375,000	390,000
Federal Funds	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
<b>TOTAL EXPENDITURES</b>	<b>12,836,300</b>	<b>13,280,400</b>	<b>13,262,000</b>	<b>15,240,000</b>	<b>15,215,000</b>
<b>EXPENDITURES BY UNIT</b>					
Office of the Controller	4,478,800	4,905,300	4,868,800	6,865,000	6,825,000
Social Security	357,500	375,100	393,200	375,000	390,000
Rural Empowerment Zone Grant	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
<b>TOTAL EXPENDITURES</b>	<b>12,836,300</b>	<b>13,280,400</b>	<b>13,262,000</b>	<b>15,240,000</b>	<b>15,215,000</b>

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

The Division of Social Security administers, for the benefit of state employees and political subdivisions within the Commonwealth, the Old Age and Survivors Insurance program under Section 218 of the federal Social Security Act. This program is responsible for ensuring that the social security obligations of the state and its political subdivisions are met. To fulfill this responsibility, the State Office for Social Security periodically visits each of the political subdivisions for a procedural, compliance, and fiscal audit pursuant to KRS 61.410 - 61.500.

The Division of Statewide Accounting Services is responsible for maintenance and operation of the central statewide accounting system and provides centralized accounting of all receipts and disbursements of the Commonwealth. In addition, this Division prepares daily, monthly and annual financial reports, which constitute a complete report of the financial condition of the Commonwealth. Centralized accounting for all state government transactions ensures consistency in the recording and classification of receipts and expenditures, and provides the Judicial, Executive and Legislative branches the means of exercising supervision, control and allocation of the Commonwealth's financial resources.

### **Policy**

Included in the 2000-2002 Budget of the Commonwealth is additional General Fund support in the amount of \$2,030,000 in fiscal year 2001 and \$2,030,000 in fiscal year 2002 for the ongoing maintenance costs associated with the new Management and Reporting System (MARS).



**Finance and Administration  
Debt Service**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	169,864,000	222,997,700	231,009,900	216,527,000	244,703,000
Tobacco Settlement - I				1,258,000	7,547,000
<b>Total General Fund</b>	169,864,000	222,997,700	231,009,900	217,785,000	252,250,000
<b>Restricted Funds</b>					
Balance Forward	757,700	757,700	757,700	921,000	184,000
Current Receipts	163,300			163,000	163,000
Non-Revenue Receipts		3,018,000	5,031,000	-900,000	-300,000
<b>Total Restricted Funds</b>	921,000	3,775,700	5,788,700	184,000	47,000
<b>Road Fund</b>					
Regular Appropriation				3,665,000	3,668,000
<b>Total Road Fund</b>				3,665,000	3,668,000
<b>TOTAL SOURCE OF FUNDS</b>	170,785,000	226,773,400	236,798,600	221,634,000	255,965,000
<b>EXPENDITURES BY CLASS</b>					
Debt Service	169,864,000	226,015,700	236,040,900	221,450,000	255,918,000
<b>TOTAL EXPENDITURES</b>	169,864,000	226,015,700	236,040,900	221,450,000	255,918,000
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	169,864,000	222,997,700	231,009,900	217,785,000	252,250,000
Restricted Funds		3,018,000	5,031,000		
Road Fund				3,665,000	3,668,000
<b>TOTAL EXPENDITURES</b>	169,864,000	226,015,700	236,040,900	221,450,000	255,918,000

**Policy**

Pursuant to the 2000-2002 Branch Budget Request Manual and consistent with the intent of House Bill 5 as enacted by the 1997 Extraordinary Session of the General Assembly, all previously authorized State Property and Buildings Commission General Fund Debt Service for all agencies is now consolidated in the Finance and Administration Cabinet. All new 2000-2002 State Property and Buildings Commission General Fund Debt Service (beyond that which directly affects the Finance and Administrative Cabinet's programs) is reflected in the affected agencies.

Included in the 2000-2002 Budget of the Commonwealth is \$5,700,000 in fiscal year 2001 and \$34,072,000 in fiscal year 2002 to support the new bond projects.

**Finance and Administration  
County Costs**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	16,186,000	18,214,800	18,744,300	18,899,000	20,881,000
Current Year Appropriation	1,632,000				
<b>Total General Fund</b>	<b>17,818,000</b>	<b>18,214,800</b>	<b>18,744,300</b>	<b>18,899,000</b>	<b>20,881,000</b>
<b>Restricted Funds</b>					
Balance Forward	141,900	141,900	141,900	141,900	141,900
Current Receipts	1,327,000	1,327,000	1,327,000	1,327,000	1,327,000
Non-Revenue Receipts		350,000	450,000		
<b>Total Restricted Funds</b>	<b>1,468,900</b>	<b>1,818,900</b>	<b>1,918,900</b>	<b>1,468,900</b>	<b>1,468,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>19,286,900</b>	<b>20,033,700</b>	<b>20,663,200</b>	<b>20,367,900</b>	<b>22,349,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	755,000	855,000	955,000	855,000	955,000
Operating Expenses	16,340,000	16,958,000	17,458,000	17,292,000	19,145,000
Grants, Loans or Benefits	2,050,000	2,078,800	2,108,300	2,079,000	2,108,000
<b>TOTAL EXPENDITURES</b>	<b>19,145,000</b>	<b>19,891,800</b>	<b>20,521,300</b>	<b>20,226,000</b>	<b>22,208,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	17,818,000	18,214,800	18,744,300	18,899,000	20,881,000
Restricted Funds	1,327,000	1,677,000	1,777,000	1,327,000	1,327,000
<b>TOTAL EXPENDITURES</b>	<b>19,145,000</b>	<b>19,891,800</b>	<b>20,521,300</b>	<b>20,226,000</b>	<b>22,208,000</b>
<b>EXPENDITURES BY UNIT</b>					
Public Defender Program	727,000	827,000	927,000	827,000	927,000
Witnesses	150,000	150,000	150,000	150,000	150,000
DUI Service Fees	850,000	850,000	850,000	850,000	850,000
Sheriffs Fees	4,982,000	5,600,000	6,100,000	5,934,000	7,787,000
County Clerks (Make Tax Bills)	300,000	300,000	300,000	300,000	300,000
Board Of Assessment Appeals	110,000	110,000	110,000	110,000	110,000
Fugitive From Justice	790,000	790,000	790,000	790,000	790,000
Jury Fund	4,110,000	4,110,000	4,110,000	4,110,000	4,110,000
Sheriffs Expense Allowance	465,000	465,000	465,000	465,000	465,000
Premium On Sheriffs Bond	30,000	30,000	30,000	30,000	30,000
Base Court Revenue	5,431,000	5,431,000	5,431,000	5,431,000	5,431,000
Access to Justice	1,200,000	1,228,800	1,258,300	1,229,000	1,258,000
<b>TOTAL EXPENDITURES</b>	<b>19,145,000</b>	<b>19,891,800</b>	<b>20,521,300</b>	<b>20,226,000</b>	<b>22,208,000</b>

County Costs

County Costs expenditures are for payments primarily to local officials for the performance of functions required by state statutes. For example, a sheriff is paid by the state for services rendered to the state for enforcing state laws. This falls within the Criminal Prosecutions program. Also, a witness in a state court trial is paid by the state for performing a function required by state statute. This is an example of the Miscellaneous Fee program. Payments under the County Costs program are statutorily mandated except for the Base Court Revenue program. Therefore all programs other than Base Court Revenue are regarded as necessary government expenses.

## Access to Justice

In accordance with the provisions of KRS Chapter 27A, the Chief Justice of the Commonwealth of Kentucky shall designate a nonprofit agency to operate and administer programs for the provision of legal services to indigent clients involved in civil matters within each judicial district. Upon receipt of notice of designation of an agency by the circuit clerk, there shall be added to the filing fee in all civil actions filed in Circuit Court, the sum of ten dollars (\$10), and to all civil actions filed in District Court, the sum of five dollars (\$5). This fee shall be designated as Access to Justice Fee, and shall be charged at the time of filing the first papers in the action. All fees collected during each month shall be placed in the General Fund of the State Treasury. The fees collected shall be distributed monthly by the Finance and Administration Cabinet to the designated agencies on a pro rata basis. These funds shall be used by the designated agencies to carry out the duties prescribed in KRS 27A.610. All unused and uncommitted funds received by a designated agency during the fiscal year shall be returned to the State Treasury, to be redistributed the following year.

## Public Defender

KRS 31.185 requires the fiscal court or legislative body of an urban county government containing less than ten Circuit Judges to annually appropriate twelve and one-half (\$0.125) cents per capita, of the population of the county as determined by the Council of Local Governments' most recent population statistics, to a special account to be administered by the Finance and Administration Cabinet. The funds, which shall not lapse, shall be used to pay all court orders (KRS 31.185[1]) that have been entered into as a result of a needy defendant's motion for funding assistance. If the funds are depleted in any given year, any unpaid court orders would be paid as judgment against the Commonwealth.

## Policy

Included in the 2000-2002 Budget of the Commonwealth is language as follows: "Notwithstanding KRS 23A.205 as amended by Senate Bill 326 of the 2000 Regular Session of the General Assembly, KRS 64.092, or any other statute to the contrary, the Circuit Clerk shall monthly pay \$7 from each court cost collected pursuant to KRS 23A.205(1) to the Finance and Administration Cabinet for the purpose of compensating sheriffs on a statewide basis for attending court and providing security services in compliance with KRS 64.092."

The purpose of this suspension is to provide approximately \$4,000,000 per year to the Finance and Administration Cabinet to support increased court security costs incurred by Sheriff's Offices from the \$8 per hour bailiff charge paid by the County Cost appropriation unit. The source of the \$4,000,000 per year is from the additional \$7 levied by Senate Bill 326 and collected by Court Clerks as part of court costs.

**Finance and Administration  
County Fees**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	-5,199,700	-5,199,700	500,300	-5,199,700	500,300
Current Receipts	67,925,100	76,912,900	74,664,400	76,912,900	74,664,400
<b>Total Restricted Funds</b>	<b>62,725,400</b>	<b>71,713,200</b>	<b>75,164,700</b>	<b>71,713,200</b>	<b>75,164,700</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>62,725,400</b>	<b>71,713,200</b>	<b>75,164,700</b>	<b>71,713,200</b>	<b>75,164,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	35,536,300	36,263,200	38,076,200	36,263,200	38,076,200
Operating Expenses	27,844,000	29,341,400	30,811,500	29,341,400	30,811,500
Capital Outlay	4,544,800	5,608,300	5,776,700	5,608,300	5,776,700
<b>TOTAL EXPENDITURES</b>	<b>67,925,100</b>	<b>71,212,900</b>	<b>74,664,400</b>	<b>71,212,900</b>	<b>74,664,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	67,925,100	71,212,900	74,664,400	71,212,900	74,664,400
<b>TOTAL EXPENDITURES</b>	<b>67,925,100</b>	<b>71,212,900</b>	<b>74,664,400</b>	<b>71,212,900</b>	<b>74,664,400</b>
<b>EXPENDITURES BY UNIT</b>					
Campbell County	3,556,000	3,728,600	3,909,700	3,728,600	3,909,700
Daviess County	4,103,500	4,307,800	4,522,100	4,307,800	4,522,100
Fayette County	11,461,700	11,992,900	12,549,500	11,992,900	12,549,500
Hardin County	3,340,900	3,504,000	3,675,000	3,504,000	3,675,000
Jefferson County	30,155,000	31,615,600	33,147,800	31,615,600	33,147,800
Kenton County	6,781,200	7,113,700	7,465,700	7,113,700	7,465,700
Pike County	3,493,500	3,665,900	3,846,700	3,665,900	3,846,700
Warren County	5,033,300	5,284,400	5,547,900	5,284,400	5,547,900
<b>TOTAL EXPENDITURES</b>	<b>67,925,100</b>	<b>71,212,900</b>	<b>74,664,400</b>	<b>71,212,900</b>	<b>74,664,400</b>

Fee officers, including county clerks, sheriffs, and jailers in counties having a population of 70,000 or more, must deposit their fees and commissions into the State Treasury. Seventy-five percent of the fee officer's income is deposited to his/her account for expenditures and the remaining 25 percent is deposited to the credit of the respective county fiscal court or urban county government. The balance of funds in the 25 percent account is returned to the respective county government quarterly. Any portion of the fee officers income that is unused at the end of his/her term will revert to his/her county fiscal court or urban county government rather than lapse to the General Fund surplus.

**Finance and Administration  
Administration**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	3,671,000	4,087,100	4,021,600	3,776,100	3,789,600
<b>Total General Fund</b>	3,671,000	4,087,100	4,021,600	3,776,100	3,789,600
<b>Restricted Funds</b>					
Balance Forward	2,804,800	2,674,400	2,189,900	2,674,400	1,854,300
Current Receipts	8,526,600	8,557,400	9,098,800	8,718,900	9,208,000
Non-Revenue Receipts	14,000			-500,000	
<b>Total Restricted Funds</b>	11,345,400	11,231,800	11,288,700	10,893,300	11,062,300
<b>Road Fund</b>					
Regular Appropriation	270,000	276,500	283,100	277,000	283,000
<b>Total Road Fund</b>	270,000	276,500	283,100	277,000	283,000
<b>TOTAL SOURCE OF FUNDS</b>	15,286,400	15,595,400	15,593,400	14,946,400	15,134,900
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	7,880,200	8,097,200	8,401,200	7,771,100	8,060,600
Operating Expenses	4,188,800	4,733,600	4,823,700	4,448,000	4,483,000
Capital Outlay	543,000	499,700	500,700	498,000	200,000
Construction		75,000	150,000	375,000	450,000
<b>TOTAL EXPENDITURES</b>	12,612,000	13,405,500	13,875,600	13,092,100	13,193,600
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	3,671,000	4,087,100	4,021,600	3,776,100	3,789,600
Restricted Funds	8,671,000	9,041,900	9,570,900	9,039,000	9,121,000
Road Fund	270,000	276,500	283,100	277,000	283,000
<b>TOTAL EXPENDITURES</b>	12,612,000	13,405,500	13,875,600	13,092,100	13,193,600
<b>EXPENDITURES BY UNIT</b>					
Commissioner	368,200	407,600	426,600	381,000	398,000
Creative Services	846,000	934,500	908,100	932,000	909,000
Risk Management	167,000	180,500	189,200	174,000	182,000
Occupations and Professions	602,000	899,100	884,500	775,000	699,000
Purchases General Offices	1,848,800	1,873,400	1,855,600	1,805,000	1,769,000
Purchases State Surplus Property	233,000	306,900	316,300	228,000	233,000
Purchases Federal Surplus Property	989,000	766,100	794,600	812,000	841,000
Printing	5,370,000	5,721,900	5,906,500	5,574,000	5,739,000
Postal Services	2,188,000	2,315,500	2,594,200	2,399,000	2,408,000
Wage Equity				12,100	15,600
<b>TOTAL EXPENDITURES</b>	12,612,000	13,405,500	13,875,600	13,092,100	13,193,600

The Department for Administration was established by KRS 42.014 and its duties, organization and responsibilities are planned through the Commissioner's Office which are set forth in KRS 42.023. The Department for Administration is generally responsible for any functions and duties as the Secretary of the Finance and Administration Cabinet may assign relating to, but not limited to, supervision of purchasing, control of and disposition of state and federal surplus properties, printing and reproductions, state forms, creative and technical production in the visual and media arts, postal and messenger services, administrative assistance to boards and commissions, and administration of the state's risk management program.

**Finance and Administration  
Facilities Management**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	8,365,000	9,617,000	9,577,800	8,598,300	8,822,300
Mandated Allotments	106,100				
<b>Total General Fund</b>	<b>8,471,100</b>	<b>9,617,000</b>	<b>9,577,800</b>	<b>8,598,300</b>	<b>8,822,300</b>
<b>Restricted Funds</b>					
Balance Forward	2,610,700	1,653,700	641,700	1,653,700	1,202,000
Current Receipts	19,416,000	20,097,400	20,788,800	20,097,300	20,622,000
Non-Revenue Receipts	85,000	85,000	85,000	85,000	85,000
<b>Total Restricted Funds</b>	<b>22,111,700</b>	<b>21,836,100</b>	<b>21,515,500</b>	<b>21,836,000</b>	<b>21,909,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>30,582,800</b>	<b>31,453,100</b>	<b>31,093,300</b>	<b>30,434,300</b>	<b>30,731,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	16,756,600	18,132,100	18,722,100	17,585,300	18,259,300
Operating Expenses	11,506,800	12,579,300	11,893,800	11,547,000	11,477,000
Capital Outlay	665,700	100,000	100,000	100,000	100,000
<b>TOTAL EXPENDITURES</b>	<b>28,929,100</b>	<b>30,811,400</b>	<b>30,715,900</b>	<b>29,232,300</b>	<b>29,836,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	8,471,100	9,617,000	9,577,800	8,598,300	8,822,300
Restricted Funds	20,458,000	21,194,400	21,138,100	20,634,000	21,014,000
<b>TOTAL EXPENDITURES</b>	<b>28,929,100</b>	<b>30,811,400</b>	<b>30,715,900</b>	<b>29,232,300</b>	<b>29,836,300</b>
<b>EXPENDITURES BY UNIT</b>					
Commissioner's Office	428,800	537,600	562,900	512,000	524,000
Engineering	2,467,000	2,969,200	3,108,400	2,691,000	2,811,000
Contracting and Administration	1,152,000	1,310,200	1,373,300	1,251,000	1,308,000
Real Property	1,248,000	1,689,700	1,383,200	1,643,000	1,327,000
Historic Properties	650,000	641,900	678,200	536,000	556,000
Physical Plant	22,877,200	23,662,800	23,609,900	22,567,000	23,259,000
Flood Housing Disaster Aid	106,100				
Wage Equity				32,300	51,300
<b>TOTAL EXPENDITURES</b>	<b>28,929,100</b>	<b>30,811,400</b>	<b>30,715,900</b>	<b>29,232,300</b>	<b>29,836,300</b>

The Department for Facilities Management consists of the Commissioner's Office and six Divisions: Contracting and Administration; Engineering; Historic Properties; Building Services; Mechanical Maintenance and Operations; and Real Properties. (Building Services and Mechanical Maintenance and Operations are jointly displayed as "Physical Plant.") The Department manages the State's facilities construction program; provides property maintenance services for Finance and Administration Cabinet buildings; provides management and oversight of state-owned historical buildings and sites; and provides real property acquisition, disposition, leasing and inventory services.

The Commissioner's Office coordinates and supervises the activities of engineering, contracting and administration, building maintenance and operations and management of real properties and historic properties owned by the Finance and Administration Cabinet.

Pursuant to KRS 12.020, 42.014, and 42.027, the Division of Engineering provides overall professional and technical engineering and architectural assistance to state agencies; reviews capital construction design documents; acts as a liaison between the Department and state agencies on new construction and major maintenance projects; and monitors construction and maintenance contracts for compliance with plans and specifications.

The Division of Engineering is responsible for the supervision of design and construction activities for capital construction projects. Project architects and engineers participate with the Department's architectural and engineering consultants and purchasing officers in the review of construction bids prior to contract award. After contract award, project engineers and architects supervise construction, review its progress and resolve problem areas. Division personnel approve payments to consultants, contractors and other vendors. They also initiate documents associated with the capital construction process and monthly status reports.

The Division of Engineering also performs continuing consultation work with the various agencies of state government and universities. These consultation sessions may include any of the following areas: roofing, architectural, mechanical, electrical and/or structural, and possible solutions to needs or problems in these areas.

The Division of Contracting and Administration, authorized by KRS 42.027, administers the procurement process for construction projects of the Commonwealth of Kentucky, excluding roads and bridges. The basic procurement procedures and practices are prescribed by the Kentucky Model Procurement Code, KRS 45A, and the related administrative regulations as required by the Model Procurement Code. Included in the responsibilities of the Division are the preparation of invitations to bid, the opening and evaluation of those bids, and the awarding of the contracts. There are four branches within this Division. The General Contracting branch provides general construction procurement, and administers the advertising and awarding of state general construction projects and related support systems; provides procurement information to state agencies; and administers procurement programs for new building construction, renovation, and mechanical, electrical, and HVAC systems. The Specialized Contracting branch administers the advertising and awarding of state specialized construction projects and related support systems; provides procurement information to state agencies; administers programs such as the reclamation of spoil lands under the Abandoned Mines Lands Program; the procurement of state-owned telephone switching systems; asbestos abatement projects; and price contracts for maintenance of elevators, escalators, and similar services. The Administrative Services branch provides varied support services to the Division and Department in the areas of professional services on contract awards; accounting documents; maintains central project data files and sealed bid files; and administers a computer program indicating the progress and status of capital construction projects. The Pre-Audit branch administers the accounting, pre-auditing, and processing of billing invoices from architects, engineers, contractors and vendors on active capital construction funded projects; maintains and administers fund allotment encumbrances, expenditures, and balances on all active capital construction projects by object code; and oversees expenditures and fund balances of the Division's operating budget.

The Division of Real Properties is responsible for leasing private property for housing state agencies throughout the Commonwealth; managing and allocating state office space for agencies located in Frankfort, except for highway purposes; administering systematic acquisition and disposition of various real property interests for state use and benefit; maintain property and deed records and checks inventory of facilities at state installations; administers vehicular parking and sign regulations in Frankfort facilities; and conducts in-depth analyses of Commonwealth space needs pursuant to KRS 42.027. The Division consists of four branches. The Leased Property branch is responsible for administering space requests for lease property, acquisitions of privately-owned leased property for state use, lease renewals and cancellations, modifications to lease property, and related activities. The State Properties branch administers space assignments for state-owned real property acquisitions and sales of real properties, leases of state-owned real property to other entities, easements on state-owned real property, appraisals and appraisal reviews for acquisitions and dispositions, authorization of demolition of state-owned buildings, and relocation assistance. The Planning and Utilization branch is responsible for administering space planning, space utilization, minor building alterations and renovations, and interior space standards. The Inventory and Compliance branch administers inventory of state-owned real property, inventory of state-owned leased-out real property, inventory of state leased-in real property, building use permits, reserved parking assignments in Frankfort, and deed and easement records of state-owned real property.

The Division of Historic Properties, in accordance with KRS 42.014 and KRS 11.026, is responsible for the preservation and maintenance of Finance and Administration Cabinet-owned historic sites including the Kentucky State Capitol, Executive Mansion, Old Governor's Mansion, Berry Hill Mansion, Vest-Lindsey State Meeting House, and Henry Clay Law Office. The Division of Historic Properties as a part of the Department for Facilities Management works with the other divisions to preserve and maintain those historic sites under the management and control of the Finance and Administration Cabinet and consults with the Department of Parks to preserve and maintain those historic sites under the management and control of the Tourism Development Cabinet. The same consultation services are provided to other agencies within state government as requested.

The Director of the Division of Historic Properties serves as State Curator and a member of the Historic Properties Advisory Commission. Staff of the Division of Historic Properties serve as staff for the Commission. The Commission is statutorily responsible for overseeing the maintenance, restoration, preservation and care of furnishings and grounds of the Executive Mansion, Old Governor's Mansion, and State Capitol grounds.

The Division of Historic Properties has responsibility for the tourist information program at the Executive Mansion, Old Governor's Mansion, and the Capitol Building. The tourist information staff manages the information desk at the Capitol, responds to inquiries and provides literature concerning state government, historic sites, and tourist attractions throughout the state in addition to providing tours. The staff also schedules tours and assembles and mails pre-site visit information packets to school groups and organizations planning to visit the Capitol and/or Mansions.

Historic Properties has full responsibility for the management of the Vest-Lindsey State Meeting House. This Office provide staff to coordinate the use of the facility by state agencies and provide tours for visitors. The main staff for the Division of Historic Properties is located at the Berry Hill Mansion. The Music Room and Library of that facility are being made available to state agencies and the general public for meetings and receptions.

Staff in Historic Properties are responsible for scheduling and coordinating events held in the public areas of the Capitol Building and grounds. Staff have established and implemented policies and guidelines for the use of this space to allow public access while preserving and protecting the historic and architectural integrity of the buildings and grounds.

The Divisions of Building Services and Mechanical Maintenance and Operations (formerly Physical Plant), as authorized by KR 42.027, provide a multitude of services for all Finance and Administration Cabinet-operated buildings and for the state agencies occupying those facilities.

In the Franklin County area, the Divisions are responsible for and/or provide services in the following buildings: the Capitol, New Capitol Annex, Old Capitol, Old Capitol Annex, Capital Plaza Complex, Cabinet for Human Resources Building, Health Service Building, Governor's Mansion, Lieutenant Governor's Mansion, Bush Building, Hoge House, New State Office Building, Vest Lindsey House, Central Utilities Plant, Library and Archives Building, Berry Hill Mansion, Berry Hill Carriage House, Airport Terminal, 701 Holmes Street, 501 Holmes Street (Consolidated Services Building), Fish and Wildlife, Kentucky Emergency Warning System (KEWS) Building, the Central Lab Facility, the new Kentucky History Center and the Capitol Boiler House. The Divisions also provide services for and maintain all buildings at the London Regional and Madisonville State Office Complex. In the Fayette County area, the Divisions are charged with maintaining and/or providing services for the Spindletop Research Complex (main office building and maintenance).

The following services are provided for each of the buildings listed above: minor renovations; maintenance of parking lot; sidewalks and ramps; cleaning of interior and exterior of the buildings; cleaning windows; maintaining the heating, ventilating and air conditioning systems; maintaining special equipment within the buildings as requested; roof repair; glazing; fire alarm and security systems; electrical systems; energy conservation; elevator and escalator maintenance; emergency power system maintenance; landscaping services; snow removal; after-hours emergency services; and other projects as assigned by the Commissioner.

Additionally, the Divisions are responsible for development of plans and specifications for a wide variety of construction projects. After plans and specifications are complete and have been approved, the Divisions oversee the construction phase and provide contract administration.

## **Policy**

Included in the 2000-2002 Budget of the Commonwealth are agency funds in the amount of \$76,000 in fiscal year 2001 and \$80,000 in fiscal year 2002 for one additional staff in Contracting and Administration.

Included in the 2000-2002 Budget of the Commonwealth are agency funds in the amount of \$340,000 in fiscal year 2001 and additional General Fund support in the amount of \$72,000 in fiscal year 2001 and \$76,000 in fiscal year 2002 for a Real Property Management system. The additional General Fund dollars will support two new staff to maintain and update the system. This was a high priority of the Capital Planning Advisory Board.

Included in the 2000-2002 Budget of the Commonwealth are agency funds in the amount of \$238,000 in fiscal year 2001 and \$333,000 in fiscal year 2002 to fund eight new security technicians.



## Health Services

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	927,507,800	1,078,959,000	1,167,250,100	1,003,945,600	1,072,618,000
Tobacco Settlement - I				16,245,600	19,790,000
Continuing Appropriation	297,000				
<b>Total General Fund</b>	<b>927,804,800</b>	<b>1,078,959,000</b>	<b>1,167,250,100</b>	<b>1,020,191,200</b>	<b>1,092,408,000</b>
<b>Restricted Funds</b>					
Balance Forward	19,346,356	113,878,700	60,863,700	113,878,700	51,457,800
Current Receipts	326,682,941	328,368,900	325,325,900	338,862,900	345,835,100
Non-Revenue Receipts	173,435,803	14,474,900	16,885,200	14,474,900	16,885,200
<b>Total Restricted Funds</b>	<b>519,465,100</b>	<b>456,722,500</b>	<b>403,074,800</b>	<b>467,216,500</b>	<b>414,178,100</b>
<b>Federal Funds</b>					
Balance Forward	41,059,419				
Current Receipts	2,355,877,081	2,555,642,900	2,678,050,300	2,508,557,800	2,609,440,600
Non-Revenue Receipts	-60,830,500	-21,017,800	-20,815,400	-21,017,800	-20,815,400
<b>Total Federal Funds</b>	<b>2,336,106,000</b>	<b>2,534,625,100</b>	<b>2,657,234,900</b>	<b>2,487,540,000</b>	<b>2,588,625,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>3,783,375,900</b>	<b>4,070,306,600</b>	<b>4,227,559,800</b>	<b>3,974,947,700</b>	<b>4,095,211,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	227,348,600	248,073,500	259,331,000	240,342,600	252,449,200
Operating Expenses	40,292,200	45,300,200	46,198,500	40,978,100	43,707,100
Grants, Loans or Benefits	3,401,062,100	3,714,452,400	3,908,491,400	3,641,324,000	3,796,425,600
Debt Service					1,086,000
Capital Outlay	794,300	1,586,800	994,100	845,200	494,100
<b>TOTAL EXPENDITURES</b>	<b>3,669,497,200</b>	<b>4,009,412,900</b>	<b>4,215,015,000</b>	<b>3,923,489,900</b>	<b>4,094,162,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	927,804,800	1,078,959,000	1,167,250,100	1,020,191,200	1,092,408,000
Restricted Funds	405,586,400	395,858,800	390,530,000	415,758,700	413,128,800
Federal Funds	2,336,106,000	2,534,625,100	2,657,234,900	2,487,540,000	2,588,625,200
<b>TOTAL EXPENDITURES</b>	<b>3,669,497,200</b>	<b>4,009,442,900</b>	<b>4,215,015,000</b>	<b>3,923,489,900</b>	<b>4,094,162,000</b>
<b>EXPENDITURES BY UNIT</b>					
Administrative Support	35,930,000	25,832,700	26,639,600	27,635,900	28,846,800
Children with Special Health Care Needs	16,560,800	16,280,600	15,039,600	15,207,700	14,629,400
Medicaid Services	3,026,738,100	3,324,804,800	3,499,906,200	3,254,140,100	3,398,523,200
Mental Health/Mental Retardation	340,536,100	379,987,700	400,102,000	365,378,700	382,800,800
Public Health	196,145,900	208,198,300	216,507,800	213,525,800	220,673,000
Certificate of Need	450,500	470,100	492,100	462,600	484,700
Aging Services	53,135,800	53,868,700	56,327,700	47,139,100	48,204,100
<b>TOTAL EXPENDITURES</b>	<b>3,669,497,200</b>	<b>4,009,442,900</b>	<b>4,215,015,000</b>	<b>3,923,489,900</b>	<b>4,094,162,000</b>

The Cabinet for Health Services was created by Executive Order 95-79 (which also abolished the Cabinet for Human Resources) on December 28, 1995 and is codified as KRS 194A. The Department for Medicaid Services, Department for Mental Health/ Mental Retardation Services, Department for Public Health, Commission for Children with Special Health Care Needs, the Office of Certificate of Need, the Office of Aging Services, the Office of Program Support, the Office of the General Counsel, the Office of the Inspector General and the Office of the Secretary form the Cabinet for Health Services. These last four units are included in one appropriation unit called Administrative Support. The Office of Aging Services was transferred to the Cabinet for Health Services from the Cabinet for Families and Children by Executive Order 99-80.

**Health Services  
Administrative Support**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	22,970,500	9,206,000	9,129,100	10,018,100	10,352,100
<b>Total General Fund</b>	22,970,500	9,206,000	9,129,100	10,018,100	10,352,100
<b>Restricted Funds</b>					
Balance Forward	3,516,700	3,376,200	2,846,000	3,376,200	2,460,900
Current Receipts	4,350,000	7,026,500	6,994,700	6,226,500	6,530,900
Non-Revenue Receipts	550,000	-85,800	-89,500	-85,800	-89,500
<b>Total Restricted Funds</b>	8,416,700	10,316,900	9,751,200	9,516,900	8,902,300
<b>Federal Funds</b>					
Balance Forward	59,500				
Current Receipts	56,534,000	7,661,700	7,800,400	9,067,700	9,200,600
Non-Revenue Receipts	-48,674,500	1,494,100	1,417,600	1,494,100	1,417,600
<b>Total Federal Funds</b>	7,919,000	9,155,800	9,218,000	10,561,800	10,618,200
<b>TOTAL SOURCE OF FUNDS</b>	39,306,200	28,678,700	28,098,300	30,096,800	29,872,600
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	17,552,000	20,247,400	21,017,700	22,050,600	22,840,900
Operating Expenses	4,003,000	5,143,300	5,174,900	5,143,300	5,174,900
Grants, Loans or Benefits	14,375,000	442,000	447,000	442,000	447,000
Debt Service					384,000
<b>TOTAL EXPENDITURES</b>	35,930,000	25,832,700	26,639,600	27,635,900	28,846,800
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	22,970,500	9,206,000	9,129,100	10,018,100	10,352,100
Restricted Funds	5,040,500	7,470,900	8,292,500	7,056,000	7,876,500
Federal Funds	7,919,000	9,155,800	9,218,000	10,561,800	10,618,200
<b>TOTAL EXPENDITURES</b>	35,930,000	25,832,700	26,639,600	27,635,900	28,846,800
<b>EXPENDITURES BY UNIT</b>					
Inspector General	12,437,500	15,115,500	15,694,500	17,089,300	17,627,500
Support Services	23,492,500	10,717,200	10,945,100	10,468,800	11,101,300
Wage Equity				77,800	118,000
<b>TOTAL EXPENDITURES</b>	35,930,000	25,832,700	26,639,600	27,635,900	28,846,800

Administrative Support consists of two components: Support Services and the Office of the Inspector General.

The Support Services area includes the Office of the Secretary, Office of the General Counsel, and the Office of Program Support and the Office of Women's Health. These offices provide policy, administrative, legal, financial and personnel support services to the program areas of the Cabinet.

The Office of the Inspector General provides support to other programs in both the Cabinet for Health Services and for Cabinet for Families and Children through its Division of Audits and its Division of Special Investigations. In addition the Division of Licensing and Regulation provides inspections of health care facilities, child caring facilities and child day care programs.

**Policy**

Included in the enacted budget is a General Fund allocation of \$77,800 in fiscal year 2001 and \$118,000 in fiscal year 2002 for the Wage Equity Plan. General Fund debt service of \$384,000 is included in fiscal year 2002 for the Statewide Public Health Information System.

**Policy**

Included in the enacted budget is a General Fund allocation of \$77,800 in fiscal year 2001 and \$118,000 in fiscal year 2002 for the Wage Equity Plan.

General Fund debt service of \$384,000 is included in fiscal year 2002 for the Statewide Public Health Information System

**Health Services  
Administrative Support  
Inspector General**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	5,117,500	5,240,300	5,366,100	5,537,900	5,614,800
<b>Total General Fund</b>	5,117,500	5,240,300	5,366,100	5,537,900	5,614,800
<b>Restricted Funds</b>					
Balance Forward	812,500	672,000	1,101,200	672,000	716,100
Current Receipts	768,500	2,841,600	2,842,500	2,513,100	2,882,500
Non-Revenue Receipts		-110,300	-111,200	-110,300	-111,200
<b>Total Restricted Funds</b>	1,581,000	3,403,300	3,832,500	3,074,800	3,487,400
<b>Federal Funds</b>					
Current Receipts	6,411,000	7,573,100	7,711,500	9,192,700	9,308,000
<b>Total Federal Funds</b>	6,411,000	7,573,100	7,711,500	9,192,700	9,308,000
<b>TOTAL SOURCE OF FUNDS</b>	13,109,500	16,216,700	16,910,100	17,805,400	18,410,200
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	10,895,600	12,856,100	13,523,400	14,829,900	15,456,400
Operating Expenses	1,121,900	1,839,400	1,751,100	1,839,400	1,751,100
Grants, Loans or Benefits	420,000	420,000	420,000	420,000	420,000
<b>TOTAL EXPENDITURES</b>	12,437,500	15,115,500	15,694,500	17,089,300	17,627,500
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,117,500	5,240,300	5,366,100	5,537,900	5,614,800
Restricted Funds	909,000	2,302,100	2,616,900	2,358,700	2,704,700
Federal Funds	6,411,000	7,573,100	7,711,500	9,192,700	9,308,000
<b>TOTAL EXPENDITURES</b>	12,437,500	15,115,500	15,694,500	17,089,300	17,627,500

The Office of the Inspector General is composed of the Division of Licensing and Regulation, the Division of Audits, and the Division of Special Investigations. The general authority for the Office of the Inspector General is pursuant to provisions of KRS 194A.030(6).

The chief responsibility of the Division for Licensing and Regulation is to ensure that all health care (KRS 216B.042) and child day care facilities (KRS 199.896) meet applicable state licensing and federal certification requirements. Additional duties include the registration of private utilization review agencies (KRS 311.131); the investigation and resolution of complaints against all health facilities, child care facilities, and private utilization review agencies; and the maintenance of a home health agency hot-line.

The Division of Audits (DOA) audits Cabinet programs to assess contractor compliance with state and federal laws and regulations. In accordance with KRS 194A.030(6), the Office of the Inspector General's Division of Audits is responsible for the conduct of audits of programs within the Cabinet for Health Services and the Cabinet for Families and Children, their grantees and contractors. These include, but are not limited to, audits of nursing homes, home health agencies, mental health-mental retardation boards, primary care centers, psychiatric hospitals, adult day care facilities, spouse abuse centers, child care centers, the Supports for Community Living Program, Community Action Agencies and Child Support programs. The DOA also conducts preliminary investigations of alleged fraud and abuse which are received over the Medicaid fraud hotline (mandated by KRS 205.8483 and 42 CFR 455) and other Medicaid fraud referrals.

The Division of Special Investigations is responsible for the conduct of investigations for detecting the perpetration of fraud or abuse of any program by any client, or by any vendor of services with whom the Cabinet has contracted; special investigations requested by the secretary, commissioners, or office heads of the Cabinet into matters related to the Cabinet for Health Services or the Cabinet for Families and Children or its programs; and the notification and forwarding of any information

relevant to possible criminal violations to the appropriate prosecuting authority. The Division of Special Investigations operates toll-free welfare and Medicaid fraud and abuse hotline; conducts investigations of Women, Infants, and Children (WIC) program vendors to determine adherence to WIC policies and procedures by making WIC compliance purchases to collect evidence of improper vendor practices; and collects, maintains, and reports data on assistance program fraud investigations by the Office of the Inspector General and the Office of the Attorney General

## **Policy**

The enacted budget provides for a licensing fee increase as well as General Fund and federal funds to fund an eight-person Complaint Investigation Team, a home health aide registry, and 20 additional inspectors. In March of 1999, the Health Care Financing Administration (HCFA) mandated that complaints alleging immediate jeopardy to residents of long-term care facilities be investigated within two days and complaints alleging actual harm be investigated within ten days. This requirement has placed strain on the Office of the Inspector General (OIG) due to a shortage of personnel. Additionally, the increase in health care facilities has also strained the agency's resources. The number of facilities regulated by the OIG has increased from approximately 1,800 in 1993, to over 3,000 in 1999. General Fund of \$498,200, restricted agency funds of \$463,100, and federal funds of \$761,100 are provided in fiscal year 2001 and General Fund of \$496,200, agency funds of \$478,600, and federal funds of \$774,700 are provided in fiscal year 2002 to permit these two initiatives to become operational.

As part of the early childhood initiatives, \$1,851,100 in additional federal funds are enacted each year for 35 additional day care licensing staff. Funds from the Cabinet for Families and Children will be available from the Federal Child Care Development Fund Block Grant. The additional licensing staff will permit more one-on-one consultation and guidance to assist day care providers in enhancing the quality of care provided to young children.

**Health Services  
Administrative Support  
Administrative Support**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	17,853,000	3,965,700	3,763,000	4,402,400	4,619,300
<b>Total General Fund</b>	17,853,000	3,965,700	3,763,000	4,402,400	4,619,300
<b>Restricted Funds</b>					
Balance Forward	2,704,200	2,704,200	1,744,800	2,704,200	1,744,800
Current Receipts	3,581,500	4,184,900	4,152,200	3,713,400	3,648,400
Non-Revenue Receipts	550,000	24,500	21,700	24,500	21,700
<b>Total Restricted Funds</b>	6,835,700	6,913,600	5,918,700	6,442,100	5,414,900
<b>Federal Funds</b>					
Balance Forward	59,500				
Current Receipts	50,123,000	88,600	88,900	-125,000	-107,400
Non-Revenue Receipts	-48,674,500	1,494,100	1,417,600	1,494,100	1,417,600
<b>Total Federal Funds</b>	1,508,000	1,582,700	1,506,500	1,369,100	1,310,200
<b>TOTAL SOURCE OF FUNDS</b>	26,196,700	12,462,000	11,188,200	12,213,600	11,344,400
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	6,656,400	7,391,300	7,494,300	7,142,900	7,266,500
Operating Expenses	2,881,100	3,303,900	3,423,800	3,303,900	3,423,800
Grants, Loans or Benefits	13,955,000	22,000	27,000	22,000	27,000
Debt Service					384,000
<b>TOTAL EXPENDITURES</b>	23,492,500	10,717,200	10,945,100	10,468,800	11,101,300
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	17,853,000	3,965,700	3,763,000	4,402,400	4,619,300
Restricted Funds	4,131,500	5,168,800	5,675,600	4,697,300	5,171,800
Federal Funds	1,508,000	1,582,700	1,506,500	1,369,100	1,310,200
<b>TOTAL EXPENDITURES</b>	23,492,500	10,717,200	10,945,100	10,468,800	11,101,300

Executive Order 96-862 established Administrative Support in the Cabinet for Health Services. Executive Order 96-1494 further revised the organization of the Cabinet. House Bill 132, ratified by the 1998 General Assembly codified the organizational structure as KRS 194A. Administrative Support includes activities such as budget and policy development, financial management and reporting, human resources development, purchasing and operational management, administrative hearings, and technology resources management.

The Office of the Secretary provides executive leadership to improve the Cabinet's service delivery system and to adapt programs and services to better meet changing public needs. The Office is responsible for ensuring that the Cabinet implements all legislative, executive, and federally mandated programs and for developing administrative policies that reflect the requirements and philosophies governing human services programs which fall under the direction of the various departments within the Cabinet. The Office also serves as the primary contact for community groups, local officials, service providers, business and labor organizations, federal agencies, and legislative and congressional activities.

The Office of the General Counsel provides legal service and assistance to all units of the Cabinet in any legal action in which it may be involved. The Office administers all personal service contracts for legal services. This Office reviews and drafts legal documents and instruments, legislation and statutes. It also provides, on a day-to-day basis, legal advice concerning the operation of all programs within the Cabinet, reviews and drafts legal opinions and answers inquiries submitted by federal, state, and local government officials and the public. The Office represents the Cabinet and its officials in federal and state courts, as well as before quasi-judicial and administrative bodies.

The Office of Program Support for the Cabinet for Health Services provides overall administrative support to the Cabinet. The Office includes the following branches: Budget and Policy, Administrative Hearings, Financial Management, Human Resource Development, Technical Support, Purchasing, Executive Director, and Ombudsman

The Budget and Policy branch provides the Secretary with professional support in planning, budgeting, and policy analysis including needs assessments, policy development, and program evaluation. The Administrative Hearings branch provides a fair, efficient, and timely hearing process to issue decisions consistent with laws and regulations. The Financial Management and Reporting branch provides accurate and timely accounting and processing of payments for services, goods, and benefits in accordance with state and federal law. The Human Resources Development branch provides the Cabinet with professional support in personnel administration, human development, employee relations, and payroll benefits administration. The Technology Resources Management branch and Chief Information Office provides network support and technology resources to assist in information management for employees. The Purchasing branch provides services and supplies to Cabinet employees in an efficient and effective manner. The Executive Director provides leadership to coordinate activities within the branches. The Ombudsman provides ombudsman services to vendors and consumers within the managed care arena.

## **Policy**

As required by HB 864 enacted by the 1998 General Assembly, which amends KRS 194, the budget provides for an Office of Women's Health in the amounts of \$134,700 in General Fund and \$23,700 in agency funds in fiscal year 2001 and \$138,000 in General Fund and \$24,500 in agency funds in fiscal year 2002. Funds and staff (eight permanent, full-time) are also provided for establishment of a Business Trends and Economic Analysis Branch (\$349,000 General Fund/\$61,600 federal in fiscal year 2001 and \$358,600 General/\$63,300 federal in fiscal year 2002) and continuation funding for the Distance Communication Center (\$152,800 General/\$27,000 federal in fiscal year 2001 and \$145,200 General/\$25,600 federal in fiscal year 2002)

**Health Services**  
**Children with Special Health Care Needs**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	6,190,600	7,989,500	8,393,400	5,943,000	6,176,100
Tobacco Settlement - I				1,100,800	605,300
<b>Total General Fund</b>	6,190,600	7,989,500	8,393,400	7,043,800	6,781,400
<b>Restricted Funds</b>					
Balance Forward	138,900		148,200		148,200
Current Receipts	4,961,100	3,820,500	1,879,000	3,693,300	3,080,800
Non-Revenue Receipts		-50,000	-50,000	-50,000	-50,000
<b>Total Restricted Funds</b>	5,100,000	3,770,500	1,977,200	3,643,300	3,179,000
<b>Federal Funds</b>					
Balance Forward	100				
Current Receipts	5,270,100	4,668,800	4,669,000	4,668,800	4,669,000
<b>Total Federal Funds</b>	5,270,200	4,668,800	4,669,000	4,668,800	4,669,000
<b>TOTAL SOURCE OF FUNDS</b>	16,560,800	16,428,800	15,039,600	15,355,900	14,629,400
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	8,083,300	8,907,100	8,835,100	8,159,500	8,667,700
Operating Expenses	1,642,300	2,128,100	1,459,500	1,444,300	1,447,400
Grants, Loans or Benefits	6,810,200	4,898,100	4,677,600	5,455,600	4,446,900
Capital Outlay	25,000	347,300	67,400	148,300	67,400
<b>TOTAL EXPENDITURES</b>	16,560,800	16,280,600	15,039,600	15,207,700	14,629,400
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	6,190,600	7,989,500	8,393,400	7,043,800	6,781,400
Restricted Funds	5,100,000	3,622,300	1,977,200	3,495,100	3,179,000
Federal Funds	5,270,200	4,668,800	4,669,000	4,668,800	4,669,000
<b>TOTAL EXPENDITURES</b>	16,560,800	16,280,600	15,039,600	15,207,700	14,629,400
<b>EXPENDITURES BY UNIT</b>					
Handicapped Children Program	14,776,000	14,545,200	13,283,300	13,465,000	12,855,400
Hemophilia Program	1,098,300	1,056,900	1,073,000	1,040,800	1,055,700
Disabled Children's Program	686,500	678,500	683,300	678,500	683,300
Wage Equity				23,400	35,000
<b>TOTAL EXPENDITURES</b>	16,560,800	16,280,600	15,039,600	15,207,700	14,629,400

The Commission for Children with Special Health Care Needs has a 73-year history of providing care for children with a variety of special needs. Through the years, the Commission has evolved from providing surgeries for "crippled children" to offering comprehensive medical care for children with a range of complex needs. A family-centered approach ensures that the family is valued as an integral part of the care plan and services are provided to assist the family in meeting children's needs.

The mission to plan, develop, provide, and evaluate the public statewide system of care for children with special health care needs is established under KRS 200.460 to 200.499, KRS 200.550 and 200.560 (Hemophilia program) and KRS 211.645 and 211.647 (Hearing High Risk Registry).

The Commission for Children with Special Health Care Needs works collaboratively with other agencies to assure services to children with disabilities are comprehensive, community-based, family-centered and coordinated, thus avoiding duplication and fragmentation of the service delivery system.



The family's financial status plays a role in determining whether the child is accepted into the program. All families with income at or below 200 percent of the federal poverty level are accepted. A sliding fee scale based on income and number in household determines what percentage of the cost each family pays for treatment. Individuals who fall outside the program's income guidelines can also receive services through the Commission if they reside in medically under-served areas of the state. The parent or legal guardian is then required to reimburse the Commission for all costs expended for treatment. This allows the Commission to further assist in communities where specialized medical care is unavailable.

In addition to direct care and case management services, the Commission for Children with Special Health Care Needs authorized (KRS 211.645 and 211.647) to administer the hearing conservation program and the hearing high risk registry. Both of these population based services provide a system for early identification and treatment of hearing disorders and can function as a referral source for medical services provided by the Commission's hearing clinics. Audiologists located throughout the state make referrals to these programs. The Hearing High Risk program was initiated in 1985 to identify high risk children as early as possible to minimize potential hearing loss. Parents of newborns are required to complete a standardized family history questionnaire about hearing loss before the child leaves the hospital. This information is forwarded to the state's Vital Statistics Office and the Commission sends an information package to parents of high risk children and recommends follow-up testing by a qualified professional.

### **Policy**

The enacted budget includes Phase I Tobacco Settlement funds of \$1,100,800 in fiscal year 2001 and \$605,300 in fiscal year 2002 for universal newborn hearing screening. Funds will support a coordinator and one clerical staff (\$118,300 in fiscal year 2001 and \$122,700 in fiscal year 2002), professional training and system development, along with equipment.

The enacted budget reduces the General Fund continuation budget of the Commission. As a result of the Cabinet's proposed changes to its Medicaid Managed Care approach, the Commission anticipates that it will be able to continue to operate under the traditional Title V targeted case management approach, thus enabling the Commission to earn Medicaid receipts at levels close to historical experience. As a result, for fiscal year 2002 agency funds were increased while General Fund was decreased.

Included in the enacted budget is a General Fund allocation of \$23,400 in fiscal year 2001 and \$35,000 in fiscal year 2002 for the Wage Equity Plan.

**Health Services  
Medicaid Services**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	659,780,400	762,940,600	827,334,100	726,218,700	782,573,200
<b>Total General Fund</b>	659,780,400	762,940,600	827,334,100	726,218,700	782,573,200
<b>Restricted Funds</b>					
Balance Forward	11,942,700	109,886,800	57,538,900	109,886,800	48,518,100
Current Receipts	167,107,700	166,164,000	158,380,600	172,124,000	170,157,700
Non-Revenue Receipts	165,426,700	6,896,800	8,840,700	6,896,800	8,840,700
<b>Total Restricted Funds</b>	344,477,100	282,947,600	224,760,200	288,907,600	227,516,500
<b>Federal Funds</b>					
Balance Forward	39,979,100				
Current Receipts	2,104,544,300	2,358,967,400	2,481,107,500	2,310,043,800	2,410,666,500
Non-Revenue Receipts	-12,156,000	-22,511,900	-22,233,000	-22,511,900	-22,233,000
<b>Total Federal Funds</b>	2,132,367,400	2,336,455,500	2,458,874,500	2,287,531,900	2,388,433,500
<b>TOTAL SOURCE OF FUNDS</b>	3,136,624,900	3,382,343,700	3,510,968,800	3,302,658,200	3,398,523,200
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	45,773,800	44,789,700	44,321,600	42,106,100	41,630,400
Operating Expenses	2,319,000	2,494,000	2,494,000	2,059,000	2,059,000
Grants, Loans or Benefits	2,978,645,300	3,277,491,100	3,453,090,600	3,209,975,000	3,354,833,800
<b>TOTAL EXPENDITURES</b>	3,026,738,100	3,324,774,800	3,499,906,200	3,254,140,100	3,398,523,200
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	659,780,400	762,940,600	827,334,100	726,218,700	782,573,200
Restricted Funds	234,590,300	225,408,700	213,697,600	240,389,500	227,516,500
Federal Funds	2,132,367,400	2,336,455,500	2,458,874,500	2,287,531,900	2,388,433,500
<b>TOTAL EXPENDITURES</b>	3,026,738,100	3,324,804,800	3,499,906,200	3,254,140,100	3,398,523,200
<b>EXPENDITURES BY UNIT</b>					
Administration	68,171,600	66,009,100	66,454,600	62,860,500	63,328,400
Benefits	2,958,566,500	3,258,795,700	3,433,451,600	3,191,279,600	3,335,194,800
<b>TOTAL EXPENDITURES</b>	3,026,738,100	3,324,804,800	3,499,906,200	3,254,140,100	3,398,523,200

Two major programs operate within the Department for Medicaid Services: the regular Medicaid program and the Kentucky Children's Health Initiative program (K-CHIP).

The Medical Assistance program underwrites payments for health care provided to medically indigent Kentuckians. Eligibility for services is determined by staff in county Cabinet for Families and Children offices. Persons may also automatically qualify for benefits if they are eligible for Supplemental Security Income benefits administered by the Social Security Administration. The Department for Medicaid Services does not provide medical services; it reimburses health care providers who choose to participate in the Medicaid program.

K-CHIP provides services to eligible, uninsured Kentucky children up to 200 percent of the federal poverty level. Aggressive outreach efforts have resulted in over 47,400 children being enrolled in K-CHIP through April of this year. Additionally, a significant number of children who were eligible for Medicaid but not enrolled are now covered under Medicaid due to the aggressive outreach campaign.

**Health Services  
Medicaid Services  
Administration**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	19,425,000	24,673,600	25,428,100	17,323,700	18,079,900
<b>Total General Fund</b>	19,425,000	24,673,600	25,428,100	17,323,700	18,079,900
<b>Restricted Funds</b>					
Balance Forward	848,500				
Current Receipts	11,382,600	7,981,000	7,811,600	13,941,000	13,771,600
<b>Total Restricted Funds</b>	12,231,100	7,981,000	7,811,600	13,941,000	13,771,600
<b>Federal Funds</b>					
Balance Forward	1,095,200				
Current Receipts	47,576,300	55,866,400	55,447,900	54,107,700	53,709,900
Non-Revenue Receipts	-12,156,000	-22,511,900	-22,233,000	-22,511,900	-22,233,000
<b>Total Federal Funds</b>	36,515,500	33,354,500	33,214,900	31,595,800	31,476,900
<b>TOTAL SOURCE OF FUNDS</b>	68,171,600	66,009,100	66,454,600	62,860,500	63,328,400
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	45,773,800	44,789,700	44,321,600	42,106,100	41,630,400
Operating Expenses	2,319,000	2,494,000	2,494,000	2,059,000	2,059,000
Grants, Loans or Benefits	20,078,800	18,695,400	19,639,000	18,695,400	19,639,000
<b>TOTAL EXPENDITURES</b>	68,171,600	65,979,100	66,454,600	62,860,500	63,328,400
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	19,425,000	24,673,600	25,428,100	17,323,700	18,079,900
Restricted Funds	12,231,100	7,981,000	7,811,600	13,941,000	13,771,600
Federal Funds	36,515,500	33,354,500	33,214,900	31,595,800	31,476,900
<b>TOTAL EXPENDITURES</b>	68,171,600	66,009,100	66,454,600	62,860,500	63,328,400
<b>EXPENDITURES BY UNIT</b>					
Medicaid Assistance Administration	61,779,300	59,616,800	60,062,300	56,451,200	56,908,500
KCHIP Administration	6,392,300	6,392,300	6,392,300	6,392,300	6,392,300
Wage Equity				17,000	27,600
<b>TOTAL EXPENDITURES</b>	68,171,600	66,009,100	66,454,600	62,860,500	63,328,400

The Medical Assistance program provides coverage for preventive and remedial medical care not otherwise available to the financially and medically indigent within the state's funding limitations. Administrative functions include: determining the eligibility of applicants, formulating policy, processing claims, surveillance/utilization review recoupment of monies from liable third parties, collecting overpayments and cost reimbursement. Claims are paid through a fiscal agent contract. In addition, the Medicaid program has contractors who are required to provide medical review of Medicaid acute care admissions, provide level of care determinations for long-term care patients and certify the medical necessity and appropriateness of such care, and provide a review of Medicaid recipients in mental hospitals and psychiatric facilities. The eligibility determination function is performed through contract by the Cabinet for Families and Children, Department for Community Based Services.

The Department also administers the Kentucky Children's Health Initiative program (K-CHIP). As a result of aggressive outreach efforts, over 29,000 children have been enrolled in K-CHIP. Uninsured children with incomes below 200 percent of the federal poverty level are eligible for the program.

**Policy**

The budget includes a General Fund allocation for the contract with the Attorney General's Office (\$105,000 in fiscal year 2001 and \$108,000 in fiscal year 2002). Funds are included for the administration-related portion of the Supports for Community Living (SCL) expansion for persons with mental retardation or other developmental disabilities. Total administrative funds for SCL expansion are provided in the amount of \$663,600 in fiscal year 2001 and \$1,327,200 in fiscal year 2002 at a 50/50 state/federal match rate.

The state funded portion of the eligibility contract with the Cabinet for Families and Children is as follow:

	<u>FY 2001</u>	<u>FY 2002</u>
Medicaid Eligibility	10,818,300	11,073,400
K-CHIP Eligibility	242,400	245,200
Total	<u>11,060,700</u>	<u>11,318,600</u>

Included in the budget is a General Fund allocation of \$17,000 in fiscal year 2001 and \$27,600 in fiscal year 2002 for the Wage Equity Plan.

**Health Services  
Medicaid Services  
Benefits**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	640,355,400	738,267,000	801,906,000	708,895,000	764,493,300
<b>Total General Fund</b>	640,355,400	738,267,000	801,906,000	708,895,000	764,493,300
<b>Restricted Funds</b>					
Balance Forward	11,094,200	109,886,800	57,538,900	109,886,800	48,518,100
Current Receipts	155,725,100	158,183,000	150,569,000	158,183,000	156,386,100
Non-Revenue Receipts	165,426,700	6,896,800	8,840,700	6,896,800	8,840,700
<b>Total Restricted Funds</b>	332,246,000	274,966,600	216,948,600	274,966,600	213,744,900
<b>Federal Funds</b>					
Balance Forward	38,883,900				
Current Receipts	2,056,968,000	2,303,101,000	2,425,659,600	2,255,936,100	2,356,956,600
<b>Total Federal Funds</b>	2,095,851,900	2,303,101,000	2,425,659,600	2,255,936,100	2,356,956,600
<b>TOTAL SOURCE OF FUNDS</b>	3,068,453,300	3,316,334,600	3,444,514,200	3,239,797,700	3,335,194,800
<b>EXPENDITURES BY CLASS</b>					
Grants, Loans or Benefits	2,958,566,500	3,258,795,700	3,433,451,600	3,191,279,600	3,335,194,800
<b>TOTAL EXPENDITURES</b>	2,958,566,500	3,258,795,700	3,433,451,600	3,191,279,600	3,335,194,800
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	640,355,400	738,267,000	801,906,000	708,895,000	764,493,300
Restricted Funds	222,359,200	217,427,700	205,886,000	226,448,500	213,744,900
Federal Funds	2,095,851,900	2,303,101,000	2,425,659,600	2,255,936,100	2,356,956,600
<b>TOTAL EXPENDITURES</b>	2,958,566,500	3,258,795,700	3,433,451,600	3,191,279,600	3,335,194,800
<b>EXPENDITURES BY UNIT</b>					
Medicaid Benefits	2,900,856,300	3,164,914,500	3,328,458,200	3,097,398,400	3,230,201,400
KCHIP Benefits	57,710,200	93,881,200	104,993,400	93,881,200	104,993,400
<b>TOTAL EXPENDITURES</b>	2,958,566,500	3,258,795,700	3,433,451,600	3,191,279,600	3,335,194,800

Under Title XIX of the Social Security Act and KRS 205.520, the Kentucky Medicaid program provides for preventive and remedial medical care for financially and medically indigent citizens in Kentucky who meet the technical income and resource criteria for eligibility. The following services are currently provided by Kentucky's Medicaid program: Inpatient Hospital, Physician Services, Nursing Facility Services, Outpatient Hospital, Home Health, Family Planning, Screening, Lab, Dental, Transportation - Non-emergency and Emergency, Vision Care, Hearing Care, Intermediate Care Facilities for the Mentally Retarded (ICF/MR), Pharmacy, Medicare Premiums, Community Mental Health, Mental Hospitals, Psychiatric Residential Treatment Facilities, Renal Dialysis Services, Primary Care/Rural Health, Podiatry, Alternative Intermediate Services for Mentally Retarded (Supports for Community Living), Ambulatory Surgical Centers, Home and Community-Based Waiver (HCBS), Adult Day Care, Nurse Midwife, Nurse Anesthetist, Hospice, Preventive Services, Targeted Case Management, School-based Services, Home-based Services for children who are ventilator dependent, Durable Medical Equipment, portable x-ray, Nurse Practitioners, and other medically necessary diagnostic and treatment services for children (Early Periodic Screening Diagnosis and Treatment (EPSDT)). In addition, qualified Medicare beneficiaries receive the following services: chiropractic, physical therapist, occupational therapist, psychologist, licensed clinical social worker, physician assistant, and comprehensive outpatient rehabilitative facility services.

**Kentucky Medical Assistance Program (KMAP) Recipient Groups**

Persons who are eligible for KMAP benefits are classified into two groups: those who already qualify for some type of financial assistance (categorically eligible) and those eligible for medical assistance only (medically needy).

**Categorically Needy:** Persons in this financial assistance group receive grant money from Temporary Assistance to Need Families (TANF), State Supplementation, or the Supplemental Security Income (SSI) programs. Within this group are the following categories of people: needy families with dependent children; foster care children; those 65 years of age or older with inadequate incomes; the needy blind; and the needy permanently and totally disabled. Any SSI or State Supplementation recipient automatically receives Medicaid. Individuals who meet the technical and financial requirements of the Aid to Families with Dependent Children (AFDC) program as it existed on July 16, 1996, can qualify for Medicaid.

**Medically Needy:** Persons in this group have incomes or resources above a level to qualify for financial assistance to meet basic needs, but have insufficient income to meet all or part of their medical needs. This group also includes: pregnant women and infants with household income of less than 185 percent of the Federal Poverty Level (FPL); children under age six with household income under 133 percent of FPL; and children born after September 30, 1983, who have attained six years of age but have not attained 19 years of age in families with income not exceeding 100 percent of the FPL.

<b>2000 Poverty Guidelines</b>	
<b>Family Size</b>	<b>Monthly Income</b>
1	\$ 696
2	\$ 938
3	\$1,179
4	\$1,420
5	\$1,663
6	\$1,904
7	\$2,146
8	\$2,388

Although the aged, blind, and disabled (both categorically and medically needy) represent only 38 percent of the recipient population, they account for approximately 55 percent of expenditures. The recommended budget assumes average monthly eligibles of 518,233 in fiscal year 2001 with an add-on of 28,264 due to outreach activities for a total of 546,497 and 521,376 in fiscal year 2002 with an add-on of 28,056 due to outreach activities for a total of 549,432 as submitted in the budget request.

**Provider Taxes**

Although the majority of the funds that the Commonwealth uses to match federal Medicaid dollars are derived from the General Fund, approximately 21 percent of the program's fiscal year 1999 expenditure match was secured from a dedicated provider tax. The tax is levied on hospitals, home health agencies, health maintenance organizations, and long-term care facilities. The phase-out of the physician provider tax was completed at the end of June 1999. The phase-out of the pharmacy tax will be completed by the end of June 2000. Funds have been included in the budget to offset this reduction.

**Disproportionate Share Hospital (DSH) Payments:**

The Federal Balanced Budget Act of 1997 effectively capped Disproportionate Share Hospital (DSH) payments at \$174.6 million in fiscal year 2001 and \$164.8 million in fiscal year 2002. Disproportionate share hospital payments to state mental hospitals are budgeted at approximately \$31 million in fiscal year 2001 and \$29 million in fiscal year 2002.

The enacted budget assumes that the Region Three partnership will continue to operate. Other areas of the state are expected to operate under managed care provisions as allowed under the federal Balanced Budget Act of 1997.

**Benefit Match Rate**

The enacted budget assumes a federal medical assistance percentage (FMAP) of 70.43 for state fiscal year 2001 and 70.39 for state fiscal year 2002.

**Quality and Charity Care Trust Fund**

To the extent that all parties agree, the General Fund appropriation of the Quality and Charity Care Trust Fund may be transferred to the Department for Medicaid Services Benefits.

**Kentucky Children's Health Initiative Program (K-CHIP)**

The Kentucky Children's Health Initiative program was initiated under Title XXI of the Social Security Act.

The enacted budget funds K-CHIP at a total of \$93,881,200 in fiscal year 2001 and \$104,993,400 in fiscal year 2002. The budget anticipates a gradual spend-down of funds from the "Kentucky Children's Health Insurance Program Trust Fund" as established in KRS 205.6478. Because very little of the money appropriated in fiscal year 1999 for K-CHIP was expended, these funds are available to spend down through fiscal year 2002.

As a result of aggressive outreach efforts, 47,400 children under 200 percent of the Federal Poverty Level have now been enrolled in K-CHIP.

## **Policy**

The enacted budget includes additional funds in fiscal year 2001 of \$16,590,300 (including General Fund of \$4,977,600) and \$33,181,000 (General Fund of \$9,955,300) in fiscal year 2002 to provide for an estimated 250 slots in fiscal year 2001 and an additional 250 slots for a total of 500 new slots in fiscal year 2002 for the Supports for Community Living program. This will provide community-based options for persons with mental retardation and other developmental disabilities.

General Fund support of \$1,000,000 in fiscal year 2001 and \$2,000,000 in fiscal year 2002 is provided to initiate a revised nursing facility reimbursement system. The General Fund will generate federal funds of \$2,381,800 and \$4,754,500 for fiscal years 2001 and 2002, respectively, for this initiative.

The enacted budget includes \$11,160,000 in fiscal year 2001 (\$2,415,000 General Fund, \$885,000 agency funds, and \$7,860,000 federal funds) and \$11,144,900 in fiscal year 2002 (\$3,300,000 General Fund and \$7,844,900 federal funds) for increases in dental reimbursement.

Additionally, funds of \$473,400 (\$140,000 General Fund and \$333,400 federal funds) are provided for fiscal year 2001 and \$472,800 (\$140,000 General Fund and \$332,800 federal funds) for fiscal year 2002 to increase optometrist reimbursements.

**Health Services**  
**Mental Health/Mental Retardation**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	158,871,800	191,369,500	204,664,600	172,231,600	182,904,300
Tobacco Settlement - I				1,000,000	1,000,000
<b>Total General Fund</b>	158,871,800	191,369,500	204,664,600	173,231,600	183,904,300
<b>Restricted Funds</b>					
Balance Forward	1,983,356				
Current Receipts	128,672,141	135,312,000	141,523,400	138,845,900	144,988,900
Non-Revenue Receipts	7,459,103	7,713,900	8,184,000	7,713,900	8,184,000
<b>Total Restricted Funds</b>	138,114,600	143,025,900	149,707,400	146,559,800	153,172,900
<b>Federal Funds</b>					
Balance Forward	147,319				
Current Receipts	43,402,381	45,592,300	45,730,000	45,587,300	45,723,600
<b>Total Federal Funds</b>	43,549,700	45,592,300	45,730,000	45,587,300	45,723,600
<b>TOTAL SOURCE OF FUNDS</b>	340,536,100	379,987,700	400,102,000	365,378,700	382,800,800
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	124,900,100	141,344,000	151,275,500	135,500,300	145,547,800
Operating Expenses	20,213,400	23,755,700	25,132,500	20,568,000	23,102,900
Grants, Loans or Benefits	194,907,600	213,813,500	222,952,300	208,778,500	213,206,400
Debt Service					702,000
Capital Outlay	515,000	1,074,500	741,700	531,900	241,700
<b>TOTAL EXPENDITURES</b>	340,536,100	379,987,700	400,102,000	365,378,700	382,800,800
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	158,871,800	191,369,500	204,664,600	173,231,600	183,904,300
Restricted Funds	138,114,600	143,025,900	149,707,400	146,559,800	153,172,900
Federal Funds	43,549,700	45,592,300	45,730,000	45,587,300	45,723,600
<b>TOTAL EXPENDITURES</b>	340,536,100	379,987,700	400,102,000	365,378,700	382,800,800
<b>EXPENDITURES BY UNIT</b>					
Community Alcohol and Drug Services	38,957,800	39,034,800	40,297,900	39,756,800	40,012,900
Community Mental Health Services	52,703,800	59,122,500	60,539,400	55,585,400	56,848,800
Community Mental Retardation Services	48,092,900	57,516,500	61,164,300	56,927,600	59,969,700
General Mental Health/Mental Retardation Support	29,176,500	29,679,000	30,437,800	28,543,000	28,130,000
Residential Mental Health/Mental Retardation	171,605,100	194,634,900	207,662,600	184,299,500	197,518,600
Wage Equity				266,400	320,800
<b>TOTAL EXPENDITURES</b>	340,536,100	379,987,700	400,102,000	365,378,700	382,800,800

The Department is the primary state agency for operating Mental Health, Mental Retardation, Substance Abuse, and Developmental Disabilities programs. Services are provided both in the community and directly in state-owned and/or operated facilities. Over 1,500 inpatients are cared for daily in the facilities and several thousand more are treated as outpatients in community mental health centers operated by 14 regional community mental health/mental retardation boards.



In recent years, the Department has placed increasing emphasis on services to children and strategies which allow for earlier intervention as a means of avoiding more expensive hospital or residential services. Additionally, early intervention for children with developmental delays helps children to develop to their full potential and to enter school ready to learn.

**Policy**

Included in the enacted budget is a General Fund allocation of \$266,400 in fiscal year 2001 and \$320,800 in fiscal year 2002 for the Wage Equity Plan.

**Health Services**  
**Mental Health/Mental Retardation**  
**Community Alcohol and Drug Services**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	8,414,500	8,833,900	10,032,800	8,580,900	8,774,200
Tobacco Settlement - I				1,000,000	1,000,000
<b>Total General Fund</b>	8,414,500	8,833,900	10,032,800	9,580,900	9,774,200
<b>Restricted Funds</b>					
Balance Forward	324,631				
Current Receipts	630,700	650,000	650,000	630,000	630,000
Non-Revenue Receipts	1,794,669	2,300,000	2,300,000	2,300,000	2,300,000
<b>Total Restricted Funds</b>	2,750,000	2,950,000	2,950,000	2,930,000	2,930,000
<b>Federal Funds</b>					
Balance Forward	775				
Current Receipts	27,792,525	27,250,900	27,315,100	27,245,900	27,308,700
<b>Total Federal Funds</b>	27,793,300	27,250,900	27,315,100	27,245,900	27,308,700
<b>TOTAL SOURCE OF FUNDS</b>	38,957,800	39,034,800	40,297,900	39,756,800	40,012,900
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	2,833,800	3,072,600	3,064,700	3,424,000	3,188,700
Operating Expenses	192,500	170,600	174,700	180,400	162,400
Grants, Loans or Benefits	35,931,500	35,791,600	37,058,500	36,152,400	36,661,800
<b>TOTAL EXPENDITURES</b>	38,957,800	39,034,800	40,297,900	39,756,800	40,012,900
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	8,414,500	8,833,900	10,032,800	9,580,900	9,774,200
Restricted Funds	2,750,000	2,950,000	2,950,000	2,930,000	2,930,000
Federal Funds	27,793,300	27,250,900	27,315,100	27,245,900	27,308,700
<b>TOTAL EXPENDITURES</b>	38,957,800	39,034,800	40,297,900	39,756,800	40,012,900

Community Alcohol and Drug Services supports the provision of quality treatment, prevention, early identification, and education services to citizens suffering from, or who are at-risk of, alcohol and drug abuse. Approximately 36,000 persons receive services through this program. Services are provided primarily through contracts with 16 regional prevention centers.

Alcohol and other drug abuse prevention and treatment services are provided pursuant to KRS Chapter 222 (Alcohol and Drug Education, Treatment, and Rehabilitation). The receipts from alcohol intoxication fees are received pursuant to KRS 431.100. Other statutes under which the program operates include: KRS 189A (Driving Under the Influence (DUI) assessment, education, and treatment) and KRS 218A.410 (Drug Forfeiture).

Services provided primarily through contracts with community-based service providers (Community Mental health Centers and their subcontractors, schools, local government agencies, and other community-based organizations) include: prevention programming in communities offered through 16 Regional Prevention Centers; school-based student assistance programs; juvenile diversion programs; DUI assessment and education programs; consultation with businesses on the development of a drug-free work place and employee assistance programs; social setting detoxification centers, residential treatment centers, and output treatment services; and specialized treatment services for pregnant women, adolescents, and intravenous drug users. In addition, methadone outpatient treatment services are available to opiate dependent persons who are high-risk for HIV disease due to their intravenous drug use. Training, consultation, client evaluations, and treatment services are made available, within budget limitations, to the Department for Community Based Services, Drug Courts, and the Department of Corrections for clients with alcohol and other drug problems.

**Policy**

As part of the Early Childhood initiatives enacted by the General Assembly, \$1,000,000 in Phase I Tobacco Settlement funds have been appropriated each year of the biennium for substance abuse treatment programs for women.

Additionally, a General Fund allocation of \$150,000 is provided each year for alcohol and substance abuse treatment services to be provided as part of the Boys and Girls Clubs of America national prevention program.

**Health Services  
Mental Health/Mental Retardation  
Community Mental Health Services**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	32,571,500	38,383,700	39,569,100	34,846,600	35,878,500
<b>Total General Fund</b>	32,571,500	38,383,700	39,569,100	34,846,600	35,878,500
<b>Restricted Funds</b>					
Balance Forward	17,766				
Current Receipts	8,322,500	7,544,000	7,540,500	7,544,000	7,540,500
Non-Revenue Receipts	2,602,034	2,300,000	2,500,000	2,300,000	2,500,000
<b>Total Restricted Funds</b>	10,942,300	9,844,000	10,040,500	9,844,000	10,040,500
<b>Federal Funds</b>					
Balance Forward	29				
Current Receipts	9,189,971	10,894,800	10,929,800	10,894,800	10,929,800
<b>Total Federal Funds</b>	9,190,000	10,894,800	10,929,800	10,894,800	10,929,800
<b>TOTAL SOURCE OF FUNDS</b>	52,703,800	59,122,500	60,539,400	55,585,400	56,848,800
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	8,232,700	8,202,200	8,600,900	10,218,700	10,744,500
Operating Expenses	300,500	329,700	338,000	295,800	295,800
Grants, Loans or Benefits	44,170,600	50,590,600	51,600,500	45,070,900	45,808,500
<b>TOTAL EXPENDITURES</b>	52,703,800	59,122,500	60,539,400	55,585,400	56,848,800
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	32,571,500	38,383,700	39,569,100	34,846,600	35,878,500
Restricted Funds	10,942,300	9,844,000	10,040,500	9,844,000	10,040,500
Federal Funds	9,190,000	10,894,800	10,929,800	10,894,800	10,929,800
<b>TOTAL EXPENDITURES</b>	52,703,800	59,122,500	60,539,400	55,585,400	56,848,800

Community Mental Health Services seek to assure that Kentuckians with mental health problems have an array of services available that will support and improve their ability to function. To accomplish this mission, the Department has contracted with 14 regional mental health/mental retardation boards that oversee the individual community mental health centers in local communities. In addition, the Division of Mental Health has targeted funds to priority populations considered to be the most vulnerable and in need of services. These are:

- Adults with severe mental illness (KRS 210, KRS 202A);
- Children and youth with severe emotional disabilities (KRS 200.500 to KRS 200.509);
- Victims and perpetrators of sexual abuse or domestic violence (908KAR 2.070); and
- Persons having acquired traumatic brain injury (KRS 211.470 to KRS 211.478).

In accordance with KRS 210.410, community mental health centers (CMHCs) must provide persons with mental health problems with specific services such as: consultation and educational services to help individuals understand their illnesses and treatment options; therapeutic rehabilitation programs, where a person with mental illness may receive services to assist them to live independently within the community; outpatient services; emergency services; and inpatient services, which are generally made available through referrals to state or community hospitals.

Additionally, state and federal funds are used to expand the array of services to include case management services, psychotropic medications, and housing and vocational support services for adults with severe mental illness. Funds are also provided for unique services that "wrap around" a child or adult who is at risk of psychiatric hospitalization. These funds are used to purchase goods and services that are individualized and can include peer mentoring, respite, and social skills training. To address the staggering impact of sexual or domestic violence on the mental health of its victims, treatment services for victims and perpetrators, along with rape crisis services have been implemented across the state through 13 rape crisis centers. Each center serves approximately nine counties.

The Community Mental Health program also assists in statewide mental health planning; defines, implements and monitors services; provides technical assistance and training to providers, consumers and the general public; and procures and administers additional federal and other mental health funds. The Department has developed mental health outcomes for community mental health services in collaboration with consumers and providers, and tested outcome measurement tools during the last two fiscal years. These tools measure outcomes of treatment such as overall functioning, symptom reduction, substance abuse patterns, and medication usage. A companion survey will measure consumer satisfaction with mental health services. Non-confidential client data will be combined with system data to present system-wide trends and identify opportunities for quality improvement.

The Brain Injury Services unit was formed in March 1999. Its mission is to develop comprehensive services and support for persons with acquired brain injuries and their families. Funding for the unit and its services is derived from fees imposed for violations of certain traffic laws and convictions for Driving Under the Influence (DUI) violations.

## **Policy**

The enacted budget provides increased General Fund support in the amount of \$350,000 in fiscal year 2001 and \$375,000 in fiscal year 2002 for rape crisis centers. An additional \$100,000 in General Fund support is provided each year to Elizabethtown Rape Crisis Center.

The enacted budget provides additional funding for crisis stabilization units in the form of a General Fund allocation of \$100,000 in each year of the biennium for the Mountain Comprehensive Care Center to support an adult crisis stabilization unit. General Fund of \$650,000 each year is provided for Bluegrass Regional MH/MR Board to support operating costs in the new adult and one new children's crisis stabilization unit.

Funding is provided in fiscal year 2001 in the amount of \$350,000 and in fiscal year 2002 in the amount of \$450,000 from the General Fund for New Beginnings in Fayette County to provide operating costs for three group homes for severely mentally ill adults.

A General Fund allocation of \$125,000 in fiscal year 2001 and \$250,000 in fiscal year 2002 is provided for additional support for deaf and hard of hearing clients.

**Health Services  
Mental Health/Mental Retardation  
Community Mental Retardation Services**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	29,504,500	38,057,500	40,569,500	34,718,600	36,374,900
<b>Total General Fund</b>	29,504,500	38,057,500	40,569,500	34,718,600	36,374,900
<b>Restricted Funds</b>					
Balance Forward	207,085				
Current Receipts	9,490,515	9,860,600	10,716,100	12,610,600	13,716,100
Non-Revenue Receipts	3,062,400	3,113,900	3,384,000	3,113,900	3,384,000
<b>Total Restricted Funds</b>	12,760,000	12,974,500	14,100,100	15,724,500	17,100,100
<b>Federal Funds</b>					
Balance Forward	78				
Current Receipts	5,828,322	6,484,500	6,494,700	6,484,500	6,494,700
<b>Total Federal Funds</b>	5,828,400	6,484,500	6,494,700	6,484,500	6,494,700
<b>TOTAL SOURCE OF FUNDS</b>	48,092,900	57,516,500	61,164,300	56,927,600	59,969,700
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	2,953,200	2,863,700	2,976,100	3,060,600	3,222,700
Operating Expenses	529,400	580,700	593,400	550,500	564,200
Grants, Loans or Benefits	44,610,300	54,072,100	57,594,800	53,316,500	56,182,800
<b>TOTAL EXPENDITURES</b>	48,092,900	57,516,500	61,164,300	56,927,600	59,969,700
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	29,504,500	38,057,500	40,569,500	34,718,600	36,374,900
Restricted Funds	12,760,000	12,974,500	14,100,100	15,724,500	17,100,100
Federal Funds	5,828,400	6,484,500	6,494,700	6,484,500	6,494,700
<b>TOTAL EXPENDITURES</b>	48,092,900	57,516,500	61,164,300	56,927,600	59,969,700
<b>EXPENDITURES BY UNIT</b>					
Local Mental Retardation Services	46,743,400	56,142,800	59,775,300	55,553,900	58,581,700
Ky Developmental Disability Council	1,349,500	1,373,700	1,389,000	1,373,700	1,388,000
<b>TOTAL EXPENDITURES</b>	48,092,900	57,516,500	61,164,300	56,927,600	59,969,700

Community Mental Retardation Services provides an array of services to enable children and adults with mental retardation and other developmental disabilities to have quality lives through inclusion in all aspects of community life. This includes a place to live, education and learning, a job, health care, and social and civic participation. Services are provided via contracts with community mental health/mental retardation boards, state universities, and for-profit and non-profit agencies and include residential, vocational, educational, and social support. Residential services include family homes, group homes, supervised apartment living, staffed residences, and other alternative living arrangements. Supported Living Services are provided to give individuals with disabilities the supports they need to live as independently as possible in their homes and to participate in the community to the fullest extent possible and supported employment provides individuals with mental retardation and other developmental disabilities the necessary support to find a job, receive support and training on the job site, and then to receive the ongoing support necessary to keep that job or to find another job if necessary or desired. Children, ages birth through two years, who have a developmental delay, or have a diagnosed condition are eligible for services through the Kentucky Early Intervention System (KEIS) also know as First Steps. Services. Supports provided by KEIS include therapy, education, counseling and respite. These services create opportunities for children to grow and develop to their full potential and reduce the financial and emotional stress associated with a child with a disability. In addition to the above programs, support services are provided to persons of all ages with mental retardation and other developmental disabilities and include respite care, service coordination, leisure/recreation, habilitation, in-home support and training, and therapy services.

Developmental Disabilities Planning, another program component, promotes systems change, capacity building and advocacy for people with developmental disabilities. These services are managed by the Developmental Disabilities Council, a group of 25 persons including consumers, parents and representatives of state and local agencies appointed by the Governor. The Council was established by the Developmental Disabilities Assistance Act (PL 104-183) and KRS 194.135. Of the 1.5 million persons living in Kentucky who have disabilities, approximately 110,000 - 122,000 have developmental disabilities. The Council serves as an advocate by conducting programs, projects and activities that enhance the independence, productivity and integration and inclusion of persons with disabilities into their communities. An example of activities funded by the Council is the Assistive Technology Revolving Loan project which has provided start-up funding for persons with disability to obtain their own assistive technology.

## Policy

The enacted budget includes an additional General Fund base allocation of \$3,864,900 and additional agency funds of \$2,750,000 in fiscal year 2001 for First Steps. In fiscal year 2002, additional General Fund base support of \$4,552,600 and additional agency funds of \$3,000,000 are provided. These figures assume a Medicaid/K-CHIP penetration rate of approximately 57 percent. With the aggressive outreach efforts undertaken in K-CHIP and Medicaid, almost 50,000 children have been enrolled in either K-CHIP or Medicaid over the last six months. If First Steps personnel take an equally aggressive approach regarding referral for enrollment of children in K-CHIP and Medicaid, agency receipts should increase significantly.

Additional funding for the Supports for Community Living (SCL) program is displayed in the Medicaid budget. Additional funding includes General Fund support of \$331,800 in Administration and \$4,977,600 in Benefits for fiscal year 2001. The corresponding federal match for Administration is \$331,800 and for Benefits is \$11,612,700. For fiscal year 2002, the Medicaid budget includes \$663,600 in General Fund support and a like amount of federal funds for Administration related to SCL. The Benefits budget for fiscal year 2002 includes \$9,955,300 in General Fund support and \$23,225,700 in federal funds for expansion of the SCL program.

General Fund support of \$130,000 each year is provided in additional funding for the Castlewood Prader-Willis Syndrome Group Home. The enacted budget provides \$25,000 from the General Fund each year for the Wayland Therapeutic Rehabilitation Center to support an outreach worker. General Fund support of \$160,000 is provided each year for the Day Springs Group Home to support operating costs. The Communicare MH/MR Board in Elizabethtown is provided \$250,000 from the General Fund each year to support workshop employment. Willowoods Apartments/Group Homes is provided \$50,000 from the General Fund in fiscal year 2001 to renovate an existing facility. Lifeskills Comprehensive Care Board is provided \$20,000 from the General Fund each year for the Association for Retarded Citizens or its affiliate to purchase and operate a van. In fiscal year 2002, \$150,000 from the General Fund is provided to support operating costs for the Washington County duplex. The Wendover Group Home, sponsored by the Point ARC of Northern Kentucky is provided \$25,200 from the General Fund each year to support operating costs. The Hancock Group Home, sponsored by the ARC of Northern Kentucky is provided \$15,200 from the General Fund each year to support operating costs and the Point Ridge Group Home in Northern Kentucky is provided \$10,000 in fiscal year 2001 to support operating costs. The Communicare Supported Living Council in Elizabethtown is provided \$200,000 from the General Fund each year for supported living services. Finally, \$50,000 from the General Fund is provided each year to support "Project Learn" through the Communicare MH/MR Board.

**Health Services**  
**Mental Health/Mental Retardation**  
**General Mental Health/Mental Retardation Support**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	28,703,500	29,506,000	30,264,800	28,350,000	27,937,000
<b>Total General Fund</b>	28,703,500	29,506,000	30,264,800	28,350,000	27,937,000
<b>Restricted Funds</b>					
Balance Forward	264,331				
Current Receipts				20,000	20,000
Non-Revenue Receipts	35,669				
<b>Total Restricted Funds</b>	300,000			20,000	20,000
<b>Federal Funds</b>					
Current Receipts	173,000	173,000	173,000	173,000	173,000
<b>Total Federal Funds</b>	173,000	173,000	173,000	173,000	173,000
<b>TOTAL SOURCE OF FUNDS</b>	29,176,500	29,679,000	30,437,800	28,543,000	28,130,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	2,494,600	2,270,200	2,377,300	2,148,000	2,250,500
Operating Expenses	721,500	829,500	847,500	792,700	811,700
Grants, Loans or Benefits	25,960,400	26,579,300	27,213,000	25,602,300	25,067,800
<b>TOTAL EXPENDITURES</b>	29,176,500	29,679,000	30,437,800	28,543,000	28,130,000
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	28,703,500	29,506,000	30,264,800	28,350,000	27,937,000
Restricted Funds	300,000			20,000	20,000
Federal Funds	173,000	173,000	173,000	173,000	173,000
<b>TOTAL EXPENDITURES</b>	29,176,500	29,679,000	30,437,800	28,543,000	28,130,000

The General Mental Health/Mental Retardation (MH/MR) Support program includes the Commissioner's Office, the Division of Administration and Financial Management, and Community Care Grants. Through the Commissioner's Office, this program supports activities related to policy and budget development, program monitoring, standards development, and management decision-making for the overall direction of the Department.

Through the Division of Administration and Financial Management, this program provides the support and financial management to implement programs and services pursuant to the duties and responsibilities of the Department. The program provides centralized administrative, financial, contract, and grant management support as well as budget preparation, execution, and analysis. It coordinates the development of plans and budgets, provides program evaluations, and oversees the preparation and upkeep of the policies and procedures manual for the community mental health centers. Through contracts with the University of Kentucky, technical support as well as information support services are provided to the Department.

Over the last four years, a statewide personal computer network of approximately 1,700 users located at 11 facilities and the central office has been established. The Department continues to enhance its network resources through additional hubs, workstations, and wiring and has enhanced office automation technologies such as e-mail, word processing, and scheduling to over 75 percent of its 2,200 employees. The Department is currently procuring and implementing several core software applications for the operation of its 11 facilities that include pharmacy, admission/discharge/transfer, patient accounting, nursing management, integrated report writing, and medical records. Plans also include development of an information system to meet the administrative needs of the central office including decision support for staff related to the management of community mental health center resources.



The Community Care Grant funds included in this program provide the funding for the "core services" or "safety net" for individuals needing mental health, mental retardation, and/or substance abuse services, and the infrastructure that supports and provides these services. Kentucky Revised Statute 210.420 requires the distribution by formula for these funds and designates the local community mental health centers as the local planning authority and recipients of these funds. This statute allows the centers some discretion as to which program areas and which services will be funded based on local needs communicated to the Department via the plan and budget of each center. The plan and budget sets forth the need for services, the cost provision, and the number of clients to be served by each program area.

**Health Services**  
**Mental Health/Mental Retardation**  
**Residential Mental Health/Mental Retardation**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	59,677,800	76,588,400	84,228,400	65,469,100	73,618,900
<b>Total General Fund</b>	59,677,800	76,588,400	84,228,400	65,469,100	73,618,900
<b>Restricted Funds</b>					
Balance Forward	1,169,543				
Current Receipts	110,228,426	117,257,400	122,616,800	118,041,300	123,082,300
Non-Revenue Receipts	-35,669				
<b>Total Restricted Funds</b>	111,362,300	117,257,400	122,616,800	118,041,300	123,082,300
<b>Federal Funds</b>					
Balance Forward	146,437				
Current Receipts	418,563	789,100	817,400	789,100	817,400
<b>Total Federal Funds</b>	565,000	789,100	817,400	789,100	817,400
<b>TOTAL SOURCE OF FUNDS</b>	171,605,100	194,634,900	207,662,600	184,299,500	197,518,600
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	108,385,800	124,935,300	134,256,500	116,382,600	125,820,600
Operating Expenses	18,469,500	21,845,200	23,178,900	18,748,600	21,268,800
Grants, Loans or Benefits	44,234,800	46,779,900	49,485,500	48,636,400	49,485,500
Debt Service					702,000
Capital Outlay	515,000	1,074,500	741,700	531,900	241,700
<b>TOTAL EXPENDITURES</b>	171,605,100	194,634,900	207,662,600	184,299,500	197,518,600
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	59,677,800	76,588,400	84,228,400	65,469,100	73,618,900
Restricted Funds	111,362,300	117,257,400	122,616,800	118,041,300	123,082,300
Federal Funds	565,000	789,100	817,400	789,100	817,400
<b>TOTAL EXPENDITURES</b>	171,605,100	194,634,900	207,662,600	184,299,500	197,518,600

The Residential Mental Health/Mental Retardation Services program provides inpatient services in the areas of psychiatric hospitalization, intermediate care for persons with mental retardation, nursing facility care, forensic psychiatry, and substance abuse. The Department provides care to over 1,500 inpatients each day.

Inpatient psychiatric services are provided for adults 18 and older through three psychiatric hospitals: Eastern State Hospital in Lexington; Central State Hospital in Louisville; and Western State Hospital in Hopkinsville. The Hazard Psychiatric Facility (100 beds) provides acute inpatient psychiatric services through a contract with the Department. Eastern State Hospital is operated under a management contract with Bluegrass Regional Mental Health/Mental Retardation Board, Inc.

Two facilities, Glasgow Intermediate Care Facility (100 beds) and Western State Intermediate Care Facility (144 beds) on the campus of Western State Hospital, provide nursing facility services for mentally ill patients age 18 and over who are admitted from state psychiatric hospitals.

Seven facilities provide intermediate care for the mentally retarded who are unable to live unassisted in their community: Oakwood in Somerset (420 beds); Outwood in Dawson Springs (80 beds); Hazelwood in Louisville (201 beds); Central State Intermediate Care Facility for the Mentally Retarded on the campus of Central State Hospital (50 beds); Del Maria in Fern Creek (8 beds); the Meadows in Mount Washington (8 beds); and Windsong in Crestwood (8 beds). Residents are assisted in self-care skills, appropriate social behavior and are provided an array of specialized services designed to promote the personal growth of the individual.

Volta House, a 30-bed facility on the campus of Western State Hospital in Hopkinsville, provides a 28-day inpatient program for individuals suffering from chronic or acute alcoholism

Forensic psychiatric services are provided at the Kentucky Correctional Psychiatric Center within the Luther Lockett Correctional Complex in LaGrange (93 beds). Pretrial services are provided for persons with felony charges who are referred by district and circuit courts for evaluation of competency to stand trial. The correctional component serves post convicted patients in need of acute inpatient psychiatric treatment who are transferred from various institutions within the Department of Correction:

## **Policy**

The enacted budget includes agency (Medicaid) funds to cover the costs related to additional staffing needs in Hazelwood, Oakwood, and Central Intermediate Care Facility for the Mentally Retarded. The necessary state match and associated federal funds for the additional staff are included in the Medicaid-Benefits budget. Increased staff (nurses, patient aides, therapy assistants) include 112 in fiscal year 2001 and 241 in fiscal year 2002.

New General Fund debt service is provided in fiscal year 2002 for the following projects: a boiler replacement at Central State Hospital (\$252,000), a new power plant at Western State Hospital (\$394,000), and a roof repair pool (\$56,000).

Any agency fund carryforward, up to \$900,000 each fiscal year may be used to fund a planned replacement program of the Department's computers and software, primarily in the Residential Services Program. The facilities make extensive use of information technology in admissions and discharge, purchasing of hospital supplies and equipment, and in the pharmacy and dietary areas. Additionally, efforts are underway to link all hospitals by utilizing compatible computers and software. As equipment and technology become outdated or obsolete, planned replacement schedules are needed.

**Health Services  
Public Health**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	56,291,700	75,704,000	84,021,100	64,514,400	65,028,100
Tobacco Settlement - I				14,144,800	18,184,700
Continuing Appropriation	297,000				
<b>Total General Fund</b>	56,588,700	75,704,000	84,021,100	78,659,200	83,212,800
<b>Restricted Funds</b>					
Balance Forward	865,400				
Current Receipts	8,850,600	10,895,400	10,891,900	12,830,200	15,427,900
<b>Total Restricted Funds</b>	9,716,000	10,895,400	10,891,900	12,830,200	15,427,900
<b>Federal Funds</b>					
Balance Forward	635,100				
Current Receipts	129,206,100	121,598,900	121,594,800	122,036,400	122,032,300
<b>Total Federal Funds</b>	129,841,200	121,598,900	121,594,800	122,036,400	122,032,300
<b>TOTAL SOURCE OF FUNDS</b>	196,145,900	208,198,300	216,507,800	213,525,800	220,673,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	28,919,600	30,508,000	31,499,200	29,155,000	30,288,900
Operating Expenses	11,851,800	11,502,400	11,658,200	11,502,400	11,658,200
Grants, Loans or Benefits	155,125,200	166,027,900	173,170,400	172,708,400	178,545,900
Capital Outlay	249,300	160,000	180,000	160,000	180,000
<b>TOTAL EXPENDITURES</b>	196,145,900	208,198,300	216,507,800	213,525,800	220,673,000
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	56,588,700	75,704,000	84,021,100	78,659,200	83,212,800
Restricted Funds	9,716,000	10,895,400	10,891,900	12,830,200	15,427,900
Federal Funds	129,841,200	121,598,900	121,594,800	122,036,400	122,032,300
<b>TOTAL EXPENDITURES</b>	196,145,900	208,198,300	216,507,800	213,525,800	220,673,000
<b>EXPENDITURES BY UNIT</b>					
General Health Support	17,651,000	23,490,800	21,355,600	22,240,800	21,305,700
Epidemiology and Health Planning	21,964,800	21,772,400	22,122,200	24,009,900	24,349,700
Adult and Child Health	141,914,300	146,003,100	155,603,900	150,448,700	157,668,900
Laboratory Services	6,352,100	6,494,400	6,794,100	6,394,400	6,684,100
Public Health Protection and Safety	8,263,700	10,437,600	10,632,000	10,337,600	10,532,000
Wage Equity				94,400	132,600
<b>TOTAL EXPENDITURES</b>	196,145,900	208,198,300	216,507,800	213,525,800	220,673,000

The Department for Public Health (DPH) is the single organizational unit of Kentucky state government that is responsible for developing and operating all health related programs and activities that provide services to protect and improve the health of the citizens of the Commonwealth.

The Department is responsible for programs that affect the quality of life of every citizen in the state every day. What distinguishes public health from personal preventive health services—those preventive services provided by private physicians, hospitals, clinics, and other private organizations—is the systematic action on behalf of the community or society. Public health organizations are accountable to the populations they serve, and public health officials are primarily responsible for the health of the population living in their jurisdiction (county, group of counties, state). Private health providers are primarily responsible for the health of only the patients who come to them for services.

In fiscal year 1998, the public health departments of Kentucky reported the following accomplishments:

- Adult health preventive or other problem related clinical visits - 336,792
- Cancer related clinical visits (primarily breast and cervical cancer) - 25,066
- Cardiovascular disease visits - 18,906
- Diabetes visits - 4,681
- Family planning services - 124,198
- Maternity services - 33,392
- 821,353 medical home health units/visits to 14,154 patients
- 442,352 units/visits of Medicaid Home and Community Based Services to 2,742 person
- Children's preventive services - 209,097
- Referrals to university diagnostic centers for 637 infants with positive or inconclusive results for phenylketonuria (PKU), galactosemia, congenital hypothyroidism and sickle cell diagnosis and early intervention services for chronic illness (developmental delay through First Steps, Kentucky's Early Intervention System to 3,477 children; 862 of whom were found to have risk conditions that affect their development
- Genetic testing, counseling and education for 1,358 persons
- Provided 923,900 doses of vaccine to Kentuckians. Eighty-one percent of Kentucky's two-year-olds have received the required immunizations. This achievement places the Commonwealth three percentage points above the national average and represents an 18 percent improvement since 1989
- Conducted inspections of 60,500 food establishments, 1,500 X-ray and other radiation-producing machines, and 10,000 dairies.

The Cabinet for Health Services and the Department for Public Health have relied on local health departments to carry out functions that enable the Cabinet and the Department to meet their state mandates. Local health departments address two major functions for the state: core public health activities required by statute or regulation, and preventive services to specific populations mandated by budget appropriations. The seven core functions are: enforcement of public health regulation; surveillance of public health; communicable disease control; public health education; public health policy development; reduction of risk to families and children; and disaster preparedness. Preventive services for specific populations include family planning; prenatal care, well child care, Women, Infants, and Children supplemental nutrition services (WIC), adult preventive services, and chronic disease monitoring and support services.

Local health departments have authority but no mandate to provide additional services depending on the availability of alternative revenue sources. Examples of these services include home health services, physician based ambulatory primary care services and expanded school health services.

Federal public health agencies are increasingly expecting local public health agencies to find ways to obtain population based public health results rather than obtaining results through individual patient services that are becoming increasingly available through other providers. The challenge to local health departments in the twenty-first century will be to acquire the skills, knowledge, and abilities needed to operate a productive system that helps people maintain a positive health status by building appropriate linkages among private and public health agencies.

## **Policy**

Included in the enacted budget is a General Fund allocation of \$94,400 in fiscal year 2001 and \$132,600 in fiscal year 2002 for the Wage Equity Plan.

**Health Services  
Public Health  
General Health Support**

	<b>Revised FY 2000</b>	<b>Requested FY 2001</b>	<b>Requested FY 2002</b>	<b>Enacted FY 2001</b>	<b>Enacted FY 2002</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	14,157,200	20,943,100	18,802,700	19,693,100	18,752,800
<b>Total General Fund</b>	<b>14,157,200</b>	<b>20,943,100</b>	<b>18,802,700</b>	<b>19,693,100</b>	<b>18,752,800</b>
<b>Restricted Funds</b>					
Balance Forward	278,900				
Current Receipts	1,859,600	1,192,400	1,197,600	1,192,400	1,197,600
<b>Total Restricted Funds</b>	<b>2,138,500</b>	<b>1,192,400</b>	<b>1,197,600</b>	<b>1,192,400</b>	<b>1,197,600</b>
<b>Federal Funds</b>					
Current Receipts	1,355,300	1,355,300	1,355,300	1,355,300	1,355,300
<b>Total Federal Funds</b>	<b>1,355,300</b>	<b>1,355,300</b>	<b>1,355,300</b>	<b>1,355,300</b>	<b>1,355,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>17,651,000</b>	<b>23,490,800</b>	<b>21,355,600</b>	<b>22,240,800</b>	<b>21,305,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	6,343,400	6,582,500	6,822,000	6,382,500	6,612,000
Operating Expenses	911,000	916,700	918,100	916,700	918,100
Grants, Loans or Benefits	10,396,600	15,991,600	13,615,500	14,941,600	13,775,600
<b>TOTAL EXPENDITURES</b>	<b>17,651,000</b>	<b>23,490,800</b>	<b>21,355,600</b>	<b>22,240,800</b>	<b>21,305,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	14,157,200	20,943,100	18,802,700	19,693,100	18,752,800
Restricted Funds	2,138,500	1,192,400	1,197,600	1,192,400	1,197,600
Federal Funds	1,355,300	1,355,300	1,355,300	1,355,300	1,355,300
<b>TOTAL EXPENDITURES</b>	<b>17,651,000</b>	<b>23,490,800</b>	<b>21,355,600</b>	<b>22,240,800</b>	<b>21,305,700</b>

The General Health Support program provides funding to four organizational units within the Department for Health Services: the Office of the Commissioner, the State Employees' Nurses Stations, the Division of Resource Management and the Division of Local Health Department Operations.

The Commissioner's Office is responsible for the leadership, management, oversight, and policy direction of the Department for Public Health (DPH). The Commissioner advises the heads of major agencies in state government on policies, plans, and programs relating to matters of public health including actions necessary to respond to extraordinary events in order to safeguard the health of the citizens of the Commonwealth. The Commissioner serves as the Chief Medical Officer of the Commonwealth.

The Director of Nursing, in the Commissioner's Office provides professional consultation, support, and technical assistance to the commissioner, executive staff, state and local health departments including approximately 1,000 nurses practicing in local health departments. She also directs the operation of nurse-managed employee health centers in Frankfort that support direct care, blood pressure monitoring, flu shots, health education, and scheduled HIV/AIDS and CPR classes for state employees. The Director also arranges for first aid coverage for large state events.

Resource Management includes: preparation of DPH's biennial and annual operating budget, financial analysis; oversight of the allocation of funds to local health departments; establishment of regulations for local fiscal operations; operation of patient services billing and accounts receivable; development of uniform budgeting procedures for 55 health departments; compilation of the Medicaid preventive health services cost report for 54 health departments; and preparation of Medicaid and Medicare cost reports for 16 health department home health agencies. Additionally, Resource Management plans and manages information systems within the Department.

Local Health Department Operations includes: strengthening and enhancing the operation of health departments through maintaining an automated patient and services reporting system that tracks approximately 6.8 million services to 764,000 patients, a statewide on-line computer network with at least one site in each county, local health policies that include administrative and operating standards, and providing technical and medical consultation to local health departments.

## **Policy**

The enacted budget provides additional General Fund support of \$2,000,000 in fiscal year 2001 and \$3,000,000 in fiscal year 2002 for preventive health services. A General Fund allocation of \$191,000 is provided each year to cover the administrative costs associated with the Personnel Cabinet's administration of the state's health plan in which local health personnel participate.

General Fund support of \$2,000,000 is provided in fiscal year 2001 to provide training and technical assistance to local health department staff to assist them in developing additional skills and knowledge to respond to the changing health delivery system and market.

The enacted budget includes General Fund support of \$50,000 in fiscal year 2001 for the Pendleton County Health Department to establish a public health education room, to provide prostate cancer testing for men, and to purchase bicycle helmets and child restraint seats. General Fund support in the amount of \$40,000 is provided in fiscal year 2001 for the Buffalo Trace Health Department to support primary care services. Harrison County Health Department is provided a \$65,000 General Fund allocation in fiscal year 2001 to support health education and survey activities. General Fund support of \$500,000 in fiscal year 2001 is provided to the Hazard Appalachian Regional Hospital to establish a cardiac rehabilitation agency. Helping Hands, Inc., Elizabethtown, is provided a \$50,000 General Fund allocation in fiscal year 2001 to support operating costs. The Henderson County Health Department is provided with \$25,000 in General Fund support each year to assist with operating costs. The Bracken County Health Department is allocated \$200,000 in General Fund support each year to support capital costs. The Fogertown Wellness Program has been allocated \$6,700 in fiscal year 2001 and \$3,400 in fiscal year 2002 from the General Fund. The Brightshade Wellness Program has received a like amount of funding. The Oneida Wellness Program has been provided General Fund support in the amount of \$6,600 in fiscal year 2001 and \$3,300 in fiscal year 2002. General Fund support of \$325,000 has been provided in fiscal year 2002 to assist with the operation of a mobile health unit to serve as a free clinic in Eastern Kentucky. The Marcum and Wallace Hospital has been provided \$100,000 in fiscal year 2002 to renovate the emergency room.

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

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	7,996,900	8,371,400	8,721,200	8,171,400	8,511,200
Tobacco Settlement - I				2,000,000	2,000,000
<b>Total General Fund</b>	7,996,900	8,371,400	8,721,200	10,171,400	10,511,200
<b>Restricted Funds</b>					
Balance Forward	123,900				
Current Receipts	1,961,600	1,956,100	1,956,100	1,956,100	1,956,100
<b>Total Restricted Funds</b>	2,085,500	1,956,100	1,956,100	1,956,100	1,956,100
<b>Federal Funds</b>					
Current Receipts	11,882,400	11,444,900	11,444,900	11,882,400	11,882,400
<b>Total Federal Funds</b>	11,882,400	11,444,900	11,444,900	11,882,400	11,882,400
<b>TOTAL SOURCE OF FUNDS</b>	21,964,800	21,772,400	22,122,200	24,009,900	24,349,700
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	6,783,100	6,860,800	7,089,600	6,713,700	7,047,400
Operating Expenses	5,259,600	5,262,200	5,263,800	5,262,200	5,263,800
Grants, Loans or Benefits	9,922,100	9,649,400	9,768,800	12,034,000	12,038,500
<b>TOTAL EXPENDITURES</b>	21,964,800	21,772,400	22,122,200	24,009,900	24,349,700
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	7,996,900	8,371,400	8,721,200	10,171,400	10,511,200
Restricted Funds	2,085,500	1,956,100	1,956,100	1,956,100	1,956,100
Federal Funds	11,882,400	11,444,900	11,444,900	11,882,400	11,882,400
<b>TOTAL EXPENDITURES</b>	21,964,800	21,772,400	22,122,200	24,009,900	24,349,700
<b>EXPENDITURES BY UNIT</b>					
Communicable Diseases	9,540,700	9,290,700	9,435,400	11,528,200	11,662,900
AIDS/HIV	7,472,200	7,503,400	7,552,500	7,503,400	7,552,500
Surveillance & Investigation	1,720,700	1,839,100	1,962,200	1,839,100	1,962,200
Health Data	415,500	435,700	453,500	435,700	453,500
Health Policy	560,200	577,400	592,500	577,400	592,500
Vital	2,255,500	2,126,100	2,126,100	2,126,100	2,126,100
<b>TOTAL EXPENDITURES</b>	21,964,800	21,772,400	22,122,200	24,009,900	24,349,700

The mission of the Epidemiology and Health Planning program is to assess the occurrence, of and risk factors for, preventable diseases and injuries in the Commonwealth; to develop policy related to the prevention of disease; and to assure the provision of public health services. To discharge these responsibilities, the program conducts activities divided into six subprograms:

- Communicable Disease which includes immunizations, Sexually Transmitted Diseases (STD), TB, and other communicable diseases;
- HIV/AIDS surveillance, prevention, services, and counseling and testing;
- Surveillance and Investigations including reportable disease surveillance, emerging infections, health status and health risk factor studies, and injury epidemiology;



- Health Data which encompasses data relating to community health systems planning and development;
- Health Policy Development which includes collection of provider information, development of the state health plan, the public health improvement plan; and
- Vital Statistics which collects and preserves mandatory records of all vital events including births, deaths, marriages, and divorces.

The program administers more than 904,000 immunizations each year (more, in years when outbreaks occur) to more than 380,000 persons. Immunization rates in schools, day care, health department clinics, and among the general child population are tracked. Tuberculosis is controlled with a three-pronged strategy: skin-test screening, preventive medications for those infected but not ill, and aggressive treatment of active cases. Kentucky's TB case rate remains below the national average.

The program is the designated State Data Center. Health Data and Vital Statistics are responsible for the mandated collection, analysis, and dissemination of health data from all sources to policy makers, health planners and consumers with information relating to the total program goal of assessing the health of the population, developing policy relating to the health of the population and insuring access of public health services to the population. The maintenance of all vital records (birth, death, marriage and divorce certificates) and response to all persons who need vital statistics data are also carried out by this program.

### **Policy**

As part of the Early Childhood Initiatives, \$2,000,000 in Phase I Tobacco Settlement funds are enacted each year of the biennium to assure that all Kentucky children are immunized in accordance with childhood immunization schedules. These funds will be used to immunize uninsured or underinsured children who have no private insurance coverage or who are not eligible for Medicaid or K-CHIP.

Due to receipt of notice of grant awards for two new grants, federal funds of \$437,500 have been added to the program for fiscal year 2000, fiscal year 2001, and fiscal year 2002. The two new grants are the Public Health Preparedness and Response and Bioterrorism Grant (\$140,700) and the Surveillance of Intimate Partner Violence Grant (\$296,800).

**Health Services  
Public Health  
Adult and Child Health**

	<b>Revised FY 2000</b>	<b>Requested FY 2001</b>	<b>Requested FY 2002</b>	<b>Enacted FY 2001</b>	<b>Enacted FY 2002</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	26,682,100	38,530,000	48,130,800	27,896,000	28,475,100
Tobacco Settlement - I				12,144,800	16,184,700
Continuing Appropriation	297,000				
<b>Total General Fund</b>	<b>26,979,100</b>	<b>38,530,000</b>	<b>48,130,800</b>	<b>40,040,800</b>	<b>44,659,800</b>
<b>Restricted Funds</b>					
Balance Forward	91,400				
Current Receipts	453,600	228,000	228,000	3,162,800	5,764,000
<b>Total Restricted Funds</b>	<b>545,000</b>	<b>228,000</b>	<b>228,000</b>	<b>3,162,800</b>	<b>5,764,000</b>
<b>Federal Funds</b>					
Balance Forward	635,100				
Current Receipts	113,755,100	107,245,100	107,245,100	107,245,100	107,245,100
<b>Total Federal Funds</b>	<b>114,390,200</b>	<b>107,245,100</b>	<b>107,245,100</b>	<b>107,245,100</b>	<b>107,245,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>141,914,300</b>	<b>146,003,100</b>	<b>155,603,900</b>	<b>150,448,700</b>	<b>157,668,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	8,382,600	9,299,800	9,500,900	8,399,500	8,620,200
Operating Expenses	1,975,400	1,596,700	1,597,200	1,596,700	1,597,200
Grants, Loans or Benefits	131,556,300	135,106,600	144,505,800	140,452,500	147,451,500
<b>TOTAL EXPENDITURES</b>	<b>141,914,300</b>	<b>146,003,100</b>	<b>155,603,900</b>	<b>150,448,700</b>	<b>157,668,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	26,979,100	38,530,000	48,130,800	40,040,800	44,659,800
Restricted Funds	545,000	228,000	228,000	3,162,800	5,764,000
Federal Funds	114,390,200	107,245,100	107,245,100	107,245,100	107,245,100
<b>TOTAL EXPENDITURES</b>	<b>141,914,300</b>	<b>146,003,100</b>	<b>155,603,900</b>	<b>150,448,700</b>	<b>157,668,900</b>
<b>EXPENDITURES BY UNIT</b>					
Maternal & Child Health	37,425,100	40,596,100	48,979,900	45,992,500	53,071,100
Drug Enforcement	1,359,500	1,014,100	1,047,500	1,014,100	1,047,500
EMS	3,903,600	3,957,900	4,005,800	3,896,600	3,871,500
Chronic Diseases	11,164,100	12,286,200	13,409,800	11,396,700	11,517,900
Nutrition	88,062,000	88,148,800	88,160,900	88,148,800	88,160,900
<b>TOTAL EXPENDITURES</b>	<b>141,914,300</b>	<b>146,003,100</b>	<b>155,603,900</b>	<b>150,448,700</b>	<b>157,668,900</b>

The Adult and Child Health Services program promotes and improves the health status of all Kentuckians through community based health education; clinical care of primarily a preventive nature; nutrition counseling and food supplementation; the education and enforcement of appropriate drug prescription and record keeping; the ongoing development and improvement of a statewide emergency medical services system; and the promotion of an adequate network of primary care providers throughout the State.

The Maternal and Child Health subprogram provides oversight to many of the services and activities which focus on mothers and children including well child, family planning, maternity services, and home visitation. It has been estimated that every dollar spent on early intervention for children for preventive health care, anticipatory guidance, health education, and parenting classes, results in cost avoidance of future costs of \$7.

The Drug Enforcement subprogram administers and enforces the Kentucky Controlled Substances Act, the Drug and Device portions of the Kentucky Food, Drug and Cosmetic Act, the use of the title "doctor" and the treatment of cancer law. In addition the program provides technical and professional expertise to professional licensing boards, local health departments, and all law enforcement agencies that enforce controlled substances laws. The program supplements the efforts of other agencies and does not duplicate the work of any other state, local or federal agency.

KRS 211.950-952 directs the Cabinet to establish a single lead agency to carry out all administrative functions related to the planning, development, improvement, and expansion of Emergency Medical Services (EMS) systems throughout the state. This includes responsibility for ambulance licensing, emergency medical technician certification, and paramedic certification. This program has also implemented the development of a statewide EMS and trauma systems plan to be used to guide the development of EMS/trauma systems across the state.

The Chronic Disease subprogram focuses on community-based health promotion and education for adults and children as well as planning efforts aimed at finding local solutions to major health problems in the locale and state. Medical costs for persons with chronic diseases make up more than 60 percent of all medical care expenditures. Activities are directed primarily toward breast and cervical cancer screening, diabetes control, cardiovascular health, and preventing tobacco-related diseases and conditions. Services are focused on adults without a medical "home." Referrals to other providers are made for management of problems detected.

The Nutrition subprogram administers the federally-funded Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) program which provides a monthly food prescription (package) as well as nutrition education to low-income pregnant and postpartum women, infants and children at nutritional risk; and sets standards of care for nutrition services. Studies have shown that pregnant women who participate in WIC have fewer premature births, less low birth weight babies and seek prenatal care earlier in the pregnancy. Nutritionists in local health departments provide medical nutrition therapy and follow up nutrition care for children with special health care needs.

## **Policy**

The enacted budget includes a \$200,000 increase in the General Fund allocation each year for women's cancer screening.

Additionally, the Early Childhood initiatives include Phase I Tobacco Settlement funds for the following: a home visitation program for first-time at-risk mothers in the amounts of \$5,321,000 in fiscal year 2001 and \$9,522,300 in fiscal year 2002; a folic acid supplement and "Healthy Babies" program with \$2,030,600 provided in fiscal year 2001 and \$1,522,400 provided in fiscal year 2002; and expansion of Healthy Start with funds of \$2,000,000 provided in fiscal year 2001 and \$2,000,000 in fiscal year 2002. The home visitation program is expected to generate \$2,934,800 in Medicaid agency receipts in fiscal year 2001 and \$5,536,000 in Medicaid receipts in fiscal year 2002. Kentucky has a high incidence of birth defects as compared to other states, particularly spina bifida. Data indicate that consumption of adequate amounts of folic acid by women of childbearing age can reduce the incidence of birth defects such as spina bifida. Healthy Start is a program presently available only on a limited basis. This expansion will allow health department personnel the resources to provide training to day care providers and parents in the areas of health, safety, nutrition, and wellness.

Phase I Tobacco Settlement funds of \$2,527,500 in fiscal year 2001 and \$3,040,500 in fiscal year 2002 are provided as part of the health care initiatives proposal for a smoking cessation program.

**Health Services  
Public Health  
Laboratory Services**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	5,152,700	5,199,000	5,498,700	5,099,000	5,388,700
<b>Total General Fund</b>	5,152,700	5,199,000	5,498,700	5,099,000	5,388,700
<b>Restricted Funds</b>					
Balance Forward	334,600				
Current Receipts	665,400	1,096,000	1,096,000	1,096,000	1,096,000
<b>Total Restricted Funds</b>	1,000,000	1,096,000	1,096,000	1,096,000	1,096,000
<b>Federal Funds</b>					
Current Receipts	199,400	199,400	199,400	199,400	199,400
<b>Total Federal Funds</b>	199,400	199,400	199,400	199,400	199,400
<b>TOTAL SOURCE OF FUNDS</b>	6,352,100	6,494,400	6,794,100	6,394,400	6,684,100
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	3,337,100	3,490,500	3,639,100	3,390,500	3,529,100
Operating Expenses	2,827,000	2,830,900	2,962,000	2,830,900	2,962,000
Grants, Loans or Benefits	13,000	13,000	13,000	13,000	13,000
Capital Outlay	175,000	160,000	180,000	160,000	180,000
<b>TOTAL EXPENDITURES</b>	6,352,100	6,494,400	6,794,100	6,394,400	6,684,100
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,152,700	5,199,000	5,498,700	5,099,000	5,388,700
Restricted Funds	1,000,000	1,096,000	1,096,000	1,096,000	1,096,000
Federal Funds	199,400	199,400	199,400	199,400	199,400
<b>TOTAL EXPENDITURES</b>	6,352,100	6,494,400	6,794,100	6,394,400	6,684,100

The Laboratory Services Program provides essential examinations of clinical and environmental specimens as required to support other state programs, subprograms, and local health department programs, and reference diagnostic testing not readily available elsewhere for hospitals and practicing physicians. Examples of the services provided include serologic tests for syphilis; HIV (AIDS); chlamydia and hepatitis B by enzyme-linked immunoassay procedures; neonatal screening for phenylketonuria, galactosemia, congenital hypothyroidism and sickle cell; sputum examinations for tuberculosis; rubella testing; culture for influenza and other viral pathogens; intestinal parasite examinations; various types of bacteriological examination; rabies examinations; toxoplasmosis, legionnaire's disease, herpes and pertussis by the FA method; and clinical chemistry analyses for glucose and cholesterol levels, among others. Laboratory Services also performs clinical toxicology and forensic toxicology examinations; tests environmental samples for water fluoride levels; examines milk, food, and water for evidence of contamination; and performs pesticide analyses; radiochemistry; and occupational safety and health chemistry.

Federal regulations enacting the Clinical Laboratory Improvement Amendments of 1988 (CLIA) became effective on September 1, 1992, and govern the practices of all laboratories that perform diagnostic clinical tests on human specimens. The regulations establish compliance standards for laboratory personnel, quality assurance and proficiency testing. The Laboratory Services Program is certified as a high complexity laboratory, obligating it to meet the most stringent requirements for quality assurance, quality control, and personnel qualifications. The program is also responsible for approximately 259 local health department sites licensed on multiple-site certificates under CLIA. The program's staff provide technical direction, training sessions, on-site consultations, procedure manuals, forms for documentation, and other tools necessary to implement CLIA at the 259 local health department sites.

Because many public health tests are not required in large numbers, contract laboratories often cannot afford to maintain the instruments, supplies, or technical competency necessary and still perform the tests economically and at a profit. As the central repository, reference laboratory or assessment laboratory, a public health laboratory can justify dedicating personnel, space, and equipment to single- or low-volume tasks.

Laboratory Services not only support programs within the Department but perform tests for patients in Department for Mental Health and Mental Retardation Services' facilities, provide forensic toxicology support to the Justice Cabinet's Medical Examiner Program, and provide occupational health chemistry analysis for the Kentucky Occupational Safety and Health Program.

General Fund support (80%) is the primary source of funding for Laboratory Services. Agency funds (11%) are received from newborn screening fees and a cooperative agreement with OSHA through the Labor Cabinet. Federal funds (9%) are received from the U.S. Department of Energy through the Natural Resources and Environmental Protection Cabinet for the oversight and monitoring of environmental activities at the Paducah Gaseous Diffusion Plant.

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

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,302,800	2,660,500	2,867,700	3,560,500	3,767,700
<b>Total General Fund</b>	2,302,800	2,660,500	2,867,700	3,560,500	3,767,700
<b>Restricted Funds</b>					
Balance Forward	36,600				
Current Receipts	3,910,400	6,422,900	6,414,200	5,422,900	5,414,200
<b>Total Restricted Funds</b>	3,947,000	6,422,900	6,414,200	5,422,900	5,414,200
<b>Federal Funds</b>					
Current Receipts	2,013,900	1,354,200	1,350,100	1,354,200	1,350,100
<b>Total Federal Funds</b>	2,013,900	1,354,200	1,350,100	1,354,200	1,350,100
<b>TOTAL SOURCE OF FUNDS</b>	8,263,700	10,437,600	10,632,000	10,337,600	10,532,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	4,073,400	4,274,400	4,447,600	4,174,400	4,347,600
Operating Expenses	878,800	895,900	917,100	895,900	917,100
Grants, Loans or Benefits	3,237,200	5,267,300	5,267,300	5,267,300	5,267,300
Capital Outlay	74,300				
<b>TOTAL EXPENDITURES</b>	8,263,700	10,437,600	10,632,000	10,337,600	10,532,000
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	2,302,800	2,660,500	2,867,700	3,560,500	3,767,700
Restricted Funds	3,947,000	6,422,900	6,414,200	5,422,900	5,414,200
Federal Funds	2,013,900	1,354,200	1,350,100	1,354,200	1,350,100
<b>TOTAL EXPENDITURES</b>	8,263,700	10,437,600	10,632,000	10,337,600	10,532,000
<b>EXPENDITURES BY UNIT</b>					
Radiation	1,613,900	1,502,700	1,552,200	1,502,700	1,552,200
Milk	1,458,600	1,530,800	1,621,300	1,430,800	1,521,300
Food	2,292,200	4,245,800	4,287,400	4,245,800	4,287,400
Sanitation	2,899,000	3,158,300	3,171,100	3,158,300	3,171,100
<b>TOTAL EXPENDITURES</b>	8,263,700	10,437,600	10,632,000	10,337,600	10,532,000

The Public Health Protection and Safety Program provides a variety of environmental services, from monitoring exposure to radiation to insuring sanitation of food and milk and public facilities.

The resources of the Radiation subprogram are primarily directed toward licensure, registration, certification, inspections, environmental surveillance, compliance activities and emergency response. The program inspects and issues 450 specific licenses to users of radioactive materials in the areas of medical, industry, research and academia; and registers and inspects 200 users of radiation sources in industry and small laboratories. Examples of facilities which are regulated by the program are dentist offices, cancer therapy facilities, industrial manufacturing facilities, and hospital and research institutions. The program monitors the transportation of radioactive waste, both in and through the Commonwealth, and is equipped to respond to radiological emergencies 24 hours per day. The program registers and inspects 3,350 facilities and issues certificates and inspects approximately 5,500 operators of sources of radiation. Monitoring of nuclear waste disposal sites (such as Maxey Flats) is also conducted by this agency along with the Natural Resources and Environmental Protection Cabinet.

The Milk Safety subprogram seeks to prevent adulteration, misbranding, and false advertising of milk and milk products and to protect the public from disease transmission through milk products through inspections of dairy farms and dairy plants and processors. Providing milk safety education to milk haulers, pasteurization equipment operators and other industry professionals is a major program activity.

The Food subprogram prohibits the sale of adulterated, misbranded, or falsely advertised foods, food products, over the counter drugs, and cosmetics. This program provides planning, monitoring, training, and evaluation for all local health department food surveillance programs. Standards interpretations, consultation standardization of employees conducting inspections, and program evaluations are routinely provided to local health departments who provide inspections, including sample collection, in food service establishments; retail food stores; vending machine companies; tattoo studios and boarding homes; bed and breakfast establishments; food manufacturing and storage plants; and collect representative samples from the state's rural agricultural producers to test for pesticide residues. The food safety program also oversees quarantine and destruction of food, drugs and alcohol which have been contaminated by disasters such as floods.

The Sanitation subprogram is responsible for the prevention of disease and injury in public facilities and the individual person's environment. Primary functions of this program are to: establish sanitary and safety standards of operation and construction; issue operational permits and inspect public facilities; issue permits to construct onsite sewage disposal systems; train and certify onsite sewage systems inspectors and installers; issue permits to abate lead hazards in child occupied facilities; certify lead inspectors and abatement professionals; investigate unsafe products; train local health department staff; and evaluate local health department program activities. Areas of program responsibility include: schools, manufactured home and recreation vehicle parks, swimming pools and beaches, radon education and mitigation, lead abatement in child occupied facilities, youth camps, abatement of public health nuisances, state confinement facilities, private water supplies, public restrooms, vector and rodent control, bird roosts, septic tank servicing and septage disposal.

## **Policy**

The enacted budget provides for fee increases in the amount of \$1,478,000 million in agency funds each year. Fees in these areas have not been increased since 1992. In some cases fees have not increased since 1990. These funds will go to local health departments to help defray the costs associated with increased volume and expenses related to food and sanitation inspection costs. General Fund support of \$1,000,000 each year is also provided for increased costs of local health department food and sanitation inspection programs.

**Health Services  
Certificate of Need**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	65,800				
<b>Total General Fund</b>	65,800				
<b>Restricted Funds</b>					
Balance Forward	815,400	615,700	330,600	615,700	330,600
Current Receipts	185,000	185,000	185,000	177,500	177,600
<b>Total Restricted Funds</b>	1,000,400	800,700	515,600	793,200	508,200
<b>TOTAL SOURCE OF FUNDS</b>	1,066,200	800,700	515,600	793,200	508,200
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	395,500	413,300	433,500	405,800	426,100
Operating Expenses	55,000	56,800	58,600	56,800	58,600
<b>TOTAL EXPENDITURES</b>	450,500	470,100	492,100	462,600	484,700
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	65,800				
Restricted Funds	384,700	470,100	492,100	462,600	484,700
<b>TOTAL EXPENDITURES</b>	450,500	470,100	492,100	462,600	484,700

The Certificate of Need process ensures that the citizens of the Commonwealth will have safe, adequate and efficient medical care. KRS 194A.030 established the Office of Certificate of Need. KRS 216B provides statutory authority to promulgate administrative regulations, process approval or disapproval of applications for certificates of need, schedule public hearings, monitor the implementation of approved certificates of need, and issue advisory opinions.

A Certificate of Need must be obtained prior to the following activities:

- Establishment of a health facility;
- Obligation of a capital expenditure which exceeds the capital expenditure minimum;
- A substantial change in the bed capacity of a health facility;
- A substantial change in a previously approved project;
- Acquisition of major medical equipment;
- Alteration of a geographical area or a specific location which has been designated on a certificate of need or license; or
- Transfer of an approved certificate of need for the establishment of a new health facility or the replacement of a licensed facility.



**Health Services  
Aging Services**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	23,337,000	31,749,400	33,707,800	25,019,800	25,584,200
<b>Total General Fund</b>	23,337,000	31,749,400	33,707,800	25,019,800	25,584,200
<b>Restricted Funds</b>					
Balance Forward	83,900				
Current Receipts	12,556,400	4,965,500	5,471,300	4,965,500	5,471,300
<b>Total Restricted Funds</b>	12,640,300	4,965,500	5,471,300	4,965,500	5,471,300
<b>Federal Funds</b>					
Balance Forward	238,300				
Current Receipts	16,920,200	17,153,800	17,148,600	17,153,800	17,148,600
<b>Total Federal Funds</b>	17,158,500	17,153,800	17,148,600	17,153,800	17,148,600
<b>TOTAL SOURCE OF FUNDS</b>	53,135,800	53,868,700	56,327,700	47,139,100	48,204,100
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	1,724,300	1,864,000	1,948,400	2,965,300	3,047,400
Operating Expenses	207,700	219,900	220,800	204,300	206,100
Grants, Loans or Benefits	51,198,800	51,779,800	54,153,500	43,964,500	44,945,600
Capital Outlay	5,000	5,000	5,000	5,000	5,000
<b>TOTAL EXPENDITURES</b>	53,135,800	53,868,700	56,327,700	47,139,100	48,204,100
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	23,337,000	31,749,400	33,707,800	25,019,800	25,584,200
Restricted Funds	12,640,300	4,965,500	5,471,300	4,965,500	5,471,300
Federal Funds	17,158,500	17,153,800	17,148,600	17,153,800	17,148,600
<b>TOTAL EXPENDITURES</b>	53,135,800	53,868,700	56,327,700	47,139,100	48,204,100
<b>EXPENDITURES BY UNIT</b>					
Aging Services	53,135,800	53,868,700	56,327,700	47,134,600	48,196,900
Wage Equity				4,500	7,200
<b>TOTAL EXPENDITURES</b>	53,135,800	53,868,700	56,327,700	47,139,100	48,204,100

The Office of Aging Services was transferred to the Cabinet for Health Services by Executive Order 99-80.

The focus of Aging Services is upon development or enhancement of comprehensive and coordinated community-based systems designed to assist elderly and adult persons in maintaining independence, maximum self-sufficiency, and dignity in a home and community environment. Supportive services to the elderly and physically disabled adults are provided in the least restrictive environment. The service delivery and oversight are provided in the three program areas: Older Americans Act, Homecare Services, and Community-Based Services. The Office of Aging Services is designated as the State Unit on Aging by the Federal Administration on Aging. Services are carried out through contracts with the 15 Area Development Districts (ADDs).

Older Americans Act services include: congregate meals, nutrition services, employment services, and the long-term care ombudsman program. Congregate meals are served to persons age 60 and over at senior citizens centers located in each Kentucky county.

Homecare provides alternative services for frail and vulnerable adults 60 years and older who are physically and/or functional disabled and at-risk of long-term institutionalization. Services include: homemaker/personal care, homemaker/home management, home health aide, home-delivered meals, home repair, chore, respite, and escort services (such as to the doctor office). Homecare is a state program operated under KRS 205.455 to 465. The program served over 11,000 persons during fiscal year 1999. Some Homecare funds are now being used to leverage federal Medicaid funds through the Homecare Home and Community Based Waiver (1915c waiver). Under the currently approved request, up to \$2,257,700 in new funds could be leveraged in fiscal year 2001.

Community Based Services provides programs for adult day care and Alzheimer's respite, personal care attendant for physical disabled adults, and a state health insurance assistance program. These programs strive to provide cost effective alternatives to the population at-risk of institutionalization. A portion of the personal care attendant program funds are used to leverage federal Medicaid funds through a recently approved Personal Care Attendant Home and Community Based waiver. Under the current approved waiver, up to \$781,100 in additional funds could be leveraged to provide additional services to physically disabled adults.

### **Policy**

Included in the enacted budget is a General Fund allocation of \$4,500 in fiscal year 2001 and \$7,200 in fiscal year 2002 for the Wage Equity Plan.

General Fund support of \$1,200,000 is provided each year for 100 additional personal care attendants.

## Justice

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	427,490,500	522,977,800	591,017,600	453,122,200	505,487,800
Continuing Appropriation	613,300	613,200	613,200	613,200	613,200
Mandated Allotments	81,700				
<b>Total General Fund</b>	<b>428,185,500</b>	<b>523,591,000</b>	<b>591,630,800</b>	<b>453,735,400</b>	<b>506,101,000</b>
<b>Restricted Funds</b>					
Balance Forward	34,096,300	13,021,800	12,009,400	14,238,000	12,395,700
Current Receipts	37,555,000	40,634,600	45,687,400	38,143,700	42,893,100
Non-Revenue Receipts	27,512,700	33,073,700	34,324,800	33,394,900	34,434,700
<b>Total Restricted Funds</b>	<b>99,164,000</b>	<b>86,730,100</b>	<b>92,021,600</b>	<b>85,776,600</b>	<b>89,723,500</b>
<b>Federal Funds</b>					
Balance Forward	2,675,700	-323,600	-59,700	1,194,700	1,458,500
Current Receipts	32,129,500	34,657,000	32,431,900	34,657,000	32,431,900
Non-Revenue Receipts	16,066,100	11,031,600	10,031,800	11,031,600	10,031,800
<b>Total Federal Funds</b>	<b>50,871,300</b>	<b>45,365,000</b>	<b>42,404,000</b>	<b>46,883,300</b>	<b>43,922,200</b>
<b>Road Fund</b>					
Regular Appropriation	30,000,000	25,000,000	20,000,000	30,000,000	30,000,000
<b>Total Road Fund</b>	<b>30,000,000</b>	<b>25,000,000</b>	<b>20,000,000</b>	<b>30,000,000</b>	<b>30,000,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>608,220,800</b>	<b>680,686,100</b>	<b>746,056,400</b>	<b>616,395,300</b>	<b>669,746,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	312,935,900	367,076,000	394,771,300	332,723,800	357,992,900
Operating Expenses	71,541,500	76,720,900	80,530,800	72,235,700	74,550,700
Grants, Loans or Benefits	181,534,000	196,078,800	213,778,500	189,309,100	201,913,000
Debt Service	10,164,000	8,451,200	29,536,200	3,371,000	17,452,000
Capital Outlay	9,582,500	18,831,400	11,614,600	3,323,300	2,019,300
Construction	6,417,000	965,000	800,000	965,000	800,000
<b>TOTAL EXPENDITURES</b>	<b>592,174,900</b>	<b>668,123,300</b>	<b>731,031,400</b>	<b>601,927,900</b>	<b>654,727,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	427,572,300	522,977,800	591,017,600	453,122,200	505,487,800
Restricted Funds	84,926,000	74,720,700	77,904,800	73,380,900	77,131,100
Federal Funds	49,676,600	45,424,800	42,109,000	45,424,800	42,109,000
Road Fund	30,000,000	25,000,000	20,000,000	30,000,000	30,000,000
<b>TOTAL EXPENDITURES</b>	<b>592,174,900</b>	<b>668,123,300</b>	<b>731,031,400</b>	<b>601,927,900</b>	<b>654,727,900</b>
<b>EXPENDITURES BY UNIT</b>					
Justice Administration	21,022,200	22,049,500	22,206,100	22,534,100	22,370,900
State Police	129,016,300	157,993,400	159,173,600	127,228,700	133,052,600
Juvenile Justice	111,020,900	123,330,800	148,700,900	113,459,800	130,430,000
Criminal Justice Training	28,489,500	34,298,700	35,326,200	32,958,900	34,552,500
Corrections	302,626,000	330,450,900	365,624,600	305,746,400	334,321,900
<b>TOTAL EXPENDITURES</b>	<b>592,174,900</b>	<b>668,123,300</b>	<b>731,031,400</b>	<b>601,927,900</b>	<b>654,727,900</b>

The Kentucky Justice Cabinet was created in 1974 pursuant to KRS 15A.010. The Cabinet is comprised of five departments: Department of Justice Administration, Department of State Police, Department of Juvenile Justice, Department of Criminal Justice Training, and Department of Corrections.

**Justice  
Justice Administration**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	6,423,900	7,304,300	7,499,300	7,788,900	7,664,100
Mandated Allotments	81,700				
<b>Total General Fund</b>	6,505,600	7,304,300	7,499,300	7,788,900	7,664,100
<b>Restricted Funds</b>					
Balance Forward	1,074,600	424,600	224,600	424,600	224,600
Current Receipts	38,500	40,000	41,500	40,000	41,500
Non-Revenue Receipts	745,100	1,417,400	1,437,500	1,417,400	1,437,500
<b>Total Restricted Funds</b>	1,858,200	1,882,000	1,703,600	1,882,000	1,703,600
<b>Federal Funds</b>					
Balance Forward	60,200				
Current Receipts	17,070,300	17,130,600	17,130,500	17,130,600	17,130,500
Non-Revenue Receipts	-4,047,500	-4,042,800	-4,042,700	-4,042,800	-4,042,700
<b>Total Federal Funds</b>	13,083,000	13,087,800	13,087,800	13,087,800	13,087,800
<b>TOTAL SOURCE OF FUNDS</b>	21,446,800	22,274,100	22,290,700	22,758,700	22,455,500
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	6,018,000	6,645,900	6,881,800	6,605,400	6,776,900
Operating Expenses	963,300	1,087,100	1,057,200	1,323,800	1,287,900
Grants, Loans or Benefits	13,958,800	14,245,300	14,193,800	14,286,300	14,232,800
Capital Outlay	82,100	71,200	73,300	318,600	73,300
<b>TOTAL EXPENDITURES</b>	21,022,200	22,049,500	22,206,100	22,534,100	22,370,900
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	6,505,600	7,304,300	7,499,300	7,788,900	7,664,100
Restricted Funds	1,433,600	1,657,400	1,619,000	1,657,400	1,619,000
Federal Funds	13,083,000	13,087,800	13,087,800	13,087,800	13,087,800
<b>TOTAL EXPENDITURES</b>	21,022,200	22,049,500	22,206,100	22,534,100	22,370,900
<b>EXPENDITURES BY UNIT</b>					
Secretary	3,796,300	4,147,400	4,185,900	4,083,000	4,035,200
Medical Examiner Program	2,460,800	2,874,200	2,947,500	3,528,700	3,380,100
Parole Board	1,160,500	1,416,900	1,455,100	1,186,400	1,213,000
Grants	13,274,600	13,281,000	13,287,600	13,406,000	13,412,600
Criminal Justice Council	330,000	330,000	330,000	330,000	330,000
<b>TOTAL EXPENDITURES</b>	21,022,200	22,049,500	22,206,100	22,534,100	22,370,900

The Department of Justice Administration is comprised of the Office of the Secretary, the Criminal Justice Council, the Grants Management branch, the Kentucky State Parole Board, and the Kentucky State Medical Examiner. Justice Administration is responsible for the overall administration of the Justice Cabinet, coordinating the activities of the various departments, boards, and branches.

The Office of the Secretary includes the Secretary, Deputy Secretary, General Counsel and Administrative Services for the Justice Cabinet. The Office is responsible for the overall administration of the Cabinet, provision of legal services, development of legislation, regulation, and policy, and coordination of activities within and among the Cabinet departments and agencies.

The Office of the Kentucky Criminal Justice Council was established in accordance with passage of House Bill 455 by the 1998 Regular Session of the General Assembly. Kentucky Revised Statute (KRS) 15A.040 states the Criminal Justice Council "shall advise and recommend to the Governor and the General Assembly policies and direction for long-range planning regarding all elements of the criminal justice system." The Council consists of a 29-member board with representation from the various justice areas: law enforcement, judicial, corrections, prosecution bar, defense bar, legislative, professional associations, crime victims, victim advocates, and universities. The Secretary of the Justice Cabinet serves ex-officio as Chair of the Council. Several standing committees currently exist to carry out statewide criminal justice planning for the executive, legislative, and judicial branches of government.

The Grants Management branch (formerly known as the Division of Grants Management) was created in conjunction with the establishment of the Office of the Kentucky Criminal Justice Council. As stated in KRS 15A.040(1)(a) the Council is required to "make recommendations to the Justice Secretary with respect to the award of state and federal grants and ensures that the grants are consistent with the priorities adopted by the Governor, the General Assembly, and the Council." The Grants Management branch's additional duties include the receipt and distribution of federal funds throughout the Cabinet, such as the Residential Substance Abuse Treatment (RSAT) program, the Full Faith and Credit Act program, and the Law Enforcement Direct Service Fee program.

The Kentucky State Parole Board, as an independent, autonomous agency attached to Justice Administration for administrative purposes, consists of a seven-member Board which reviews and applies release review authority to all convicted felons per KRS 439. Furthermore, the Board notifies crime victims of pending parole decisions and, upon request, meets with the victims.

The Kentucky State Medical Examiner, in accordance with KRS 72.210-275, provides forensic specialists who assist the County Coroners' offices (120 counties) and law enforcement officials in conducting medico-legal investigations. The Medical Examiner provides professional support for the physicians, a forensic anthropologist, the chief and deputy medical examiners, regional medical examiners, and contractual services with the Universities of Kentucky and Louisville for facilities, equipment, histology services, radiology services, and medico-legal autopsy assistants. The staff also provides assistance to the Criminal Justice Training program with curriculum for coroners and law enforcement officers. Branch offices and autopsy facilities are operated in Frankfort, Louisville, Northern Kentucky, and Madisonville.

## **Policy**

The enacted budget provides a General Fund mandated allotment of \$81,700 in each year of the 2000-2002 biennium for the Western Kentucky Medical Examiner's office. These resources stem from a necessary government expense incurred in each year of the 1998-2000 biennium, due to the forced change from free office and lab space to rental space at a different location.

Additional General Fund personnel and operating resources of \$217,000 in fiscal year 2001 and \$209,000 in fiscal year 2002 are provided in the enacted budget for a Pediatric Forensic Consultant program in the Medical Examiner's Office.

Additional General Fund resources of \$280,000 in each year of the 2000-2002 biennium are provided in the enacted budget for the Juvenile Victim Sexual Abuse Exam program in the Medical Examiner's Office.

Additional General Fund resources of \$507,000 in fiscal year 2001 and \$306,000 in fiscal year 2002 are provided in the enacted budget for a Megan's Law Notification and Verification program in the Medical Examiner's Office.

Additional General Fund resources of \$125,000 in each year of the 2000-2002 biennium are provided in the enacted budget to match funds for a federal grant to the Lexington-Fayette County Urban League Construction Training project.

The enacted budget provides federal fund resources of \$4,800 in each year of the 2000-2002 biennium for the purchase of a cadaver dog for the Medical Examiner's Office.

Included in the enacted budget is an allocation from the General Fund in the amount of \$34,900 in fiscal year 2001 and \$4,100 in fiscal year 2002 provided for the Wage Equity Plan.

**Justice  
State Police**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	78,097,700	117,600,900	125,754,100	81,836,200	89,633,100
<b>Total General Fund</b>	78,097,700	117,600,900	125,754,100	81,836,200	89,633,100
<b>Restricted Funds</b>					
Balance Forward	6,468,300	686,000	686,000	686,000	686,000
Current Receipts	5,703,300	4,931,900	4,974,800	4,931,900	4,974,800
Non-Revenue Receipts		500,000	500,000	500,000	500,000
<b>Total Restricted Funds</b>	12,171,600	6,117,900	6,160,800	6,117,900	6,160,800
<b>Federal Funds</b>					
Balance Forward	2,615,500	-323,600	-59,700	1,194,700	1,458,500
Current Receipts	8,012,200	10,224,400	8,499,400	10,224,400	8,499,400
<b>Total Federal Funds</b>	10,627,700	9,900,800	8,439,700	11,419,100	9,957,900
<b>Road Fund</b>					
Regular Appropriation	30,000,000	25,000,000	20,000,000	30,000,000	30,000,000
<b>Total Road Fund</b>	30,000,000	25,000,000	20,000,000	30,000,000	30,000,000
<b>TOTAL SOURCE OF FUNDS</b>	130,897,000	158,619,600	160,354,600	129,373,200	135,751,800
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	94,686,500	113,790,500	119,458,700	104,050,400	110,484,500
Operating Expenses	21,560,800	20,123,500	22,040,500	18,807,600	18,521,200
Grants, Loans or Benefits	1,187,000	3,406,600	3,371,200	3,406,600	3,371,200
Debt Service	3,722,000	4,303,200	4,303,200		271,000
Capital Outlay	7,860,000	16,369,600	10,000,000	964,100	404,700
<b>TOTAL EXPENDITURES</b>	129,016,300	157,993,400	159,173,600	127,228,700	133,052,600
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	78,097,700	117,600,900	125,754,100	81,836,200	89,633,100
Restricted Funds	11,485,600	5,431,900	5,274,800	5,431,900	5,274,800
Federal Funds	9,433,000	9,960,600	8,144,700	9,960,600	8,144,700
Road Fund	30,000,000	25,000,000	20,000,000	30,000,000	30,000,000
<b>TOTAL EXPENDITURES</b>	129,016,300	157,993,400	159,173,600	127,228,700	133,052,600
<b>EXPENDITURES BY UNIT</b>					
Administration	7,179,600	10,063,100	10,296,200	10,063,100	10,296,200
Services	35,141,800	46,784,500	49,181,700	38,757,300	39,536,700
State Police Operations	86,694,900	101,145,800	99,695,700	77,670,800	82,167,500
Wage Equity				737,500	1,052,200
<b>TOTAL EXPENDITURES</b>	129,016,300	157,993,400	159,173,600	127,228,700	133,052,600

The Kentucky State Police, the statewide law enforcement agency of the Commonwealth, has been a Department in the Justice Cabinet since 1974. State Troopers are assigned to 16 regional posts across the State. The Department is responsible for the enforcement of criminal and traffic laws, along with white-collar crime, organized crime, racketeering, and drug-related crime. The State Police also provides protection for the Governor, Lieutenant Governor, their families, and property. Three programmatic divisions describe the organization: Administration, Operations, and Services.

The Administrative Division provides professional support services for the Department, such as: organizational policy, personnel payroll, fiscal, legal, internal investigations, and inspections. Public relations, training, analysis, and research are other functions performed in this division.

The Operations Division includes the regional posts and the personnel assigned to each post. State Police posts are maintained in Mayfield, Madisonville, Henderson, Elizabethtown, Bowling Green, Dry Ridge, Frankfort, LaGrange, Richmond, Columbia, Morehead, Ashland, Pikeville, Hazard, Harlan, and London. The Governor's protection and security operations, along with the cadet-training program are included in this division.

The Services Division is responsible for providing technical assistance to other Departmental areas, along with outside agencies concerning records, communications, criminal history information, intelligence information, automated fingerprint information and data processing. Furthermore, functions involving driver's test administration, state facility security, forensic laboratory services, concealed deadly weapon licensing, and the provision of supplies and equipment are included in this division.

## **Policy**

The enacted budget provides General Fund resources of \$1,420,000 in fiscal year 2001 and \$2,710,000 in fiscal year 2002 for 5 additional trooper positions. An additional 25 trooper vehicles are provided using General Fund resources of \$685,000 in fiscal year 2002. The official sworn officer personnel cap was raised to 1,070 positions over the 2000-2002 biennium.

Additional Road Fund resources of \$5,000,000 in fiscal year 2001 and \$10,000,000 in fiscal year 2002 are provided for State Police highway enforcement activities, reducing General Fund resources previously provided for these activities by equivalent amounts in each fiscal year of the biennium.

Additional General Fund resources of \$601,200 in fiscal year 2001 and \$818,000 in fiscal year 2002 are provided for computer system operating expenditures related to the Automated Fingerprint Identification System (AFIS).

Additional General Fund resources of \$616,700 in fiscal year 2001 and \$1,240,500 in fiscal year 2002 are provided for computer system personnel, operating, and debt service expenditures related to the Unified Criminal Justice Information System (UCJIS).

Included in the enacted budget is an allocation from the General Fund in the amount of \$737,500 in fiscal year 2001 and \$1,052,200 in fiscal year 2002 for the Wage Equity Plan.

**Justice  
Juvenile Justice**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	69,009,400	86,729,000	110,838,900	76,858,000	92,568,000
<b>Total General Fund</b>	69,009,400	86,729,000	110,838,900	76,858,000	92,568,000
<b>Restricted Funds</b>					
Balance Forward	5,607,900	1,747,700	107,900	1,747,700	107,900
Current Receipts	16,394,300	15,150,000	18,550,000	15,150,000	18,550,000
<b>Total Restricted Funds</b>	22,002,200	16,897,700	18,657,900	16,897,700	18,657,900
<b>Federal Funds</b>					
Current Receipts	5,757,000	6,012,000	5,512,000	6,012,000	5,512,000
Non-Revenue Receipts	16,000,000	13,800,000	13,800,000	13,800,000	13,800,000
<b>Total Federal Funds</b>	21,757,000	19,812,000	19,312,000	19,812,000	19,312,000
<b>TOTAL SOURCE OF FUNDS</b>	112,768,600	123,438,700	148,808,800	113,567,700	130,537,900
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	50,735,800	60,873,600	69,497,400	53,931,300	61,723,200
Operating Expenses	8,851,600	10,513,600	11,190,600	10,005,900	10,725,900
Grants, Loans or Benefits	45,775,500	50,568,600	62,777,900	48,482,600	54,255,900
Debt Service	2,578,000		4,435,000		2,925,000
Capital Outlay		575,000		240,000	
Construction	3,080,000	800,000	800,000	800,000	800,000
<b>TOTAL EXPENDITURES</b>	111,020,900	123,330,800	148,700,900	113,459,800	130,430,000
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	69,009,400	86,729,000	110,838,900	76,858,000	92,568,000
Restricted Funds	20,254,500	16,789,800	18,550,000	16,789,800	18,550,000
Federal Funds	21,757,000	19,812,000	19,312,000	19,812,000	19,312,000
<b>TOTAL EXPENDITURES</b>	111,020,900	123,330,800	148,700,900	113,459,800	130,430,000
<b>EXPENDITURES BY UNIT</b>					
Program Management	979,200	1,227,500	1,280,000	1,227,500	1,280,000
Program Operations	105,441,000	117,119,900	142,172,500	106,959,600	123,468,800
Support Services	4,600,700	4,983,400	5,248,400	4,983,400	5,248,400
Wage Equity				289,300	432,800
<b>TOTAL EXPENDITURES</b>	111,020,900	123,330,800	148,700,900	113,459,800	130,430,000

The Department of Juvenile Justice, established as part of the Justice Cabinet in December 1997, operates juvenile prevention programs, detention programs, and community services programs for public and youthful offenders. The Department consists of three programmatic areas: Program Management, Program Operations, and Support Services.

Program Management is comprised of three organizational units which provide management and policy direction for the Department: Office of the Commissioner, Office of General Counsel, and Office of Ombudsman. The Office of the Commissioner provides staff support for the Commissioner, which includes the public relations aspect of management. The Office of General Counsel is responsible for providing legal services and advice to employees, presiding over all administrative hearings, and promulgating administrative regulations. The Office of Ombudsman investigates and resolves grievances filed by those receiving services from the Department.



Program Operations consists of the direct services provided to both public and youthful offenders, through Day Treatment Services, Group Homes, Residential Facilities, Community Supervision, Private Child Care Facilities, Detention Facilities, and Alternatives to Detention. Organizationally, the State is divided into three regions and the programs are administered on a regional basis.

Day Treatment Services comprised of 6 state-owned and 21 contract programs are the least restrictive programs, since the youth remain in a home setting during the evening and attend a day treatment program during the day. The court or a school system usually refers youth to serve in these programs. Day Treatment provides educational alternatives along with treatment and counseling for youth between the ages of 12 and 17. The total capacity of 27 centers is 1030 youths.

<b>Day Treatment Facilities</b>	<b>County</b>	<b>Slots</b>
Hardin County	Hardin	40
Hopkins County	Hopkins	40
Lifeskills	Warren	40
Daviess County	Daviess	45
Calloway County	Calloway	30
Ohio County	Ohio	30
Barren County	Barren	30
Harrodsburg Independent	Boyle	30
Bullitt County	Bullitt	50
Shelby County	Shelby	30
Wilkinson Street	Franklin	50
Boyle County	Boyle	30
Shelby Valley	Pike	30
Phelps	Pike	30
Madison County	Madison	30
Newport	Campbell	45
Laurel County	Laurel	30
Pulaski County	Pulaski	30
Clark County	Clark	30
Christian County	Christian	40
Campbell County	Campbell	15
Bell County	Bell	30
Corbin Board of Education	Knox/Laurel/Whitley	30
Lexington Urban County Government	Fayette	55
Covington Area	Kenton	75
Ashland	Boyd	40
Louisville	Jefferson	75

Day Treatment Slots = 1030

Group Homes comprised of 11 state-operated and five contract homes are community-based residential treatment facilities that serve eight to ten youth per home. These programs accept youth between the ages of 12-18 years of age, who have been committed to the Department as public or youthful offenders. The purpose of group home care includes the transition of youth from institutional placements to the community and serve as an alternative to institutionalization. The total capacity of 16 group homes is 158 youths.

<b>Group Home Facilities</b>	<b>County</b>	<b>Beds</b>
Ashland	Boyd	10
Bowling Green	Warren	10
Burnside	Pulaski	10
Frenchburg	Menifee	10
Glasgow	Barren	10
Hopkinsville	Christian	10
London	Laurel	10

Mayfield	Graves	10
Middlesboro	Bell	10
Frankfort	Franklin	10
Westport	Jefferson	10
Louisville – Bardstown Road	Jefferson	10
Louisville – Crescent	Jefferson	8
Louisville – Kennedy	Jefferson	10
Louisville – Winter Avenue	Jefferson	10
Lexington – Project Respect	Fayette	10

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Group Home Beds = 158

The 14 state-operated Residential Facilities provide 24-hour care and custody of juveniles who have been committed to the Department as public offenders, or sentenced as youthful offenders. These facilities serve youth that have been assessed to be in need of treatment, which cannot be provided in their community, or the youth require placement in a secure setting, if they represent a threat to the community. The current capacity of the 14 facilities is 539 youths.

Residential Facilities	City	County	Bed
Central Kentucky Treatment Center	Louisville	Jefferson	40
Johnson-Breckinridge Treatment Center	Louisville	Jefferson	36
Northern Kentucky Treatment Center	Crittenden	Grant	44
Morehead Treatment Center	Morehead	Rowan	40
Green River Boy's Camp	Cromwell	Butler	48
Rice-Audubon Treatment Center	Louisville	Jefferson	42
Mayfield Boy's Treatment Center	Mayfield	Graves	36
Owensboro Treatment Center	Owensboro	Daviess	30
Cardinal Treatment Center	Louisville	Jefferson	33
Lincoln Village Treatment Center	Elizabethtown	Hardin	40
Lake Cumberland Boy's Camp	Monticello	Wayne	50
Woodsbend Boy's Camp	West Liberty	Morgan	44
Bluegrass Treatment Center	Lexington	Fayette	16
Cadet Leadership Education Program	Jackson	Breathitt	40

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Residential Beds = 539

Community Services are community-based, intensive services provided to juvenile offenders. Juvenile workers in the community offices develop service objectives and comprehensive service plans for juvenile offenders and their families. Juvenile workers supervise juvenile offenders and recommend any necessary out-of-home placements. Community supervision by juvenile workers exceeds 3600 youths.

Private child care facilities (400 contract beds) are utilized to alleviate facility capacity problems and to provide specialized treatment for youths.

Detention Facilities (6 state-operated), as authorized by KRS 15A.065, are operated or contracted for the temporary detention of pre-adjudicated youth. State-operated Detention Facility current capacity will be 300. Local county governments operate all other detention in the Commonwealth. The Department subsidizes counties for costs associated with detaining juveniles in state-operated or county-operated detention. The fiscal year 2000 subsidy rate is \$40 per day, with a statutory maximum charge of \$94 per day charged to the counties.

State-operated Detention Centers	County	Beds
Breathitt County	Breathitt	32
McCracken County	McCracken	48
Campbell County	Campbell	52
Breathitt County Expansion	Breathitt	24
Warren County	Warren	48
Boyd County	Boyd	48
Laurel County	Laurel	48

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Detention Beds = 300

Alternatives to Detention are provided through contracts with emergency shelters and foster care providers for less restrictive placements than provided by the Detention Facilities. Three Departmental staff are responsible for assessment of juveniles in the facilities, determining if an alternative to detention is appropriate.

The Classification branch, included in the Program Operations area, determines appropriate program placements for youth committed to the Department of Juvenile Justice. Staff in this area also serve as liaison between District Judges and the Department.

Support Services, which provides administrative support to all organizational units of the Department, includes Division of Administration, Division of Quality Assurance, Medical branch, and Training branch. The Division of Administration consists of three branches: Personnel, Fiscal, and Information Systems. The Division of Program Services is charged with the development and implementation of a reliable protocol for checking the quality of all special incident investigations, inspection of each residential program to ensure ACA accreditation, and research and development of new prevention programs. The Medical branch oversees the medical delivery system throughout the Department. The Division of Staff Development provides training to all Department employees, trains approximately 100 deputy jailers working in juvenile detention facilities, and operates a seven-week academy for youth workers on the campus of Eastern Kentucky University.

### **Policy**

The enacted budget provides additional General Fund resources of \$3,505,300 in fiscal year 2001 and \$6,298,100 in fiscal year 2002 and additional restricted fund resources of \$100,000 in fiscal year 2001 and \$3,500,000 in fiscal year 2002 for the operation and maintenance of five previously planned facilities (one Residential Youth Development Center and four Regional Juvenile Detention Centers): Adair County YDC, Warren County RJDC, Boyd County RJDC, Laurel County RJDC, and the Breathitt County RJDC Expansion.

The enacted budget provides additional General Fund resources of \$3,796,200 in fiscal year 2001 and \$9,520,500 in fiscal year 2002 to increase the Juvenile Detention Subsidy from \$40 per day in the current fiscal year 2000 to \$60 per day in fiscal year 2001 and \$80 per day in fiscal year 2002.

Additional General Fund resources of \$500,000 in fiscal year 2001 and \$200,000 in fiscal year 2002 are provided for the Youth Challenge Program to be added to the \$500,000 per fiscal year, currently in the Juvenile Justice current services expenditure base. This funding will provide General Fund match for federal funds received in the Department of Military Affairs.

Included in the enacted budget is an allocation from the General Fund in the amount of \$289,300 in fiscal year 2001 and \$432,800 in fiscal year 2002 provided for the Wage Equity Plan.

Debt Service of \$2,925,000 is provided in fiscal year 2002 from General Fund resources for the following projects:

- Lincoln Village – Combined Residential/Detention Facility - \$1,128,000
- Fayette Secure Juvenile Detention Facility - \$676,000
- Woodsbend Youth Development Center Education Building - \$115,000
- Jefferson – 75-bed Replacement Facility - \$1,006,000

**Justice  
Criminal Justice Training**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>Restricted Funds</b>					
Balance Forward	5,957,500	4,868,100	5,406,600	5,425,600	5,134,200
Current Receipts		2,490,900	2,794,300		
Non-Revenue Receipts	26,767,600	31,156,300	32,387,300	31,477,500	32,497,200
<b>Total Restricted Funds</b>	<b>32,725,100</b>	<b>38,515,300</b>	<b>40,588,200</b>	<b>36,903,100</b>	<b>37,631,400</b>
<b>Federal Funds</b>					
Current Receipts	1,190,000	1,190,000	1,190,000	1,190,000	1,190,000
<b>Total Federal Funds</b>	<b>1,190,000</b>	<b>1,190,000</b>	<b>1,190,000</b>	<b>1,190,000</b>	<b>1,190,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>33,915,100</b>	<b>39,705,300</b>	<b>41,778,200</b>	<b>38,093,100</b>	<b>38,821,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	6,776,700	6,294,300	6,737,100	5,490,100	5,780,200
Operating Expenses	1,738,600	3,709,700	3,818,700	3,234,700	3,338,700
Grants, Loans or Benefits	18,264,700	19,815,600	20,278,500	20,532,000	21,011,700
Debt Service	1,185,000	3,942,000	3,942,000	3,165,000	3,872,000
Capital Outlay	524,500	537,100	549,900	537,100	549,900
<b>TOTAL EXPENDITURES</b>	<b>28,489,500</b>	<b>34,298,700</b>	<b>35,326,200</b>	<b>32,958,900</b>	<b>34,552,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Funds	27,299,500	33,108,700	34,136,200	31,768,900	33,362,500
Federal Funds	1,190,000	1,190,000	1,190,000	1,190,000	1,190,000
<b>TOTAL EXPENDITURES</b>	<b>28,489,500</b>	<b>34,298,700</b>	<b>35,326,200</b>	<b>32,958,900</b>	<b>34,552,500</b>
<b>EXPENDITURES BY UNIT</b>					
Kentucky Law Enforcement Program Fund	28,125,500	33,916,500	34,925,000	32,576,700	34,151,300
Special Training Programs	364,000	382,200	401,200	382,200	401,200
<b>TOTAL EXPENDITURES</b>	<b>28,489,500</b>	<b>34,298,700</b>	<b>35,326,200</b>	<b>32,958,900</b>	<b>34,552,500</b>

The Department of Criminal Justice Training is responsible for the training of local law enforcement professionals as provided under Kentucky Revised Statutes, Chapters 15, 15A, 16, 70, 72, 95, and 403.785(2), along with 500 KAR 8:010. Basic and specialized training courses are offered for police officers, dispatchers, sheriffs, deputies, airport security personnel, university campus security personnel, and coroners. Course curriculum includes training in basic law enforcement, telecommunications, coroner, AIDS, child sexual abuse, domestic violence, bias-related crimes, and breath testing. Training is conducted at the Training Center on the Eastern Kentucky University campus or at various regional sites.

The Department provides training in two different programmatic areas: the Kentucky Law Enforcement Program Foundation Program Fund (KLEPFF) and the Special Training Programs with the Peace Officers Professional Standards (POPS) office. The KLEPFF agency fund resources are derived from insurance premium surcharge proceeds, which accrue pursuant to KRS 42.190 and KRS 136.392. The recommended continuation budget provides agency funds for the distribution of a stipend of \$3,000 by the Department to each qualified law enforcement officer.

**Policy**

The enacted budget provides restricted funds of \$707,000 in fiscal year 2002 for debt service on a physical skills training complex addition to the Law Enforcement Training Complex project, currently under construction

The enacted budget provides restricted funds of \$716,400 in fiscal year 2001 and \$733,200 in fiscal year 2002 for a stipend increase of \$100 per year, for a total stipend of \$3,100 annually

Additional federal fund resources of \$1,190,000 in each fiscal year of the 2000-2002 biennium is provided from the Federal Police Corp program that assists in local police agency training

**Justice  
Corrections**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	273,959,500	311,343,600	346,925,300	286,639,100	315,622,600
Continuing Appropriation	613,300	613,200	613,200	613,200	613,200
<b>Total General Fund</b>	<b>274,572,800</b>	<b>311,956,800</b>	<b>347,538,500</b>	<b>287,252,300</b>	<b>316,235,800</b>
<b>Restricted Funds</b>					
Balance Forward	14,988,000	5,295,400	5,584,300	5,954,100	6,243,000
Current Receipts	15,418,900	18,021,800	19,326,800	18,021,800	19,326,800
<b>Total Restricted Funds</b>	<b>30,406,900</b>	<b>23,317,200</b>	<b>24,911,100</b>	<b>23,975,900</b>	<b>25,569,800</b>
<b>Federal Funds</b>					
Current Receipts	100,000	100,000	100,000	100,000	100,000
Non-Revenue Receipts	4,113,600	1,274,400	274,500	1,274,400	274,500
<b>Total Federal Funds</b>	<b>4,213,600</b>	<b>1,374,400</b>	<b>374,500</b>	<b>1,374,400</b>	<b>374,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>309,193,300</b>	<b>336,648,400</b>	<b>372,824,100</b>	<b>312,602,600</b>	<b>342,180,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	154,718,900	179,471,700	192,196,300	162,646,600	173,228,100
Operating Expenses	38,427,200	41,287,000	42,423,800	38,863,700	40,677,000
Grants, Loans or Benefits	102,348,000	108,042,700	113,157,100	102,601,600	109,041,400
Debt Service	2,679,000	206,000	16,856,000	206,000	10,384,000
Capital Outlay	1,115,900	1,278,500	991,400	1,263,500	991,400
Construction	3,337,000	165,000		165,000	
<b>TOTAL EXPENDITURES</b>	<b>302,626,000</b>	<b>330,450,900</b>	<b>365,624,600</b>	<b>305,746,400</b>	<b>334,321,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	273,959,600	311,343,600	346,925,300	286,639,100	315,622,600
Restricted Funds	24,452,800	17,732,900	18,324,800	17,732,900	18,324,800
Federal Funds	4,213,600	1,374,400	374,500	1,374,400	374,500
<b>TOTAL EXPENDITURES</b>	<b>302,626,000</b>	<b>330,450,900</b>	<b>365,624,600</b>	<b>305,746,400</b>	<b>334,321,900</b>
<b>EXPENDITURES BY UNIT</b>					
Corrections Management	32,269,200	33,311,700	51,151,000	29,026,900	39,925,400
Adult Correctional Institutions	183,977,800	201,030,400	212,328,000	187,181,800	198,223,100
Community Services and Local Facilities	71,810,400	80,216,800	86,253,600	74,619,600	80,897,300
Local Jail Support	14,568,600	15,892,000	15,892,000	14,918,100	15,276,100
<b>TOTAL EXPENDITURES</b>	<b>302,626,000</b>	<b>330,450,900</b>	<b>365,624,600</b>	<b>305,746,400</b>	<b>334,321,900</b>

The Department of Corrections, pursuant to KRS 196 - 197, is responsible for the broad range of activities associated with criminal incarceration, public safety, inmate rehabilitation, probation and parole, and criminal recidivism. As the largest Department in the Justice Cabinet, Corrections has four separate appropriation units, which are: Corrections Management, Community Services and Local Facilities, Local Jail Support, and Adult Institutions. The Department of Corrections utilizes resources from each of these units to provide the necessary balance between public safety and fiscal responsibility. A continuing inmate population increase, combined with the Department's compliance with the Federal Court Consent Decree concerning overcrowded facilities, and with the Kentucky Supreme Court ruling mandating the timely removal of state prisoners from local jails, accentuates a continuing need to accommodate a larger inmate population through community-based and institutional based solutions.

The Department of Corrections is currently operating in conformance with the Federal Court Consent Decree concerning the Commonwealth's major penal institutions and inmate population. In March 1987, Corrections was adjudged to be in substantial compliance with the 1980 Federal Court Consent Decree by the U.S. District Court. The Department of Corrections is also operating the Kentucky Correctional Institution for Women in accordance with a court decision resulting from litigation concerning inmates' civil rights.

Based on the latest trends and current criminal laws, sentencing, and parole patterns, the Department of Corrections has estimated that the number of convicted felons under the custody of the Department will increase by approximately 42 in fiscal year 2000, 471 in fiscal year 2001, and 711 in fiscal year 2002. The convicted felon population in custody will be brought to 15,560 by the end of fiscal year 2001 and 16,271 by the end of fiscal year 2002.

**Justice  
Corrections  
Corrections Management**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	15,193,700	19,408,200	37,685,300	15,123,400	26,459,700
<b>Total General Fund</b>	15,193,700	19,408,200	37,685,300	15,123,400	26,459,700
<b>Restricted Funds</b>					
Balance Forward	6,302,800	1,243,300	1,532,200	1,243,300	1,532,200
Current Receipts	9,298,900	12,968,000	14,243,200	12,968,000	14,243,200
<b>Total Restricted Funds</b>	15,601,700	14,211,300	15,775,400	14,211,300	15,775,400
<b>Federal Funds</b>					
Non-Revenue Receipts	2,717,100	1,224,400	224,500	1,224,400	224,500
<b>Total Federal Funds</b>	2,717,100	1,224,400	224,500	1,224,400	224,500
<b>TOTAL SOURCE OF FUNDS</b>	33,512,500	34,843,900	53,685,200	30,559,100	42,459,600
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	16,710,100	21,627,000	22,702,900	17,867,300	18,468,000
Operating Expenses	9,063,400	10,062,500	10,411,700	9,552,400	10,089,400
Grants, Loans or Benefits	1,177,500	1,130,500	1,168,600	1,130,500	972,200
Debt Service	2,473,000		16,650,000		10,178,000
Capital Outlay	350,200	326,700	217,800	311,700	217,800
Construction	2,495,000	165,000		165,000	
<b>TOTAL EXPENDITURES</b>	32,269,200	33,311,700	51,151,000	29,026,900	39,925,400
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	15,193,700	19,408,200	37,685,300	15,123,400	26,459,700
Restricted Funds	14,358,400	12,679,100	13,241,200	12,679,100	13,241,200
Federal Funds	2,717,100	1,224,400	224,500	1,224,400	224,500
<b>TOTAL EXPENDITURES</b>	32,269,200	33,311,700	51,151,000	29,026,900	39,925,400
<b>EXPENDITURES BY UNIT</b>					
Commissioner	959,300	985,500	1,032,500	985,500	1,032,500
Training	1,272,700	1,507,500	1,564,700	1,336,800	1,396,100
General Counsel	804,700	930,200	965,700	795,400	831,500
Administrative Services	4,143,800	5,177,100	5,254,400	4,225,200	4,369,700
Debt Service	2,473,000		16,650,000		10,178,000
Correctional Industries	14,138,400	12,454,100	13,016,200	12,454,100	13,016,200
Mental Health Programs	8,477,300	12,257,300	12,667,500	9,183,300	9,003,200
Wage Equity				46,600	98,200
<b>TOTAL EXPENDITURES</b>	32,269,200	33,311,700	51,151,000	29,026,900	39,925,400

The Corrections Management appropriation unit provides the administrative and management functions for the Department of Corrections. These functions are achieved through seven program areas: Office of the Commissioner, Division of Mental Health, Division of Corrections Training, Division of Administrative Services, Office of General Counsel, Debt Service, and Correctional Industries.

The Office of the Commissioner provides the Departmental management and administrative support necessary for the Commissioner of Corrections to conduct statutorily assigned duties, pursuant to KRS 196 and 197. The Commission on Corrections/Community Services is administratively attached to the Office.



The Division of Mental Health is responsible for the provision of specialized mental health services to Kentucky's paroled, probated, and incarcerated population. The Division is comprised of four units: Alcohol and Other Drug programs, Sex Offender programs, Sex Offender Risk Assessment Unit, and Psychiatric and Psychological Outpatient Services.

The Division of Corrections Training, referenced in KRS 12.020, 16.090, 441.055, and 441.115, is responsible for developing curriculum and providing job relevant training to the employees of the Department of Corrections, as well as to the jail staff in the various counties of the Commonwealth. Instruction is provided through the Basic Academy program, the Common Core/Officer Inservice program, Jail Training programs, and various Specialized programs.

The Division of Administrative Services, referenced in KRS 12.020, is comprised of five branches and one section which provide support services for the entire Department in the areas of: personnel and payroll, budgeting, accounting and purchasing, construction, building and equipment maintenance, environmental compliance, property inventory, planning, information systems, inmate information, and victim notification.

The Office of General Counsel, referenced in KRS 12.210-213 and 12.220, is responsible for providing oversight of Corrections policies and procedures, training on legal developments, legal advice and representation in all civil lawsuits, and representing the Department in various administrative hearings. The General Counsel also handles appeals for current and former employees of the Parole Board, the Sex Offender Risk Assessment Advisory Board, and the Department of Corrections.

The Debt Service program reflects the current cost of bonded indebtedness attributable to bonded Capital Construction projects in the Department of Corrections.

Kentucky Correctional Industries (KCI), as authorized by KRS 197.200, is a Division of the Department which produces goods or services employing inmate labor. Kentucky Correctional Industries is a self-supporting operation, receiving only restricted funds for operations in ten of the Department's 12 institutions. Twenty-three separate plants produce products such as: office furniture, recycling, license tags, janitorial products, printing, mattresses, ergonomic chairs, signage, furniture refurbishing, and office panel systems. Data entry, coupon sorting, and mail services are also offered by KCI.

## **Policy**

The enacted budget provides additional General Fund resources of \$94,300 in fiscal year 2001 and \$94,300 in fiscal year 2002 for the Victim's Advocate Verification and Notification System (V-NET).

The enacted budget provides additional General Fund resources of \$1,178,900 in fiscal year 2001 and \$1,809,100 in fiscal year 2002 in the Mental Health Division for the replacement of federal funding from the following programs: Expanded Community Services, Sex Offender Risk Assessment, Residential Substance Abuse Treatment, and Alcohol and Drug Abuse Treatment.

Included in the enacted budget is an allocation from the General Fund in the amount of \$85,900 in fiscal year 2001 and \$168,100 in fiscal year 2002 for the Wage Equity Plan.

Debt Service of \$10,178,000 is provided in fiscal year 2002 from General Fund resources for the following project:

- Blackburn Correctional Complex – Roof Replacement - \$146,000
- Elliott County – New Medium Security Prison - \$8,794,000
- Kentucky State Reformatory – New Gas Fired Boiler - \$706,000
- Kentucky Correctional Institute for Women – Phase II Expansion Design - \$96,000
- Western Kentucky Correctional Complex – 44-Bed Segregation Unit - \$436,000

Additional restricted fund resources of \$132,000 in fiscal year 2001 and \$142,200 in fiscal year 2002 were provided for additional personnel and operating costs for Correctional Industries.

**Justice  
Corrections  
Adult Correctional Institutions**

	<b>Revised FY 2000</b>	<b>Requested FY 2001</b>	<b>Requested FY 2002</b>	<b>Enacted FY 2001</b>	<b>Enacted FY 2002</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	174,363,600	196,451,600	207,719,400	182,603,000	193,614,500
<b>Total General Fund</b>	<b>174,363,600</b>	<b>196,451,600</b>	<b>207,719,400</b>	<b>182,603,000</b>	<b>193,614,500</b>
<b>Restricted Funds</b>					
Balance Forward	8,410,400	3,782,500	3,782,500	4,441,200	4,441,200
Current Receipts	5,495,000	4,428,800	4,458,600	4,428,800	4,458,600
<b>Total Restricted Funds</b>	<b>13,905,400</b>	<b>8,211,300</b>	<b>8,241,100</b>	<b>8,870,000</b>	<b>8,899,800</b>
<b>Federal Funds</b>					
Current Receipts	100,000	100,000	100,000	100,000	100,000
Non-Revenue Receipts	50,000	50,000	50,000	50,000	50,000
<b>Total Federal Funds</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>188,419,000</b>	<b>204,812,900</b>	<b>216,110,500</b>	<b>191,623,000</b>	<b>202,664,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	109,475,800	122,769,200	131,708,200	113,527,500	120,973,800
Operating Expenses	25,668,300	25,806,700	26,996,300	25,655,900	26,909,500
Grants, Loans or Benefits	47,020,000	51,296,700	52,643,900	46,840,600	49,360,200
Debt Service	206,000	206,000	206,000	206,000	206,000
Capital Outlay	765,700	951,800	773,600	951,800	773,600
Construction	842,000				
<b>TOTAL EXPENDITURES</b>	<b>183,977,800</b>	<b>201,030,400</b>	<b>212,328,000</b>	<b>187,181,800</b>	<b>198,223,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	174,363,600	196,451,600	207,719,400	182,603,000	193,614,500
Restricted Funds	9,464,200	4,428,800	4,458,600	4,428,800	4,458,600
Federal Funds	150,000	150,000	150,000	150,000	150,000
<b>TOTAL EXPENDITURES</b>	<b>183,977,800</b>	<b>201,030,400</b>	<b>212,328,000</b>	<b>187,181,800</b>	<b>198,223,100</b>
<b>EXPENDITURES BY UNIT</b>					
Institutions Operations	1,779,700	7,543,600	8,489,000	1,392,400	1,018,600
Medical Services	23,959,700	31,183,800	31,825,000	26,681,600	28,297,800
Education	6,384,500	7,150,900	7,304,300	6,694,800	7,020,600
Private Prisons	18,255,600	16,630,300	17,130,100	16,630,300	17,130,100
Blackburn Correctional Complex	5,011,100	6,451,300	7,189,900	6,451,300	7,189,900
Bell County Forestry Camp	2,096,400	2,183,300	2,268,800	2,183,300	2,268,800
Kentucky Correctional Institution for Women	8,427,400	9,218,600	10,257,000	9,218,600	10,257,000
Frankfort Career Development Center	2,618,400	2,690,700	2,784,600	2,690,700	2,784,600
Eastern Kentucky Correctional Complex	16,591,100	17,287,100	17,991,300	16,537,100	17,241,300
Northpoint Training Center	13,188,500	13,479,700	14,039,900	12,729,700	13,289,900
Kentucky State Reformatory	25,544,800	24,632,700	27,258,200	23,882,700	26,508,200
Kentucky State Penitentiary	15,097,400	15,615,200	16,720,700	14,865,200	15,970,700
Western Kentucky Correctional Complex	7,811,500	8,153,700	8,569,500	8,153,700	8,503,500
Roederer Correctional Complex	12,177,300	12,454,300	12,965,100	12,454,300	12,965,100
Luther Lockett Correctional Complex	11,896,600	12,443,600	12,984,200	12,443,600	12,984,200
Green River Correctional Complex	12,246,700	12,982,800	13,591,800	12,982,800	13,591,800

Institutional Farms	891,100	928,800	958,600	928,800	958,600
Wage Equity				260,900	242,400
<b>TOTAL EXPENDITURES</b>	<b>183,977,800</b>	<b>201,030,400</b>	<b>212,328,000</b>	<b>187,181,800</b>	<b>198,223,100</b>

The Adult Institution appropriation unit is comprised of 12 state correctional facilities and three privately contracted facilities for adult felon offenders. Four additional programmatic areas serve all institutions and their incarcerated populations: Division of Operations, Education Programs, Medical Services, and Institutional Farms.

The Division of Operations, pursuant to KRS 197.505, 197.065, 196.240, and 197.110, supervises and directs the following activities: classification and placement of inmates, coordination of academic and technical programs, coordination of dietary and health programs for state owned facilities, contract compliance at the three privately contracted prisons, and coordination of security threat group information.

The Education program area consists of the educational programs and related services provided at the 12 state prison facilities, which provides offenders with opportunities to acquire skills in order to promote non-criminal behavior. The Department contracts with the Kentucky Community and Technical College System (KCTCS) to operate correctional education programs.

The Medical Services program area, pursuant to KRS 197.020, provides health services to inmates committed to the Department. Services are performed at each institutional location through both institutional medical staff, personal service contracts, and outside referrals to local specialists and hospitals. The provision of medical services is monitored, authorized and reviewed by a system-wide Medical Director.

The Institutional Farm program operations include 6,200 total acres of productive agricultural land at the following institutions: Roederer Correctional Complex, Western Kentucky Correctional Complex, Northpoint Training Center, Blackburn Correctional Complex, Kentucky Correctional Institute for Women, and Eastern Kentucky Correctional Complex. Farm products produced at the various locations include: cattle, swine, grain, vegetables, and fruit. The operations are non-General Fund supported, providing inmate labor opportunities, institutional wet garbage disposal, grain for sale and animal consumption, and vegetables for prison use.

The Private Prison program area, authorized and governed by KRS 197.500-525, contains the three private prisons operated in the Commonwealth: Marion Adjustment Center (budgeted capacity – 480 inmates) in Marion County, Lee Adjustment Center (budgeted capacity – 400 inmates) in Lee County, and Otter Creek Correctional Center (budgeted capacity – 480 inmates) in Floyd County. All three facilities were originally contracted as minimum security, however, Lee Adjustment Center was converted to medium security during 1999. Private prison usage is projected to be approximately 80 percent of contracted capacity.

Kentucky State Reformatory (KSR) is a medium security institution with an operational capacity of 1,705 inmates, located near LaGrange, Kentucky in Oldham County. The inmate population is divided into four segments: general population, special management unit, nursing care facility, and mental health unit. Pursuant to the Federal Court Consent Decree issued in 1980, KSR converted all designated living areas into single cell facilities and opened a new 150-bed mental health unit during 1998. In December, KSR opened the Nursing Care Facility which houses inmates in need of medical care due to their medical condition, such as illness, or age.

Kentucky State Penitentiary (KSP) is a maximum security institution with an operational capacity of 866 inmates, located near Eddyville, in Lyon County. The inmate population is separated into three major groups: general population, protective custody, and disciplinary/administrative segregation. The institution also houses the state's capital punishment unit.

Blackburn Correctional Complex (BCC) is a minimum security institution with an operational capacity of 557 inmates, located near Lexington, in Fayette County. The institution programmatically directs inmates to halfway houses or returns the inmate to the community by parole, based upon the individual's demonstrated conduct, program performance, and need.

Bell County Forestry Camp (BCFC) is a minimum security institution with an operational capacity of 230 inmates, located near Pineville, in Bell County. The institution provides manpower to the Division of Forestry for fire suppression in Bell and seven surrounding counties during fire season, along with road maintenance, highway garage, and general park maintenance tasks.

Kentucky Correctional Institution for Women (KCIW), the only institutional custody facility for women in the Commonwealth, has minimum, medium, and maximum security levels, an operational capacity of 756 inmates, and is located in PeWee Valley in Shelby County. The institution provides a variety of service levels, based on the female inmate population. All ranges of sentences, including death row, and all custody levels first offenders to persistent offenders, and medical conditions such as pregnancy, disability, or mental illness are provided at KCIW.

Frankfort Career Development Center (FCDC) is a minimum security institution with an operational capacity of 205 inmates, located in Frankfort, in Franklin County. The institution provides, as a primary function, inmate labor to state government agencies in Frankfort at 43 work locations

Eastern Kentucky Correctional Complex (EKCC) is a medium security institution with an operational capacity of 1,668 inmates, located near West Liberty, in Morgan County. The facility is the largest correctional institution in the state, providing inmates with employment opportunities, along with academic and vocational programs.

Western Kentucky Correctional Complex (WKCC) is a medium security institution with an operational capacity of 622 inmates, located near Eddyville, in Lyon County. The institution operates a full farm operation on 2,500 acres, a community work program for surrounding parks and cities, along with the Correctional Industries recycling program serving the surrounding counties.

Roederer Correctional Complex (RCC) is a medium security institution with an operational capacity of 982 inmates, located near LaGrange, in Oldham County. The institution operates the Department's Assessment and Classification Center, serving all incoming male inmates with the exception of inmates sentenced to death. A 200-bed Boot Camp unit has also been established at the institution, along with farm operations

Luther Luckett Correctional Complex (LLCC) is a medium security institution with an operational capacity of 1,072 inmates, also located near LaGrange, in Oldham County. The facility houses two separate institutions: the Department of Correction's prison facility and the Cabinet for Health Services, Kentucky Correctional Psychiatric Center (KCPC). Due to the proximity of KCPC, the inmate population has a variety of psychological, pharmaceutical, recreational, academic, vocational, and substance abuse programs available. The Luther Luckett Correctional Complex Pharmacy serves as a central pharmacy for the Department, filling 14,000 prescriptions per month.

Green River Correctional Complex (GRCC) is a medium security institution with an operational capacity of 953 inmates, located near Central City, in Muhlenberg County. The institution is the newest facility in the system, utilizing the latest security technology.

Northpoint Training Center (NTC) is a medium security institution with an operational capacity of 1,118 inmates, located near Danville, in Boyle County. The institution operates a prison farm, along with counseling, academic, and vocational programs.

## **Policy**

Included in the enacted budget is an allocation from the General Fund in the amount \$422,700 in fiscal year 2001 and \$373,600 in fiscal year 2002 for the Wage Equity Plan

The enacted budget provides additional General Fund resources of \$2,524,200 in fiscal year 2001 and \$6,117,700 in fiscal year 2002 for the operation and maintenance of five previously planned facilities:

- Kentucky State Reformatory – 150-Bed Transition Dormitory – General Fund resources of \$1,734,700 are provided in fiscal year 2002.
- Kentucky State Penitentiary – 50-Bed Segregation Unit – General Fund resources of \$408,800 are provided in fiscal year 2001 and \$835,200 in fiscal year 2002
- Blackburn Correctional Complex – 200-Bed Dorm – General Fund resources of \$1,270,100 are provided in fiscal year 2001 and \$1,816,300 in fiscal year 2002
- Kentucky Correctional Institution for Women – Phase I Renovation Project – General Fund resources of \$413,600 are provided in fiscal year 2001 and \$1,178,100 in fiscal year 2002.
- Green River Correctional Complex – 50-Bed Minimum Security Dormitory – General Fund resources of \$431,700 are provided in fiscal year 2001 and \$553,400 in fiscal year 2002.

**Justice  
Corrections  
Community Services and Local Facilities**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	69,833,700	79,591,800	85,628,600	73,994,600	80,272,300
<b>Total General Fund</b>	69,833,700	79,591,800	85,628,600	73,994,600	80,272,300
<b>Restricted Funds</b>					
Balance Forward	274,800	269,600	269,600	269,600	269,600
Current Receipts	625,000	625,000	625,000	625,000	625,000
<b>Total Restricted Funds</b>	899,800	894,600	894,600	894,600	894,600
<b>Federal Funds</b>					
Non-Revenue Receipts	1,346,500				
<b>Total Federal Funds</b>	1,346,500				
<b>TOTAL SOURCE OF FUNDS</b>	72,080,000	80,486,400	86,523,200	74,889,200	81,166,900
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	28,508,000	35,050,500	37,760,200	31,226,800	33,761,300
Operating Expenses	3,257,500	4,979,800	4,577,800	3,217,400	3,240,100
Grants, Loans or Benefits	40,044,900	40,186,500	43,915,600	40,175,400	43,895,900
<b>TOTAL EXPENDITURES</b>	71,810,400	80,216,800	86,253,600	74,619,600	80,897,300
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	69,833,700	79,591,800	85,628,600	73,994,600	80,272,300
Restricted Funds	630,200	625,000	625,000	625,000	625,000
Federal Funds	1,346,500				
<b>TOTAL EXPENDITURES</b>	71,810,400	80,216,800	86,253,600	74,619,600	80,897,300
<b>EXPENDITURES BY UNIT</b>					
Probation and Parole Program	23,673,200	31,432,200	33,523,900	25,759,400	27,995,600
Local Facilities	48,137,200	48,784,600	52,729,700	48,762,100	52,706,100
Wage Equity				98,100	195,600
<b>TOTAL EXPENDITURES</b>	71,810,400	80,216,800	86,253,600	74,619,600	80,897,300

The Community Services and Local Facilities appropriation unit seeks to provide an effective and efficient system of community based correctional programs to protect the Commonwealth. Two organizational units comprise this area: the Division of Probation and Parole, and the Division for Local Facilities.

The Division of Probation and Parole, pursuant to KRS 439.370 and 439.480, through the probation and parole officers in the 13 districts, provides supervision of 19,000 probationers and parolees in the community, investigations of offenders for the courts and parole board, rehabilitative services to offenders, and assistance in employment and home placement.

The Division for Local Facilities, as mandated by KRS 441.110, 441.011, 441.013, 441.014, and 441.430, is responsible for the implementation of legislation pertaining to jails including: jail inspection, jail standards review and enforcement regulations, technical assistance to local governments, and approval of construction plans. The Division, also, administers the Controlled Intake, Class D Felony, and Halfway House programs.

**Policy**

The enacted budget provides additional General Fund resources of \$1,600,000 in fiscal year 2001 and \$2,350,000 in fiscal year 2002 for the Caseload Expansion and Retrenchment initiative in the Division of Probation and Parole.

Additional General Fund resources of \$960,900 in fiscal year 2001 and \$1,256,000 in fiscal year 2002 are provided to replace federal fund resources associated with the Expanded Community Supervision grant program

Additional General Fund resources of \$2,236,000 in fiscal year 2002 are provided for the Jail Bed Expansion in the Division of Local Facilities.

Included in the enacted budget is an allocation from the General Fund in the amount of \$150,700 in fiscal year 2001 and \$310,600 in fiscal year 2002 for the Wage Equity Plan

Additional General Fund resources of \$179,600 in fiscal year 2001 and \$264,200 in fiscal year 2002 are provided for the Probation and Parole Career Ladder program

**Justice  
Corrections  
Local Jail Support**

	Revised FY 2000	Requested FY 2001	Requested FY 2002	Enacted FY 2001	Enacted FY 2002
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	14,568,500	15,892,000	15,892,000	14,918,100	15,276,100
Continuing Appropriation	613,300	613,200	613,200	613,200	613,200
<b>Total General Fund</b>	<b>15,181,800</b>	<b>16,505,200</b>	<b>16,505,200</b>	<b>15,531,300</b>	<b>15,889,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>15,181,800</b>	<b>16,505,200</b>	<b>16,505,200</b>	<b>15,531,300</b>	<b>15,889,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Cost	25,000	25,000	25,000	25,000	25,000
Operating Expenses	438,000	438,000	438,000	438,000	438,000
Grants, Loans or Benefits	14,105,600	15,429,000	15,429,000	14,455,100	14,813,100
<b>TOTAL EXPENDITURES</b>	<b>14,568,600</b>	<b>15,892,000</b>	<b>15,892,000</b>	<b>14,918,100</b>	<b>15,276,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	14,568,600	15,892,000	15,892,000	14,918,100	15,276,100
<b>TOTAL EXPENDITURES</b>	<b>14,568,600</b>	<b>15,892,000</b>	<b>15,892,000</b>	<b>14,918,100</b>	<b>15,276,100</b>
<b>EXPENDITURES BY UNIT</b>					
Local Jail Allotment	12,917,500	14,174,200	14,174,200	13,238,600	13,567,400
Restricted Medical	888,000	954,800	954,800	909,300	931,100
Jailers' Allowance	463,000	463,000	463,000	463,000	463,000
Catastrophic Medical	300,100	300,000	300,000	307,200	314,600
<b>TOTAL EXPENDITURES</b>	<b>14,568,600</b>	<b>15,892,000</b>	<b>15,892,000</b>	<b>14,918,100</b>	<b>15,276,100</b>

The Local Jail Support program consists of four funds used to assist counties in local jail operations: Local Jail Allotment, Restricted Medical Allotment, Jailer's Allowance, and Catastrophic Medical. These programs were part of the Jail Reform package passed in the 1982 and 1984 Regular Sessions of the General Assembly.

The Local Jail Allotment, pursuant to KRS 441.206, was established for the care and maintenance of prisoners charged with or convicted of violations of state law. Funds appropriated for the Jail Allotment program are distributed to each county based upon a statutory formula.

The Restricted Medical Fund program is used to pay for indigent inmate medical costs, pursuant to a distribution formula in KRS 441.206.

The Jailer's Allowance program, pursuant to KRS 441.115, provides for a training program for jailers and jail personnel coordinated between the Department and the Governmental Services Center at Kentucky State University. No fee is charged for this training. The statute states that \$300 per month be paid to jailers to help defray the costs of participation in this training program. Expense allowance payments are discontinued if the jailer fails to satisfactorily complete annual continuing training.

The Catastrophic Medical program, pursuant to KRS 441.045, provides funds that are used to assist counties with costs of providing necessary medical, dental, or psychological care beyond routine care and diagnostic services. When the cost of providing such services exceeds \$2,000, the county is reimbursed for expenditures in excess of \$2,000. Initial reimbursements are limited by the maximum payments allowed for services under the Kentucky Medical Assistance Program.