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The Budget of the Commonwealth for the 2010-2012 biennium is the financial plan for Kentucky State Government as enacted by the Regular Session of the 2010 General Assembly and the 1st Extraordinary Session of the 2010 General Assembly. It is published by the Office of State Budget Director, Governor's Office for Policy and Management in accordance with KRS Chapter 48.

The 2010-2012 Budget is presented in three volumes:

- **Volume I:** State Agency Program Budget Detail
- **Volume II:** Capital Projects
- **Budget in Brief:** Budget Summary Data and Appropriations Acts

These documents provide the detail to support the enacted budget as presented in the various budget bills.

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**2010-2012 BUDGET OF THE COMMONWEALTH
GENERAL FUND SUMMARY**

	<u>Revised FY 2010</u>	<u>Enacted FY 2011</u>	<u>Enacted FY 2012</u>
RESOURCES			
Beginning Balance	39,541,600	50,380,800	281,092,400
Consensus Revenue Forecast	8,196,000,000	8,490,800,000	8,808,800,000
Tobacco Settlement-Phase I	112,270,000	111,310,000	102,720,000
Other Resources	1,900,000	80,140,000	62,397,500
Fund Transfers	163,092,200	102,818,800	122,659,600
Total Resources	8,512,803,800	8,835,449,600	9,377,669,500
Continued Appropriations Reserve			
Budget Reserve Trust Fund	7,125,100	0	0
Executive Branch	1,000,000	21,690,400	21,850,700
Legislative Branch	6,829,400	7,574,200	7,910,800
Judicial Branch	2,732,700	15,417,700	0
Total Continued Appropriations Reserve	17,687,200	44,682,300	29,761,500
TOTAL RESOURCES	8,530,491,000	8,880,131,900	9,407,431,000
APPROPRIATIONS			
Executive Branch			
Appropriations	9,366,201,100	8,249,328,500	9,156,172,200
Tobacco Settlement-Phase I	112,270,000	114,318,100	105,714,800
Budget Reductions	(1,082,301,800)		
Dedicated Revenue Adjustments	7,087,200		
Necessary Government Expenses	39,200,000		
Contract & Non-merit Reductions/Other Efficiencies Lapse		(131,000,000)	(168,900,000)
Defer Final Payroll of FY 2012 into FY 2013 Lapse			(72,000,000)
Other Budgeted Lapses	(296,775,900)	(3,629,700)	(3,718,700)
Build America Bonds-Debt Service Lapse		(13,384,500)	(17,517,600)
Build America Bonds-Tobacco Debt Service Lapse		(3,008,100)	(2,994,800)
Total Executive Branch	8,145,680,600	8,212,624,300	8,996,755,900
Judicial Branch			
Appropriations	295,885,800	290,849,100	316,338,800
Budget Reductions	(24,294,900)		
Total Judicial Branch	271,590,900	290,849,100	316,338,800
Legislative Branch			
Appropriations	55,452,600	50,883,800	53,800,100
Budget Reductions	(3,176,000)		
Total Legislative Branch	52,276,600	50,883,800	53,800,100
TOTAL APPROPRIATIONS	8,469,548,100	8,554,357,200	9,366,894,800
BALANCE	60,942,900	325,774,700	40,536,200
Continued Appropriations Reserve			
Budget Reserve Trust Fund	0	0	0
Executive Branch	1,000,000	21,690,400	21,850,700
Legislative Branch	6,829,400	7,574,200	7,910,800
Judicial Branch	2,732,700	15,417,700	0
Total Continued Appropriations Reserve	10,562,100	44,682,300	29,761,500
ENDING BALANCE	50,380,800	281,092,400	10,774,700

**2010-2012 BUDGET OF THE COMMONWEALTH
ROAD FUND SUMMARY**

	<u>Revised FY 2010</u>	<u>Enacted FY 2011</u>	<u>Enacted FY 2012</u>
RESOURCES			
Beginning Balance	0	0	445,000
Consensus Revenue Forecast	1,199,100,000	1,270,600,000	1,340,900,000
Motor Vehicle Usage Tax Credit Extension (HB 2)		(4,800,000)	
Fund Transfers		994,800	996,000
TOTAL RESOURCES	<u>1,199,100,000</u>	<u>1,266,794,800</u>	<u>1,342,341,000</u>
APPROPRIATIONS			
Transportation Cabinet			
Revenue Sharing	284,908,500	297,074,700	312,423,900
Aviation	6,614,300	2,280,100	2,865,900
Highways	678,859,700	715,944,200	735,682,600
Vehicle Regulation	22,755,100	22,648,200	22,889,200
Debt Service	54,278,000	74,747,000	116,904,800
General Administration and Support	69,777,900	68,791,100	69,188,100
Capital Projects	4,150,000	10,125,000	4,650,000
Build America Bonds Subsidy - Debt Service Lapse		(8,935,000)	(9,835,000)
Subtotal	<u>1,121,343,500</u>	<u>1,182,675,300</u>	<u>1,254,769,500</u>
State Police	73,881,500	79,799,500	83,251,500
Finance and Administration Cabinet			
General Administration	400,000	400,000	400,000
Revenue	2,325,000	2,325,000	2,325,000
Subtotal	<u>2,725,000</u>	<u>2,725,000</u>	<u>2,725,000</u>
Artisans Center	350,000	350,000	350,000
Environmental Protection	300,000	300,000	300,000
State Treasurer	250,000	250,000	250,000
Homeland Security	250,000	250,000	250,000
TOTAL APPROPRIATIONS	<u>1,199,100,000</u>	<u>1,266,349,800</u>	<u>1,341,896,000</u>
ENDING BALANCE	<u><u>0</u></u>	<u><u>445,000</u></u>	<u><u>445,000</u></u>

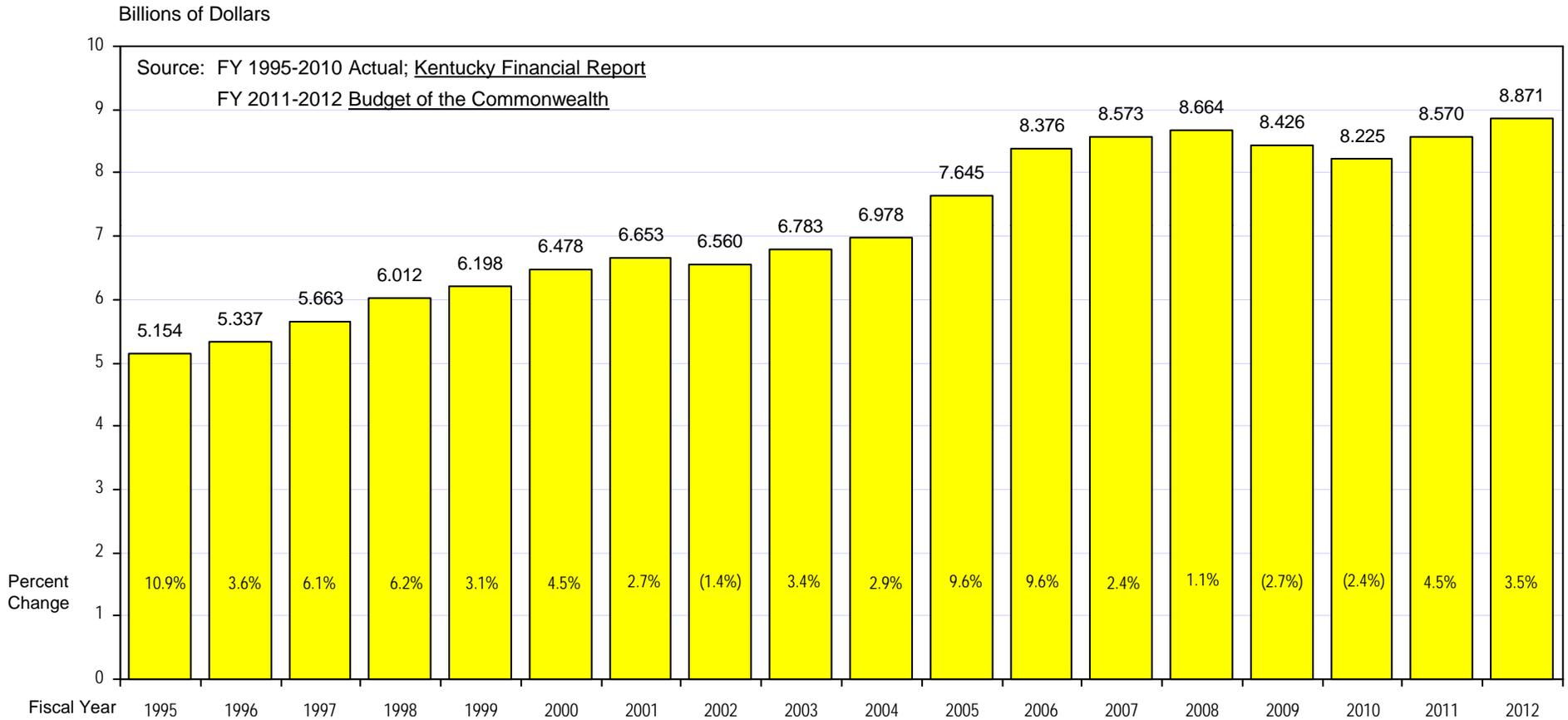
**2010-2012 BUDGET OF THE COMMONWEALTH
CAPITAL PROJECTS SUMMARY**

	<u>Enacted FY 2010</u>	<u>Enacted FY 2011</u>	<u>Enacted FY 2012</u>	<u>Total Enacted</u>
SOURCE OF FUNDS				
Executive Branch				
Restricted Funds	5,496,700	2,352,329,000	51,935,000	2,409,760,700
Federal Funds		392,852,000	54,329,000	447,181,000
Road Fund		10,125,000	4,650,000	14,775,000
Bond Fund	22,900,000	418,138,800	76,857,000	517,895,800
Agency Bond Funds	34,000,000	485,304,000		519,304,000
Capital Construction Surplus		1,400,000		1,400,000
Investment Income		4,437,000	4,437,000	8,874,000
Other		762,231,000		762,231,000
TOTAL SOURCE OF FUNDS	62,396,700	4,426,816,800	192,208,000	4,681,421,500
EXPENDITURES BY CABINET				
Executive Branch				
General Government	4,000,000	638,266,800	74,732,000	716,998,800
Economic Development		76,995,000		76,995,000
Department of Education		675,000	675,000	1,350,000
Education and Workforce Development		400,000	400,000	800,000
Energy and Environment		27,300,000	44,300,000	71,600,000
Finance and Administration	1,500,000	47,992,000	7,017,000	56,509,000
Health and Family Services		19,750,000	3,014,000	22,764,000
Justice and Public Safety		26,670,000	3,300,000	29,970,000
Personnel	22,900,000			22,900,000
Postsecondary Education	30,900,000	3,539,178,000	27,310,000	3,597,388,000
Tourism, Arts and Heritage	3,096,700	28,235,000	21,060,000	52,391,700
Transportation		21,355,000	10400000	31,755,000
TOTAL EXPENDITURES	62,396,700	4,426,816,800	192,208,000	4,681,421,500

General Fund Revenue Receipts

Fiscal Years 1995-2012

(Billions of dollars – rounded)

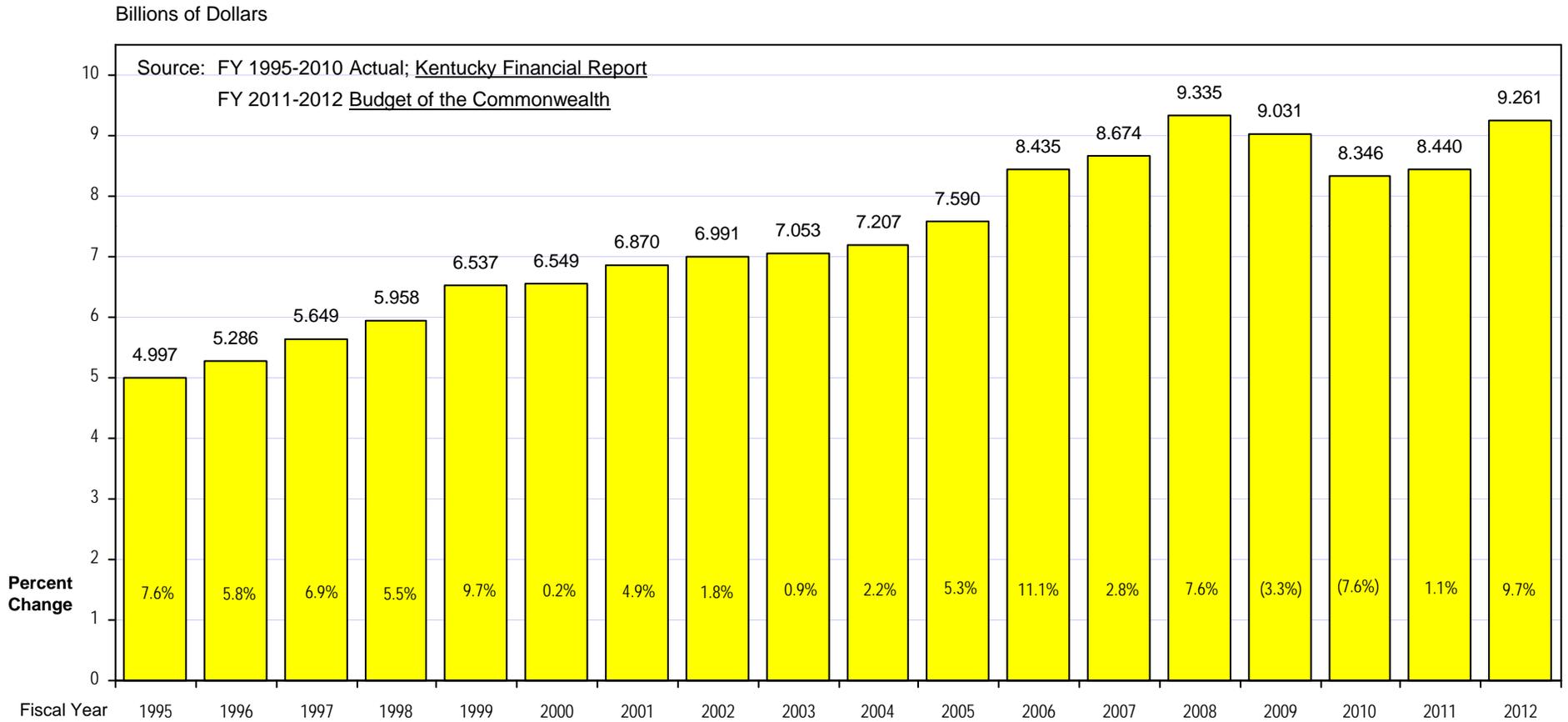


- Excludes Tobacco Settlement – Phase I Funds
- Excludes Fund Transfers

General Fund Expenditures

Fiscal Years 1995-2012

(Billions of dollars – rounded)

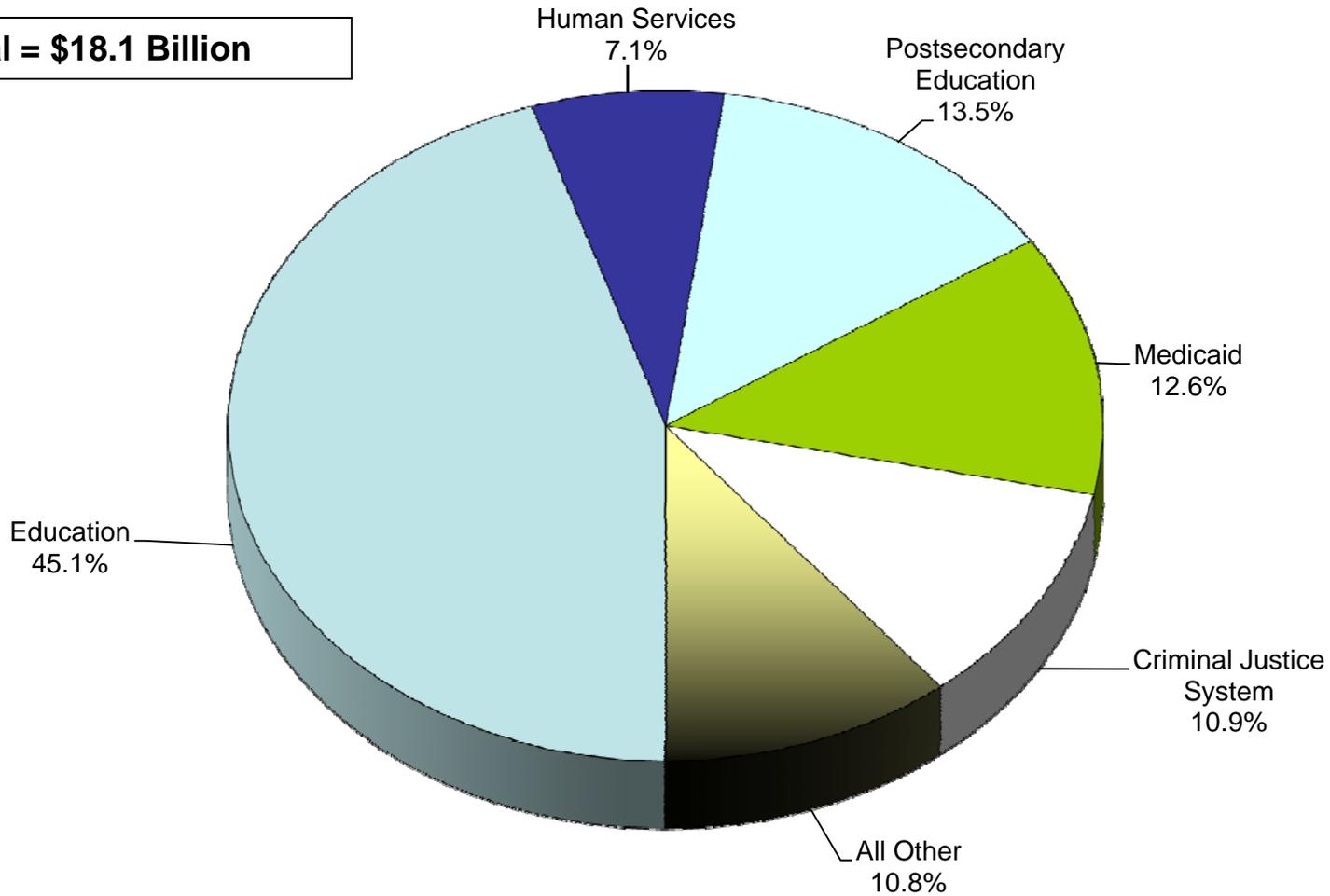


• Excludes Tobacco Settlement – Phase I Funds

2010-2012 Biennium

Distribution of General Fund Appropriations

Total = \$18.1 Billion



Excludes Federal stimulus funds from the American Recovery and Reinvestment Act of 2009

Excludes Tobacco Settlement – Phase I Funds

* Education includes the Department of Education, Teachers' Retirement System, School Facilities Construction Commission and the Education Professional Standards Board.

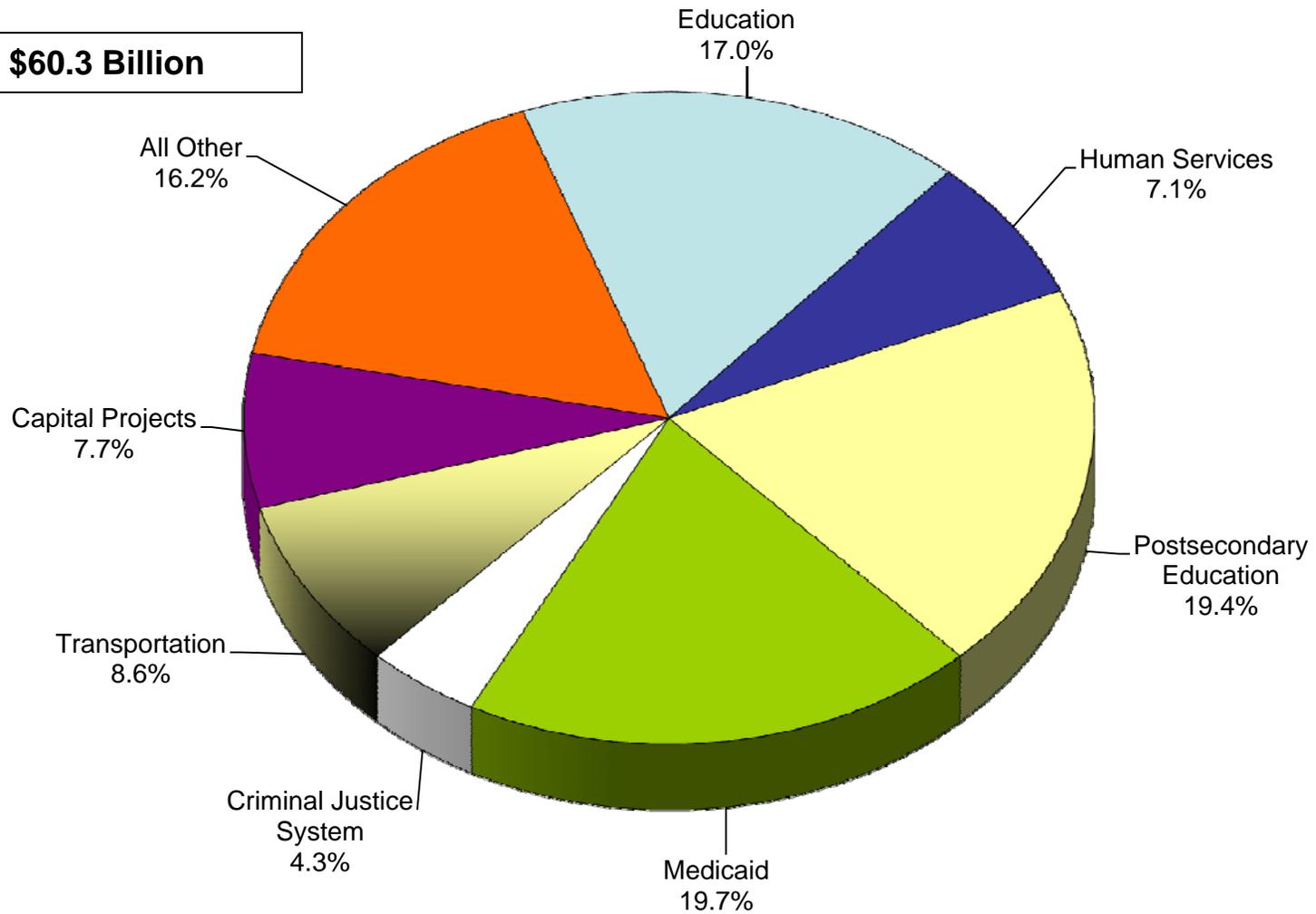
** Human Services include the Health and Family Services Cabinet (net of Medicaid).

*** Criminal Justice System includes the Unified Prosecutorial System, Justice and Public Safety Cabinet and the Judicial Branch.

2010-2012 Biennium

Distribution of All Funds Appropriations

Total = \$60.3 Billion



* Education includes the Department of Education, Teachers' Retirement System, School Facilities Construction Commission and the Education Professional Standards Board.

** Human Services include the Health and Family Services Cabinet (net of Medicaid).

*** Criminal Justice System includes the Unified Prosecutorial System, Justice and Public Safety Cabinet and the Judicial Branch.

DEBT FINANCING

2010-2012 Budget of the Commonwealth

The 2010 Extraordinary Session of the Kentucky General Assembly enacted \$1,549,199,800 in new debt-financed projects.

Structure

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

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

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

Project revenue notes and bonds are issued by various debt issuing authorities of the Commonwealth. The revenues produced by the projects funded by the debt are pledged as security for repayment of the debt. Project revenue debt is not a direct obligation of the Commonwealth. Project revenues are, in some cases, derived partially or solely from biennial appropriations of the General Assembly. In other cases, the direct revenues generated from the project funded constitute the entire source of payment.

The payment of debt service by the state universities is enhanced by a state intercept provision that provides that in the event of a default, the Secretary of the Finance and Administration Cabinet is required to intercept any funds appropriated to the University but not yet disbursed and to remit those funds to the Trustee to remedy the default.

Non-appropriation or moral obligation debt carries the name of the Commonwealth for the benefit and convenience of other entities within the state. This type of indebtedness is a special obligation of the issuer, secured and payable solely from the sources pledged for the payment thereof and does not constitute a debt, liability, obligation or a pledge of the faith and credit of the Commonwealth. The General Assembly does not intend to appropriate any funds to fulfill the financial obligations represented by these types of indebtedness. Some issues covenant that in the event of a shortfall, the issuer will request from the Governor and the General Assembly sufficient amounts to pay debt service. Certain Kentucky Higher Education Student Loan Corporation bonds, Kentucky Housing Corporation Multi-Family conduit bonds, Kentucky Infrastructure Authority Governmental Agencies Program bonds, and Kentucky Infrastructure Authority Wastewater and Drinking Water Revolving Fund Revenue bonds are not moral obligation debt.

**APPROPRIATION SUPPORTED DEBT SERVICE
AS A PERCENT OF TOTAL REVENUE (%)**

Fiscal Year	Percent of Total Revenue	Fiscal Year	Percent of Total Revenue
1989	5.40	2001	5.58
1990	5.24	2002	5.18
1991	5.14	2003	5.70
1992	6.18	2004	5.39
1993	5.99	2005	4.81
1994	5.90	2006	4.89
1995	5.70	2007	4.29
1996	5.62	2008	5.16
1997	5.61	2009	4.81
1998	5.27	2010	3.08
1999	5.05	2011	5.39*
2000	5.90	2012	6.47*

*Estimated. Assumes all new appropriated debt is issued by June 30, 2012.

The above analysis for fiscal years 2010 through 2012 is premised on the following assumptions:

- Fiscal years 2010-2012 General Fund and Road Fund revenues are based on the enacted Revenue Estimates.
- Agency Fund revenues are based on actual fiscal year 2010 revenues and no growth rate for fiscal years 2011 through fiscal year 2012.
- Debt restructuring of \$143.4 (principal and interest) for the General Fund for fiscal year 2011.
- All previously appropriated but unissued debt was assumed issued by June 30, 2010.
- Excludes the Kentucky Infrastructure Authority Wastewater and Drinking Water Revolving Fund Revenue Bonds.

DEBT APPROPRIATED BY RECENT SESSIONS OF THE GENERAL ASSEMBLY

<u>Biennium</u>	<u>Principal Debt Appropriated</u>	<u>Biennium</u>	<u>Principal Debt Appropriated</u>
1984-86	\$ 535,929,000	1998-00 ²	\$1,091,928,000
1986-88	494,721,100	2000-02 ³	1,046,927,600
1988-90	364,171,900	2002-04 ⁴	828,936,380
1990-92	1,148,218,400	2004-06 ⁵	1,906,315,300
1992-94	439,375,100	2006-08 ⁶	2,110,528,000
1994-96	429,575,900	2008-10 ⁷	2,015,494,000
1996-98 ¹	242,182,000	2010-12 ⁸	1,549,199,800

¹ Enacted in the 1996-1998 Budget of the Commonwealth, and the 1997 Second Extraordinary Session of the Kentucky General Assembly.

Excludes \$60,000,000 of Agency Bonds for Kentucky Infrastructure Authority that was unable to be acted on.

² Debt Enacted in the 1998-2000 Budget of the Commonwealth.

\$600,830,000 General Fund; \$268,100,000 Road Fund; and \$96,100,000 Agency Funds. \$201,000,000 was appropriated for the School Facilities Construction Commission; however, debt service was appropriated for only \$108,130,000 in debt. \$126,898,000 was appropriated in the General Fund Surplus Expenditure Plan in fiscal year 1998-99.

³ Debt Enacted in the 2000-2002 Budget of the Commonwealth.

General Fund Appropriation:	\$901,202,600
Road Fund Appropriation:	\$ 28,200,000
Agency Fund Appropriation:	\$117,525,000

The 2000 Session of the General Assembly appropriated \$1,053,015,600 of debt. The Secretary of the Finance and Administration Cabinet, through authority granted in the Appropriations Act, determined that \$6,088,000 of debt appropriated projects would be funded with General Fund cash, thereby reducing the appropriated amount to \$1,046,927,600.

⁴ Debt Enacted in the 2002-2004 Budget of the Commonwealth.

General Fund Appropriation:	\$621,936,380
Agency Fund Appropriation:	\$207,000,000

⁵ Debt Enacted in the 2004-2006 Budget of the Commonwealth.

General Fund Appropriation:	\$1,204,589,300
Road Fund Appropriation:	\$ 450,000,000
Agency Fund Appropriation:	\$ 251,726,000

The 2005 Session of the General Assembly also appropriated \$150,000,000 of Grant Anticipation Revenue Vehicle (GARVEE) bonds supported by Federal Highway Funds received by the Transportation Cabinet.

⁶ Debt Enacted in the 2006-2008 Budget of the Commonwealth.

General Fund Appropriation:	\$1,492,991,000
Road Fund Appropriation:	\$ 350,000,000
Agency Fund Appropriation:	\$ 267,537,000

The 2006 Session of the General Assembly also appropriated \$290,000,000 of Grant Anticipation Revenue Vehicle (GARVEE) bonds supported by Federal Highway Funds received by the Transportation Cabinet.

7 Debt Enacted in the 2008-2010 Budget of the Commonwealth.

General/Tobacco Fund Authorization:	\$ 657,281,000
Road Fund Authorization:	\$ 535,000,000
Agency Fund Authorization:	\$ 743,213,000
Other Authorization:	\$ 80,000,000

The 2008 Session of the General Assembly also authorized \$231,000,000 of Grant Anticipation Revenue Vehicle (GARVEE) bonds supported by Transportation Cabinet Federal Highway Trust Funds. The Agency Fund bond authorization includes \$230,000,000 initial authorization for the Kentucky Infrastructure Authority Wastewater and Drinking Water Revolving Fund. The 2009 Regular Session of the General Assembly subsequently authorized an additional \$7,000,000 in General Fund authorization, \$100,000,000 in Agency Fund authorization (for the University of Kentucky Patient Care Facility project), and \$400,000,000 in Road Fund authorization.

8 Debt Enacted in the 2010-2012 Budget of the Commonwealth.

General/Tobacco Fund Authorization:	\$ 507,395,800
Road Fund Authorization:	\$ 522,500,000
Agency Fund Authorization:	\$ 519,304,000

The 2010 Extraordinary Session of the Kentucky General Assembly also authorized \$435,000,000 of Grant Anticipation Revenue Vehicle (GARVEE) bonds supported by Transportation Cabinet Federal Highway Trust Funds. The Agency Fund bond authorization includes \$125,000,000 of initial authorization for the Kentucky Infrastructure Authority Wastewater and Drinking Water Revolving Fund.

**GENERAL FUND
CONSENSUS FORECAST
2010-2012 ENACTED ESTIMATE**

General Fund Revenues (million \$)

	<u>FY 2008 Actual</u>	<u>FY 2009 Actual</u>	<u>FY 2010 Actual</u>	<u>FY 2011 Estimate</u>	<u>FY 2012 Estimate</u>
Sales & Use	2,877.8	2,857.7	2,794.1	2,919.2	3,031.1
Individual Income	3,483.1	3,315.4	3,154.5	3,300.1	3,469.9
Corporation Inc & LLET*	533.6	389.7	383.8	378.5	374.9
Coal Severance	233.0	292.6	271.9	230.4	230.8
Cigarette	169.5	203.0	278.4	280.9	278.8
Property	500.6	513.1	516.2	532.4	550.1
Lottery	187.5	193.5	200.0	205.4	210.8
Other	679.1	661.4	626.2	643.8	662.5
Subtotal	8,664.3	8,426.4	8,225.1	8,490.8	8,808.8
Enacted Changes To Consensus Forecast Group Estimate				80.1	62.4
Total General Fund				8,570.9	8,871.2

Annual Percentage Growth Rates

	<u>FY 2008 Actual</u>	<u>FY 2009 Actual</u>	<u>FY 2010 Actual</u>	<u>FY 2011 Estimate</u>	<u>FY 2012 Estimate</u>
Sales & Use	2.1	-0.7	-2.2	4.5	3.8
Individual Income	14.5	-4.8	-4.9	4.6	5.1
Corp. Inc & LLET*	0.0	0.0	0.0	-1.4	-0.9
Coal Severance	5.0	25.6	-7.1	-15.3	0.2
Cigarette	0.5	19.8	37.1	0.9	-0.8
Property	1.7	2.5	0.6	3.1	3.3
Lottery	0.4	3.2	3.4	2.7	2.6
Other	3.4	-2.6	-5.3	2.8	2.9
Total General Fund	1.1	-2.7	-2.4	4.2	3.5

* Includes corporate license tax for FY 2006 & FY 2007 only

**ENACTED CHANGES TO
CONSENSUS FORECAST GROUP ESTIMATE**

	FY 2011 Enacted	FY 2012 Enacted
Other General Fund Resources		
Declaration Requirement for Non-resident Business Income	0	17,000,000
Join U.S. Treasury payment offset program	4,725,000	8,032,500
Contract out difficult collections and obtain new data sources	2,250,000	5,000,000
Expedited Protest Resolution	23,200,000	(7,700,000)
Amended Baseline Ky Environmental Stewardship Act		(1,100,000)
Change Mine Permit Fee to Restricted Fund	(1,685,000)	(1,685,000)
Apply payment offset to Medicaid provider payments	5,000,000	3,500,000
Abandoned Property-real property escheatment pilot	7,750,000	6,750,000
Insurance Proceeds - Northpoint	6,000,000	
Attorney General-Settlement Proceeds	5,500,000	
Cap the Domestic Production Deduction Rate	7,300,000	8,200,000
Cap the Film Industry Tax Credit at \$5 million	10,000,000	5,900,000
Cap on Economic Dev Tax Credits at 20%	3,500,000	16,000,000
Home Buyer's Tax Credit	5,000,000	
Indiv. Income-Acceleration of payment by employers		
Revenue-Electronic Filing-HB 319	3,000,000	5,000,000
Endow Kentucky Tax Credit	(500,000)	(500,000)
Bourbon Ad Valorem Tax Credit	0	0
Small Business Tax Credit	(900,000)	(2,000,000)
Total-Other General Fund Resources	80,140,000	62,397,500

**GENERAL FUND DETAILED CONSENSUS REVENUE ESTIMATE
AS MODIFIED BY LEGISLATIVE ACTION**

<u>Source</u>	<u>Actual 2009</u>	<u>Actual 2010</u>	<u>Estimates 2011</u>	<u>Estimates 2012</u>
<u>Selected Sales and Gross Receipts Taxes</u>				
Sales & Use	\$2,857,665,168	\$2,794,057,329	\$2,919,200,000	\$3,031,100,000
Cigarette Excise Tax (Included in surtax FY09 forward)	0	0	0	0
Cigarette Surtax	186,756,011	278,159,743	280,900,000	278,800,000
Cigarette Floor Stock Tax	16,292,300	274,940	0	0
Distilled Spirits Case Sales	109,333	453,002	191,645	214,838
Insurance Tax Foreign Companies	38,352,903	38,332,504	38,356,718	38,707,674
Insurance Tax Companies Other Than Life	82,511,748	82,209,817	83,742,889	83,541,831
Insurance Tax Fire Prevention Fund	4,303,498	4,521,153	4,408,842	4,416,561
Pari-Mutuel	4,387,515	(82,480)	4,462,326	4,325,698
Race Track Admission	230,888	187,994	207,554	211,852
Beer Consumption	6,478,525	6,165,505	6,388,697	6,399,852
Distilled Spirits Consumption	10,676,604	10,719,543	10,480,344	10,576,787
Wine Consumption	2,392,069	2,442,113	2,381,481	2,395,269
Beer Wholesale	51,696,564	51,596,255	49,970,773	50,761,918
Distilled Spirits Wholesale	27,884,547	27,517,432	26,826,238	27,248,018
Wine Wholesale	12,356,700	12,082,136	11,967,077	12,110,818
Other Tobacco Products and Snuff	11,548,724	21,107,290	20,800,000	21,850,000
Telecommunications Taxes	61,228,833	66,786,669	58,979,318	60,818,395
TOTAL SELECTED SALES AND GROSS RECEIPTS TAXES	\$3,374,871,930	\$3,396,530,945	\$3,519,263,903	\$3,633,479,508
<u>License and Privilege Taxes</u>				
Coal Severance Tax	\$292,591,094	\$271,943,100	\$230,400,000	\$230,800,000
Mineral Severance Tax	12,807,705	13,266,156	15,372,690	16,232,904
Natural Gas Severance Tax	42,155,501	24,373,188	26,240,283	43,283,228
Oil Production	8,430,228	7,564,121	11,872,290	20,154,284
Corporate License	9,154,338	5,470,951	3,250,000	250,000
Cigarette License	86,250	70,500	84,548	82,659
Amusement Machine License	0	0	0	0
Race Track License	350,225	271,425	288,033	289,123
Marijuana and Controlled Substance Tax	164,818	92,089	115,792	117,242
Bank Franchise Tax	73,339,144	69,085,922	74,000,000	74,000,000
Corporation Organization	38,101	167,841	145,515	152,954
Circuit Court Clerk - Driver License Receipts	579,919	596,348	595,599	593,547
Sand and Gravel License	6,132	9,563	6,946	7,407
Alcoholic Beverage License Suspension	393,050	562,082	611,863	600,041
Limited Liability Entity Tax	121,650,092	145,948,432	143,200,000	138,200,000
TOTAL LICENSE AND PRIVILEGE TAXES	\$561,746,597	\$539,421,718	\$506,183,559	\$524,763,389
<u>Income Taxes</u>				
Corporation Income Tax	267,984,858	\$237,867,392	235,300,000	236,700,000
Individual Income Tax	3,315,368,217	3,154,488,000	3,300,100,000	3,469,900,000
TOTAL INCOME TAXES	\$3,583,353,075	\$3,392,355,392	\$3,535,400,000	\$3,706,600,000
<u>Property Taxes</u>				
Real Property	241,008,338	\$248,756,857	256,800,000	267,900,000
Tangible Personal Property	95,284,064	92,124,831	101,600,000	105,200,000
Motor Vehicles	105,086,465	100,615,574	98,300,000	101,800,000

**GENERAL FUND DETAILED CONSENSUS REVENUE ESTIMATE
AS MODIFIED BY LEGISLATIVE ACTION**

<u>Source</u>	<u>Actual 2009</u>	<u>Actual 2010</u>	<u>Estimates 2011</u>	<u>Estimates 2012</u>
Building and Loan Association Capital Stock	2,898,977	589,597	2,400,000	2,400,000
Delinquent Property	6,076,090	685,815	7,500,000	7,000,000
Omitted Intangible Personal Property	876,031	2,920,507	0	0
Omitted Tangible Personal Property	15,993,541	24,952,198	15,500,000	15,000,000
Apportioned Vehicles	3,413,384	494,576	5,000,000	5,000,000
Public Service Companies	41,315,048	45,026,921	44,200,000	44,700,000
Other Property	1,170,110	3,071	1,100,000	1,100,000
TOTAL PROPERTY TAXES	\$513,122,048	\$516,169,947	\$532,400,000	\$550,100,000
<u>Inheritance Taxes</u>				
Inheritance Tax	41,234,240	\$37,201,611	43,305,839	43,237,772
TOTAL INHERITANCE TAXES	\$41,234,240	\$37,201,611	\$43,305,839	\$43,237,772
<u>Departmental Fees, Sales and Rentals</u>				
Public Service Commission Assessments	14,104,836	12,685,063	12,685,063	12,685,063
Insurance - Retaliatory Taxes & Fees	2,697,526	3,917,092	3,001,547	3,365,181
Circuit Court Clerk - Civil Filing Fee Receipts	12,183,963	12,577,594	12,313,060	12,556,628
Circuit Court Clerk - Bond Filing Fee	2,815,840	3,161,022	1,759,788	2,069,801
Circuit Court Clerk. - 10% Bond Fee	719,802	683,458	710,159	716,064
Circuit Court Clerk. - Receipts for Services	6,357,649	6,318,120	5,837,385	6,027,753
Strip Mining & Reclamation Fees	1,421,875	412,625	1,054,017	1,040,459
Strip Mining & Reclamation - Fines Collected	885,190	802,480	824,612	830,838
Miscellaneous - Pub Advocacy; Secretary of State Fee	4,830,823	1,657,780	3,723,803	3,662,809
TOTAL DEPARTMENT FEES, SALES AND RENTALS	\$46,017,504	\$42,215,234	\$41,909,434	\$42,954,596
<u>Investment Receipts</u>				
General Depository Investment Income	4,183,825	(303,103)	0	0
Circuit Court Clerk. - Interest Income	0	0	0	0
Interest on Investments - Withholding Accounts	0	0	0	0
Ky Asset/Liab - TRAN	0	0	0	0
TOTAL INVESTMENT RECEIPTS	\$4,183,825	(\$303,103)	\$0	\$0
<u>Miscellaneous Revenue</u>				
Lottery	193,500,000	200,000,000	205,400,000	210,800,000
Legal Process - Clerk Supreme Court	110,503	96,099	108,313	106,215
Legal Process - Clerk Court of Appeals	17,494	3,200	25,000	16,571
Dept of Revenue Legal Process Taxes - County Clerk	2,405,779	2,270,717	2,658,428	2,539,186
Dept of Revenue Penalty & Interest of County Officials	(26,360)	(25,304)	(27,508)	(27,017)
TVA - In Lieu of Taxes - State Portion	14,593,246	14,335,091	13,455,252	13,065,875
F.H.A. - In Lieu of Taxes	65,061	157,998	81,472	83,548
R.E.C.C. and R.T.C.C. In Lieu of Taxes	310	310	310	310
Business Development - In Lieu of Taxes	0	0	0	0
Abandoned Property	31,380,243	27,985,260	26,500,000	25,350,450
Circuit Court Clerk. - Fish & Wildlife Fines	81,818	69,187	76,657	78,173
Circuit Court Clerk - Criminal/Traffic Fines & Costs	24,440,960	23,104,001	24,715,043	24,520,000
Circuit Court Clerk - Bond Forfeitures	1,399,864	1,308,487	1,460,729	1,455,124
Fines Dept Insurance	438,916	80,930	485,779	427,966
Workplace & Employment Standards, Fees, Fines	239,628	0	850,940	763,722

**GENERAL FUND DETAILED CONSENSUS REVENUE ESTIMATE
AS MODIFIED BY LEGISLATIVE ACTION**

<u>Source</u>	<u>Actual 2009</u>	<u>Actual 2010</u>	<u>Estimates 2011</u>	<u>Estimates 2012</u>
Sale of NOx Credits	0	625,230	189,300	406,100
Other Fines & Unhonored Checks	10,109,089	6,714,077	7,521,710	5,379,184
Court Costs	21,275,003	19,462,308	22,200,000	20,650,000
TOTAL MISCELLANEOUS REVENUE	\$300,031,554	\$296,187,591	\$305,701,428	\$305,615,407
MISCELLANEOUS NOT IN REVENUE ESTIMATES	\$1,790,813	\$5,348,284	\$6,635,837	\$2,049,328
ENACTED CHANGES TO CONSENSUS FORECAST GROUP ESTIMATE			\$80,140,000	\$62,397,500
TOTAL GENERAL FUND	\$8,426,351,586	\$8,225,127,619	\$8,570,940,000	\$8,871,197,500

**ROAD FUND DETAILED CONSENSUS REVENUE ESTIMATE
AS MODIFIED BY LEGISLATIVE ACTION**

	FY2009 <u>Actual</u>	FY 2010 <u>Actual</u>	FY 2011 <u>Estimated</u>	FY 2012 <u>Estimated</u>
<u>Sales and Gross Receipts Taxes</u>				
Motor Fuels Normal and Normal Use	\$622,185,807	\$655,398,866	\$680,400,000	\$712,200,000
Motor Vehicle Usage	304,135,002	278,078,866	330,100,000	365,200,000
Motor Vehicle Rental Usage	32,230,683	28,704,568	32,800,000	32,900,000
Truck Trip Permits	293,720	362,600	400,000	400,000
Sales and Use	-64,485	25,996,446	0	0
Usage Tax on Buses		0	0	0
Supplemental Fuel Surtax		0	0	0
Usage Tax on Historical Vehicles		0	0	0
TOTAL SALES AND GROSS RECEIPTS TAX	\$958,780,727	\$988,541,346	\$1,043,700,000	\$1,110,700,000
<u>License and Privilege Taxes</u>				
Drive Away Utility Trailer Permits	\$8,486	\$7,555	\$8,600	\$8,700
Amateur Radio Plate	9,109	9,282	9,500	9,500
Passenger Car License	33,310,461	33,465,591	31,530,000	31,850,000
Truck License - State Share	15,475,669	15,156,014	15,700,000	15,800,000
Motorcycle License	599,585	596,637	610,000	620,000
Motorcycle License-Program GA19			0	0
Dealers License	249,007	240,113	250,000	250,000
Transfer License	911,682	951,392	970,000	970,000
Trailer License	1,592,620	1,693,796	1,900,000	1,900,000
County Clerk Penalty	26,100	-18,531	25,500	25,500
Bus License - Except City	29,501	31,583	30,000	30,000
City and Suburban Bus License			0	0
Bus Certificates and Permits	1,925	2,075	4,000	4,000
Taxi License	25,707	27,215	29,500	29,500
Truck Permits	31,850	30,750	40,000	40,000
Contract Taxicab Permit	12,275	14,000	15,000	15,000
Motor Vehicle Operator's License	13,796,413	14,001,101	13,562,000	13,610,000
Motor Vehicle Operator's License-Program GA19			0	0
Highway Special Permits	7,036,704	6,167,310	6,700,000	6,800,000
U-Drive-It Permits	10,110	8,260	12,000	12,000
U-Drive-Licenses	1,172,410	1,120,230	1,810,000	1,910,000
Junk Yard License	4,477	2,298	4,500	4,500
Historic Vehicle License	291,866	303,269	260,000	350,000
Operator's License-Driver Education	459,523	640,820	470,000	480,000
Truck Proportional Registration	38,026,916	36,662,335	34,590,000	34,090,000
Operator's License - Photography Program	1,265,255	1,299,567	1,420,000	1,430,000
Industrial Hauling Permits	420	900	5,000	5,000
General Assembly License Plates	2,113	1,875	2,000	2,000
Pearl Harbor Survivor Plates	94	15	150	150
Collegiate Plates	864,733	815,113	950,000	950,000
Personalized License Plates	1,233,303	1,260,721	1,300,000	1,400,000
Army Reserve Plates	585,625	627,178	700,000	700,000
Purple Heart Plates	36,350	36,881	31,000	31,000
Judicial License Plates	548	113	750	750
Civil Air Patrol Plates	1,245	1,203	1,000	1,000
National Guard License Plates	22,745	6,077	26,000	26,000
Civic Event Plates	806	419	750	750
Street Rod Plates	1,890	1,934	2,000	2,000
Fraternal Order of Police Plates	92,224	92,875	92,000	93,000
Environmental License Plate	812,517	799,784	816,000	817,000

**ROAD FUND DETAILED CONSENSUS REVENUE ESTIMATE
AS MODIFIED BY LEGISLATIVE ACTION**

	FY2009	FY 2010	FY 2011	FY 2012
	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>
Dealer Demonstrator Tags	4,828	4,862	6,200	6,200
Volunteer Fireman License Tags	84,080	84,320	85,000	85,000
P.O.W. License Plates	427	89	130	130
Motor Carrier Identification Cards	3,355,907	2,455,551	3,400,000	3,400,000
Weight Distance Tax	75,444,283	70,498,757	77,400,000	84,800,000
DES License Plates	10,645	10,621	8,400	8,400
Child Victims License Plates	116,816	92,862	115,000	115,000
Masonic License Plates	63,820	61,836	40,000	40,000
Horse Council Plates	557,921	359,723	650,000	550,000
Law Enforcement	198,573	148,470	200,000	200,000
Independent College	74,984	57,095	80,000	80,000
Ducks Unlimited	35,443	33,853	39,000	39,000
Spay and Neuter Plate	203,643	195,210	200,000	200,000
Share The Road	102,631	106,093	95,000	95,000
Ky Colonels	73,733	74,744	68,000	68,000
Sportsman	190,141	181,715	200,000	200,000
Breast Cancer	300,929	320,357	320,000	320,000
Choose Life	61,850	64,150	75,000	75,000
Zoo Foundation Plate	39,889	34,797	42,000	42,000
Lincoln Bicentennial	16,780	15,641	18,000	18,000
Kentucky Dental Association	5,987	6,104	6,000	6,000
Ryder Cup	30,709	25,493	28,500	28,500
Autism Awareness	28,800	39,665	25,750	25,750
Quail Unlimited	28,793	38,130	25,200	25,200
Temporary Tags	364,524	365,193	370,000	370,000
Nonreciprocal Permits	216,132	214,375	240,000	240,000
Overweight Coal Truck Permit	832,653	679,383	850,000	860,000
Friends of Coal	151,315	541,320	155,000	155,000
Temporary Truck Decal Permits			50,000	50,000
Kentucky Lineman		31,705		
TOTAL LICENSE AND PRIVILEGE TAX	\$200,598,500	\$192,799,864	\$198,669,430	\$206,369,530
<u>Departmental Fees, Sales and Rentals</u>				
Proposal Sales	\$299,249	\$350,577		
Specification and Blue Print Sales			430,000	430,000
Miscellaneous Rentals	414,114	320,771	520,000	520,000
MVL Computer Services				
Fines and Forfeitures				
Traffic Offenders School Fees	958,790	779,495	1,600,000	1,700,000
Record Copy Sales	699,419	237,325	368,000	368,000
Highway Sign Logo Rental	614,837	616,704	670,000	670,000
Driving History Record Fee	7,007,110	6,989,832	7,100,000	7,100,000
Operator's License Reinstatement Fees	1,264,092	1,197,865	1,450,000	1,450,000
Operator's License Name Sales			0	0
Penalty & Interest - Weight and Use Taxes	1,432,632	1,807,208	1,780,000	1,850,000
Medical Alert Stickers	104	81	200	200
Motor Vehicle Title Receipts	4,943,240	4,867,841	5,000,000	5,100,000
Proceeds from Asset Disposition	2,327,992	2,049,901	2,100,000	2,200,000
Coal Road Recovery Fines	170	21,898	3,000	3,000
U-Drive-It Penalty and Interest	103,867	27,781	50,000	50,000
TOTAL DEPARTMENT FEES, SALES AND RENTALS	\$20,065,616	\$19,267,279	\$21,071,200	\$21,441,200

**ROAD FUND DETAILED CONSENSUS REVENUE ESTIMATE
AS MODIFIED BY LEGISLATIVE ACTION**

	FY2009 <u>Actual</u>	FY 2010 <u>Actual</u>	FY 2011 <u>Estimated</u>	FY 2012 <u>Estimated</u>
<u>Investment Income</u>				
Investment Income	\$10,661,790	\$3,633,987	\$1,400,000	\$1,300,000
TOTAL INVESTMENT INCOME	\$10,661,790	\$3,633,987	\$1,400,000	\$1,300,000
<u>Miscellaneous Income</u>				
Property Damage	\$647,685	\$970,725	\$550,000	\$550,000
Cold Check Account		0	0	0
TOTAL MISCELLANEOUS INCOME	\$647,685	\$970,725	\$550,000	\$550,000
Misc. Not in Revenue Estimates	\$1,228,576	\$1,409,439	\$409,370	\$539,270
TOTAL ROAD FUND REVENUE	\$1,191,982,894	\$1,206,622,640	\$1,265,800,000	\$1,340,900,000

Commonwealth of Kentucky

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Enacted FY 2011	Enacted FY 2012
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	9,700,594,100	10,590,066,400	11,768,019,800	8,591,061,400	9,526,311,100
Special Appropriation	16,945,400				
Current Year Appropriation		1,794,300	2,476,300		
Continuing Approp.-General Fund	66,185,495	30,131,200	14,147,400	28,991,900	28,328,500
Budget Reduction-General Fund	-1,109,772,700				
Mandated Expenditure Reductions	-242,710,700				
Mandated Allotments	34,969,142				
Other	7,087,200	-225,000	-225,000		
Current Receipts		5,067,500	5,067,500		
SFSF Receipts		223,038,700	223,038,700		
Total General Fund	8,473,297,937	10,849,873,100	12,012,524,700	8,620,053,300	9,554,639,600
Tobacco Fund					
Tobacco Settlement - Phase I	121,580,000	123,886,901	120,348,520	114,318,100	105,714,800
Continuing Approp.-Tobacco Settlement	32,747,100	14,068,400	10,341,500	22,840,100	11,871,900
Total Tobacco Fund	154,327,100	137,955,301	130,690,020	137,158,200	117,586,700
Restricted Funds					
Regular Appropriation		360,500	628,700		
Balance Forward	588,641,255	292,813,000	241,209,700	267,236,700	216,361,400
Current Receipts	5,082,035,108	5,075,330,600	5,257,242,300	5,083,738,300	5,263,091,600
Non-Revenue Receipts	1,287,119,300	753,941,300	768,538,200	904,512,100	1,231,902,200
Fund Transfers	-97,998,100	-1,462,800	-1,464,000	-69,087,400	-97,831,800
Total Restricted Funds	6,859,797,563	6,120,982,600	6,266,154,900	6,186,399,700	6,613,523,400
Federal Funds					
Regular Appropriation		6,449,100	4,742,600		
Balance Forward	71,863,656	25,180,800	16,122,600	25,204,900	17,780,600
Current Receipts	10,391,538,856	10,475,517,000	10,818,496,900	10,026,924,200	10,432,448,200
Non-Revenue Receipts	-6,745,300	-11,529,400	-7,862,500	-11,565,800	-7,900,000
ARRA Receipts	1,382,482,400	682,515,600	141,245,600	901,475,100	146,660,700
SFSF Receipts	383,238,000			268,103,700	
Total Federal Funds	12,222,377,612	11,178,133,100	10,972,745,200	11,210,142,100	10,588,989,500
Road Fund					
Regular Appropriation	1,400,953,400	1,288,170,600	1,375,609,400	1,265,159,800	1,347,081,000
Budget Reduction-Road Fund	-172,841,800				
Other	-33,161,600				
Total Road Fund	1,194,950,000	1,288,170,600	1,375,609,400	1,265,159,800	1,347,081,000
Highway Bonds					
Non-Revenue Receipts				56,000,000	456,000,000
Total Highway Bonds				56,000,000	456,000,000
TOTAL SOURCE OF FUNDS	28,904,750,212	29,575,114,701	30,757,724,220	27,474,913,100	28,677,820,200
EXPENDITURES BY CLASS					
Personnel Costs	5,692,267,500	6,133,473,900	6,407,733,800	5,764,711,800	5,809,227,400
Operating Expenses	2,755,881,309	2,965,216,731	3,057,671,731	2,837,131,431	2,996,278,031
Grants Loans Benefits	17,255,015,805	18,158,639,569	18,729,231,569	16,372,244,269	16,650,705,869
Debt Service	537,462,500	935,104,967	1,173,755,600	804,571,400	867,440,600

Capital Outlay	260,267,500	207,330,900	199,769,500	262,249,200	253,083,900
Construction	2,049,938,000	893,244,600	927,816,300	1,130,705,300	1,860,256,500
TOTAL EXPENDITURES	28,550,832,614	29,293,010,667	30,495,978,500	27,171,613,400	28,436,992,300
EXPENDITURES BY FUND SOURCE					
General Fund	8,439,921,337	10,835,975,700	12,005,653,400	8,574,710,600	9,510,074,800
Tobacco Fund	126,227,700	124,321,667	121,046,100	122,278,200	105,028,400
Restricted Funds	6,592,560,877	5,879,813,600	6,060,725,100	5,970,038,300	6,456,289,100
Federal Funds	12,197,172,700	11,162,010,500	10,962,232,600	11,192,361,500	10,572,354,000
Road Fund	1,194,950,000	1,288,170,600	1,375,609,400	1,256,224,800	1,337,246,000
Highway Bonds				56,000,000	456,000,000
TOTAL EXPENDITURES	28,550,832,614	29,290,292,067	30,525,266,600	27,171,613,400	28,436,992,300
EXPENDITURES BY UNIT					
Executive Branch	28,156,666,814	28,846,784,467	30,046,643,500	26,792,238,400	28,028,808,400
Legislative Branch	54,548,100	60,865,600	68,980,700	50,600,200	53,919,400
Judicial Branch	339,617,700	382,642,000	409,642,400	328,774,800	354,264,500
TOTAL EXPENDITURES	28,550,832,614	29,290,292,067	30,525,266,600	27,171,613,400	28,436,992,300

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Executive Branch

- House Bill 1
- House Bill 3
- Senate Bill 5
- House Bill 302

Executive Branch

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Enacted FY 2011	Enacted FY 2012
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	9,349,255,700	10,191,669,800	11,321,819,400	8,249,328,500	9,156,172,200
Special Appropriation	16,945,400				
Current Year Appropriation		1,794,300	2,476,300		
Continuing Approp.-General Fund	43,175,895	7,139,300	6,000,000	6,000,000	5,000,000
Budget Reduction-General Fund	-1,082,301,800				
Mandated Expenditure Reductions	-242,710,700				
Mandated Allotments	34,969,142				
Other	7,087,200	-225,000	-225,000		
Current Receipts		5,067,500	5,067,500		
SFSF Receipts		223,038,700	223,038,700		
Total General Fund	8,126,420,837	10,428,484,600	11,558,176,900	8,255,328,500	9,161,172,200
Tobacco Fund					
Tobacco Settlement - Phase I	121,580,000	123,886,901	120,348,520	114,318,100	105,714,800
Continuing Approp.-Tobacco Settlement	32,747,100	14,068,400	10,341,500	22,840,100	11,871,900
Total Tobacco Fund	154,327,100	137,955,301	130,690,020	137,158,200	117,586,700
Restricted Funds					
Regular Appropriation		360,500	628,700		
Balance Forward	552,905,655	291,734,100	240,230,800	266,157,800	215,335,500
Current Receipts	5,063,204,308	5,056,519,800	5,238,431,500	5,057,493,900	5,236,520,900
Non-Revenue Receipts	1,272,612,100	744,534,100	759,131,000	895,538,500	1,223,254,900
Fund Transfers	-97,998,100	-1,462,800	-1,464,000	-69,087,400	-97,831,800
Total Restricted Funds	6,790,723,963	6,091,685,700	6,236,958,000	6,150,102,800	6,577,279,500
Federal Funds					
Regular Appropriation		6,449,100	4,742,600		
Balance Forward	71,863,656	25,180,800	16,122,600	25,204,900	17,780,600
Current Receipts	10,389,252,956	10,473,568,500	10,816,485,300	10,024,216,500	10,429,740,500
Non-Revenue Receipts	-6,745,300	-11,529,400	-7,862,500	-11,565,800	-7,900,000
ARRA Receipts	1,382,482,400	682,515,600	141,245,600	901,475,100	146,660,700
SFSF Receipts	383,238,000			268,103,700	
Total Federal Funds	12,220,091,712	11,176,184,600	10,970,733,600	11,207,434,400	10,586,281,800
Road Fund					
Regular Appropriation	1,400,953,400	1,288,170,600	1,375,609,400	1,265,159,800	1,347,081,000
Budget Reduction-Road Fund	-172,841,800				
Other	-33,161,600				
Total Road Fund	1,194,950,000	1,288,170,600	1,375,609,400	1,265,159,800	1,347,081,000
Highway Bonds					
Non-Revenue Receipts				56,000,000	456,000,000
Total Highway Bonds				56,000,000	456,000,000
TOTAL SOURCE OF FUNDS	28,486,513,612	29,122,480,801	30,272,167,920	27,071,183,700	28,245,401,200
EXPENDITURES BY CLASS					
Personnel Costs	5,440,754,100	5,855,015,000	6,107,706,800	5,523,167,800	5,564,230,100
Operating Expenses	2,613,607,909	2,802,094,831	2,883,792,131	2,699,745,431	2,833,586,431
Grants Loans Benefits	17,255,015,805	18,158,639,569	18,729,231,569	16,372,244,269	16,650,705,869
Debt Service	537,462,500	935,104,967	1,173,755,600	804,571,400	867,440,600

Capital Outlay	259,888,500	206,885,900	199,274,500	261,804,200	252,588,900
Construction	2,049,938,000	893,244,600	927,816,300	1,130,705,300	1,860,256,500
TOTAL EXPENDITURES	28,156,666,814	28,850,984,867	30,021,576,900	26,792,238,400	28,028,808,400
EXPENDITURES BY FUND SOURCE					
General Fund	8,116,036,137	10,422,734,600	11,557,456,900	8,233,314,300	9,139,935,900
Tobacco Fund	126,227,700	124,321,667	121,046,100	122,278,200	105,028,400
Restricted Funds	6,524,566,177	5,851,495,600	6,032,310,100	5,934,767,300	6,420,951,800
Federal Funds	12,194,886,800	11,160,062,000	10,960,221,000	11,189,653,800	10,569,646,300
Road Fund	1,194,950,000	1,288,170,600	1,375,609,400	1,256,224,800	1,337,246,000
Highway Bonds				56,000,000	456,000,000
TOTAL EXPENDITURES	28,156,666,814	28,846,784,467	30,046,643,500	26,792,238,400	28,028,808,400
EXPENDITURES BY UNIT					
General Government	1,281,923,900	1,443,589,700	1,473,231,500	1,080,838,000	1,021,923,600
Economic Development	46,645,400	51,865,800	56,496,500	26,791,800	36,885,600
Department of Education	4,891,903,998	5,388,993,500	5,467,549,400	4,880,201,500	4,684,866,000
Education and Workforce Development	2,581,566,300	2,613,875,700	2,618,859,200	2,586,538,100	2,588,499,400
Energy and Environment	294,613,400	307,893,700	284,333,100	287,485,200	257,829,100
Finance and Administration	498,312,300	814,796,167	838,607,500	656,554,200	612,324,400
Health and Family Services	8,253,255,900	8,596,012,500	9,132,164,000	7,783,391,400	8,377,374,400
Justice and Public Safety	891,903,316	1,010,615,600	1,046,948,900	897,065,100	887,601,300
Labor	208,801,500	223,835,000	228,433,200	213,989,700	216,068,400
Personnel	53,793,500	59,010,800	63,161,700	94,368,000	119,266,000
Postsecondary Education	5,684,075,700	5,927,354,900	6,325,070,900	5,776,127,800	5,935,438,200
Public Protection	114,456,500	120,380,200	121,772,500	110,754,300	109,264,700
Tourism, Arts and Heritage	229,273,000	251,377,500	265,606,900	218,993,500	220,479,600
Transportation	3,126,142,100	2,037,183,400	2,124,408,200	2,179,139,800	2,960,987,700
TOTAL EXPENDITURES	28,156,666,814	28,846,784,467	30,046,643,500	26,792,238,400	28,028,808,400

General Government

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Enacted FY 2011	Enacted FY 2012
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	589,056,600	936,280,300	1,047,161,100	577,898,000	611,613,100
Salary and Health Insurance Adjustments	2,988,800				
Special Appropriation	4,498,400				
Continuing Approp.-General Fund	254,300				
Budget Reduction-General Fund	-14,253,400				
Mandated Expenditure Reductions	-8,409,900				
Mandated Allotments	42,094,300				
Other	7,087,200				
Total General Fund	623,316,300	936,280,300	1,047,161,100	577,898,000	611,613,100
Tobacco Fund					
Tobacco Settlement - Phase I	27,403,600	27,403,600	27,403,600	30,529,000	17,691,600
Continuing Approp.-Tobacco Settlement	19,392,300	11,342,900	7,616,000	11,342,900	11,871,900
Total Tobacco Fund	46,795,900	38,746,500	35,019,600	41,871,900	29,563,500
Restricted Funds					
Regular Appropriation		45,800	49,300		
Balance Forward	48,632,247	41,079,600	30,077,900	41,874,900	28,645,100
Current Receipts	108,946,353	128,016,600	142,921,300	120,757,100	139,939,800
Non-Revenue Receipts	42,096,500	48,448,000	53,579,900	47,225,300	47,726,000
Fund Transfers	-2,144,200			-800,000	-800,000
Total Restricted Funds	197,530,900	217,590,000	226,628,400	209,057,300	215,510,900
Federal Funds					
Regular Appropriation		21,300	21,300		
Balance Forward	19,363,544	10,687,200	5,115,200	10,687,200	5,115,200
Current Receipts	449,780,756	236,865,300	179,658,000	237,039,300	178,819,800
Non-Revenue Receipts	848,000	663,600	666,800	623,400	623,400
ARRA Receipts	7,693,500	44,998,200	7,932,300	48,793,100	10,566,500
Total Federal Funds	477,685,800	293,235,600	193,393,600	297,143,000	195,124,900
Road Fund					
Regular Appropriation	500,000	505,700	513,500	500,000	500,000
Total Road Fund	500,000	505,700	513,500	500,000	500,000
TOTAL SOURCE OF FUNDS	1,345,828,900	1,486,358,100	1,502,716,200	1,126,470,200	1,052,312,400
EXPENDITURES BY CLASS					
Personnel Costs	260,186,300	288,800,500	304,119,700	254,569,700	255,520,300
Operating Expenses	83,836,000	94,618,900	88,266,500	79,601,200	76,915,800
Grants Loans Benefits	825,231,200	923,295,900	917,870,500	543,445,300	444,295,600
Debt Service	108,601,600	129,857,800	159,509,000	193,648,800	240,840,700
Capital Outlay	4,068,800	9,667,000	6,728,200	9,573,000	4,351,200
TOTAL EXPENDITURES	1,281,923,900	1,446,240,100	1,476,493,900	1,080,838,000	1,021,923,600
EXPENDITURES BY FUND SOURCE					
General Fund	623,316,300	936,280,300	1,047,191,100	577,898,000	611,613,100
Tobacco Fund	35,453,000	31,130,500	31,380,000	30,000,000	20,000,000
Restricted Funds	155,656,000	187,552,800	201,296,600	180,412,200	195,228,900
Federal Funds	466,998,600	288,120,400	192,850,300	292,027,800	194,581,600

Road Fund	500,000	505,700	513,500	500,000	500,000
TOTAL EXPENDITURES	1,281,923,900	1,443,589,700	1,473,231,500	1,080,838,000	1,021,923,600
EXPENDITURES BY UNIT					
Office of the Governor	6,542,800	7,099,000	7,509,400	6,077,800	6,017,000
Office of State Budget Director	3,387,200	3,460,000	3,865,200	3,275,400	3,243,600
State Planning Fund	187,800	193,600	193,600	181,200	179,400
Homeland Security	18,587,000	26,018,100	24,131,700	23,441,600	23,014,400
Department of Veterans' Affairs	43,783,800	49,123,800	52,396,500	44,887,400	45,743,600
Governor's Office of Agricultural Policy	37,112,700	32,245,700	32,352,300	31,105,700	20,951,300
Kentucky Infrastructure Authority	53,037,400	174,195,400	99,143,900	167,626,200	96,755,800
Military Affairs	405,161,000	97,774,600	100,107,400	95,324,500	91,461,300
Commission on Human Rights	2,052,400	2,678,900	2,706,800	1,977,700	1,960,400
Commission on Women	232,300	235,900	252,400	212,100	210,000
Department for Local Government	64,550,600	65,045,000	65,444,700	68,566,200	67,539,800
Local Government Economic Assistance Fund	53,450,100	51,697,000	58,378,100	54,422,100	67,281,600
Local Government Economic Development Fund	56,882,500	45,525,400	47,030,400	39,313,000	37,743,300
Area Development Fund	590,100	608,400	608,400	569,600	563,900
Executive Branch Ethics Commission	517,600	539,100	570,100	512,700	508,200
Secretary of State	2,770,300	2,956,000	3,117,000	2,852,700	2,846,000
Board of Elections	11,897,000	15,785,700	10,986,800	10,411,900	9,356,700
Registry of Election Finance	1,216,600	1,581,600	1,679,700	1,177,700	1,165,900
Attorney General	25,456,400	28,255,200	28,161,000	24,741,700	23,417,900
Unified Prosecutorial System	69,517,300	75,975,000	80,426,300	68,717,400	67,903,000
Treasury	2,869,100	3,713,200	3,891,700	2,931,600	2,933,000
Agriculture	29,147,300	39,734,700	37,262,600	31,875,400	30,038,300
Auditor of Public Accounts	10,348,100	11,152,500	11,881,700	9,755,300	9,544,000
Personnel Board	793,800	849,600	893,300	777,900	777,900
Kentucky Retirement Systems	26,725,500	29,070,500	29,867,400	26,191,000	26,191,000
Occupational & Professional Boards & Commissions	20,238,800	21,413,400	22,215,000	20,975,900	21,261,300
Kentucky River Authority	2,328,600	5,655,700	4,845,400	4,806,500	4,069,600
School Facilities Construction Commission	106,209,100	107,991,700	118,399,400	101,433,100	102,802,000
Teachers' Retirement System	212,103,600	528,938,900	610,837,200	230,920,600	250,667,300
Judgments	151,000				
Appropriations Not Otherwise Classified	14,076,100	14,076,100	14,076,100	5,776,100	5,776,100
TOTAL EXPENDITURES	1,281,923,900	1,443,589,700	1,473,231,500	1,080,838,000	1,021,923,600

Economic Development

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Enacted FY 2011	Enacted FY 2012
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	26,092,100	48,631,600	49,160,900	23,570,100	29,617,500
Salary and Health Insurance Adjustments	127,000				
Continuing Approp.-General Fund	20,723,700	6,000,000	5,000,000	6,000,000	5,000,000
Budget Reduction-General Fund	-1,156,600				
Mandated Expenditure Reductions	-1,120,200				
Total General Fund	44,666,000	54,631,600	54,160,900	29,570,100	34,617,500
Restricted Funds					
Balance Forward	1,583,800	744,500		744,500	
Current Receipts	310,000	325,000	350,000	325,000	350,000
Non-Revenue Receipts	2,245,100	1,009,300	1,830,200	996,800	1,762,700
Total Restricted Funds	4,138,900	2,078,800	2,180,200	2,066,300	2,112,700
Federal Funds					
Balance Forward	29,600				
Current Receipts	4,555,400	155,400	155,400	155,400	155,400
Total Federal Funds	4,585,000	155,400	155,400	155,400	155,400
TOTAL SOURCE OF FUNDS	53,389,900	56,865,800	56,496,500	31,791,800	36,885,600
EXPENDITURES BY CLASS					
Personnel Costs	9,908,600	10,470,500	11,078,900	9,334,300	9,153,900
Operating Expenses	2,281,700	2,231,400	2,253,700	2,286,700	2,299,400
Grants Loans Benefits	34,455,100	17,337,900	21,337,900	13,009,300	17,009,300
Debt Service		21,826,000	21,826,000	2,161,500	8,423,000
TOTAL EXPENDITURES	46,645,400	51,865,800	56,496,500	26,791,800	36,885,600
EXPENDITURES BY FUND SOURCE					
General Fund	38,666,000	49,631,600	54,160,900	24,570,100	34,617,500
Restricted Funds	3,394,400	2,078,800	2,180,200	2,066,300	2,112,700
Federal Funds	4,585,000	155,400	155,400	155,400	155,400
TOTAL EXPENDITURES	46,645,400	51,865,800	56,496,500	26,791,800	36,885,600
EXPENDITURES BY UNIT					
Secretary	19,355,600	14,324,000	14,559,400	13,705,400	14,147,400
Business Development	5,584,200	5,558,800	5,825,200	5,185,200	5,137,900
Financial Incentives	21,705,600	31,983,000	36,111,900	7,901,200	17,600,300
TOTAL EXPENDITURES	46,645,400	51,865,800	56,496,500	26,791,800	36,885,600

The Cabinet for Economic Development is governed by the Kentucky Economic Development Partnership. The Partnership board has 11 voting members and two non-voting members. The 11 voting members are the Governor, who is chairman, the Secretary of the Finance and Administration Cabinet, the Secretary of the Energy and Environment Cabinet, and eight private sector members representing all facets of the economic development community who are appointed by the Governor. The Secretary of the Cabinet for Economic Development (nominated by the Economic Development Partnership and appointed by the Governor) and the Secretary of the Tourism, Arts and Heritage Cabinet serve as non-voting members.

The budgetary resources for the Cabinet are organized in three appropriation units: Office of the Secretary, Business Development, and Financial Incentives. The budget for the Department for Commercialization and Innovation is in the Office of the Secretary.

Department of Education

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Enacted FY 2011	Enacted FY 2012
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,907,626,300	4,126,600,400	4,388,829,900	3,657,868,800	3,828,830,200
Salary and Health Insurance Adjustments	279,700				
Continuing Approp.-General Fund	7,780,821				
Budget Reduction-General Fund	-284,869,100				
Mandated Expenditure Reductions	-1,343,600				
SFSF Receipts		223,038,700	223,038,700		
Total General Fund	3,629,474,121	4,349,639,100	4,611,868,600	3,657,868,800	3,828,830,200
Tobacco Fund					
Tobacco Settlement - Phase I	1,525,000	1,525,000	1,525,000	2,150,000	2,050,000
Continuing Approp.-Tobacco Settlement	886,500				
Total Tobacco Fund	2,411,500	1,525,000	1,525,000	2,150,000	2,050,000
Restricted Funds					
Balance Forward	1,686,139	29,400	29,400	27,800	27,800
Current Receipts	3,374,538	5,731,300	5,731,300	5,601,400	5,632,400
Total Restricted Funds	5,060,677	5,760,700	5,760,700	5,629,200	5,660,200
Federal Funds					
Current Receipts	749,777,800	751,698,100	751,924,500	751,695,100	751,853,400
ARRA Receipts	282,169,000	280,400,000	96,500,000	280,400,000	96,500,000
SFSF Receipts	223,038,700			182,486,200	
Total Federal Funds	1,254,985,500	1,032,098,100	848,424,500	1,214,581,300	848,353,400
TOTAL SOURCE OF FUNDS	4,891,931,798	5,389,022,900	5,467,578,800	4,880,229,300	4,684,893,800
EXPENDITURES BY CLASS					
Personnel Costs	72,805,200	87,060,200	92,480,500	76,354,000	71,249,900
Operating Expenses	28,984,409	42,123,431	42,165,031	20,170,831	19,791,431
Grants Loans Benefits	4,790,114,389	5,259,809,869	5,332,903,869	4,783,676,669	4,593,824,669
TOTAL EXPENDITURES	4,891,903,998	5,388,993,500	5,467,549,400	4,880,201,500	4,684,866,000
EXPENDITURES BY FUND SOURCE					
General Fund	3,629,474,121	4,349,639,100	4,611,868,600	3,657,868,800	3,828,830,200
Tobacco Fund	2,411,500	1,525,000	1,525,000	2,150,000	2,050,000
Restricted Funds	5,032,877	5,731,300	5,731,300	5,601,400	5,632,400
Federal Funds	1,254,985,500	1,032,098,100	848,424,500	1,214,581,300	848,353,400
TOTAL EXPENDITURES	4,891,903,998	5,388,993,500	5,467,549,400	4,880,201,500	4,684,866,000
EXPENDITURES BY UNIT					
Executive Policy and Management	642,400	746,900	781,500	3,102,600	596,500
Operations and Support Services	61,692,500	69,635,600	64,700,800	60,016,800	54,003,500
Learning and Results Services	1,885,934,898	2,053,963,300	1,939,275,400	1,909,065,400	1,730,120,900
Support Education Excellence in Kentucky (SEEK)	2,943,634,200	3,264,647,700	3,462,791,700	2,908,016,700	2,900,145,100
TOTAL EXPENDITURES	4,891,903,998	5,388,993,500	5,467,549,400	4,880,201,500	4,684,866,000

In enacting the Kentucky Education Reform Act (KERA), the 1990 General Assembly provided for a reconstituted Department of Education to implement KERA along with existing programs. In accordance with KRS 156.148, the Department of Education is headed by a Commissioner of Education appointed by the Kentucky Board of Education.

Education and Workforce Development

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Enacted FY 2011	Enacted FY 2012
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	82,240,200	102,570,300	102,958,900	77,077,600	74,614,100
Salary and Health Insurance Adjustments	507,100				
Budget Reduction-General Fund	-4,252,600				
Mandated Expenditure Reductions	-1,676,200				
Other		-225,000	-225,000		
Total General Fund	76,818,500	102,345,300	102,733,900	77,077,600	74,614,100
Restricted Funds					
Balance Forward	9,092,800	5,844,600	3,684,100	5,864,600	4,347,600
Current Receipts	12,680,100	12,299,700	12,362,200	12,299,700	12,362,200
Non-Revenue Receipts	26,449,000	27,570,100	28,643,000	26,682,600	27,689,700
Total Restricted Funds	48,221,900	45,714,400	44,689,300	44,846,900	44,399,500
Federal Funds					
Balance Forward	17,365,000				538,900
Current Receipts	2,404,390,700	2,447,777,300	2,470,730,900	2,447,777,300	2,470,730,900
ARRA Receipts	40,634,800	21,722,800	2,127,000	21,722,800	2,127,000
Total Federal Funds	2,462,390,500	2,469,500,100	2,472,857,900	2,469,500,100	2,473,396,800
TOTAL SOURCE OF FUNDS	2,587,430,900	2,617,559,800	2,620,281,100	2,591,424,600	2,592,410,400
EXPENDITURES BY CLASS					
Personnel Costs	148,690,500	158,770,200	166,983,900	150,679,700	156,945,500
Operating Expenses	35,660,500	39,294,400	38,992,600	34,861,100	32,644,700
Grants Loans Benefits	2,394,297,700	2,407,661,700	2,409,713,800	2,399,006,500	2,397,414,200
Debt Service		3,715,000			
Capital Outlay	2,917,600	4,434,400	3,168,900	1,990,800	1,495,000
TOTAL EXPENDITURES	2,581,566,300	2,613,875,700	2,618,859,200	2,586,538,100	2,588,499,400
EXPENDITURES BY FUND SOURCE					
General Fund	76,818,500	102,345,300	102,733,900	77,077,600	74,614,100
Restricted Funds	42,357,300	42,030,300	43,267,400	40,499,300	41,607,600
Federal Funds	2,462,390,500	2,469,500,100	2,472,857,900	2,468,961,200	2,472,277,700
TOTAL EXPENDITURES	2,581,566,300	2,613,875,700	2,618,859,200	2,586,538,100	2,588,499,400
EXPENDITURES BY UNIT					
General Administration and Program Support	10,515,600	12,919,000	11,943,800	9,509,100	9,464,900
Deaf and Hard of Hearing	1,617,900	1,893,700	1,957,000	1,616,600	1,622,100
Kentucky Educational Television	16,168,400	17,365,000	17,218,200	14,079,000	13,956,800
Environmental Education Council	441,300	423,600	388,700	409,900	360,000
Libraries and Archives	16,972,700	24,034,000	24,933,600	16,629,400	16,515,300
Office for the Blind	13,514,200	14,705,100	15,128,700	14,286,100	14,611,200
Employment and Training	2,386,675,900	2,392,907,700	2,395,588,500	2,394,617,700	2,395,588,500
Career and Technical Education	62,044,300	69,061,600	70,850,100	62,742,700	63,571,400
Vocational Rehabilitation	63,781,400	68,339,500	68,258,400	63,789,200	64,023,500
Education Professional Standards Board	9,834,600	12,226,500	12,592,200	8,858,400	8,785,700
TOTAL EXPENDITURES	2,581,566,300	2,613,875,700	2,618,859,200	2,586,538,100	2,588,499,400

During the 2006 Regular Session of the General Assembly, Senate Bill 105 combined several departments and offices from the former Education, Arts, and Humanities Cabinet and the former Workforce Development Cabinet to create the Education Cabinet. Senate Bill 78 during the 2009 Regular Session of the General Assembly renamed the cabinet to the Education and Workforce Development Cabinet to emphasize the important connection between education and workforce development. Executive order 2009-539, filed with Secretary of State on June 12, 2009 moved the Council on Postsecondary Education from the Education and Workforce Development Cabinet to the Governor's Office for administrative purposes.

The following agencies comprise the Education and Workforce Development Cabinet:

- Department of Education
- Kentucky Center for School Safety
- Governor's Scholars Program
- Education Professional Standards Board
- Kentucky Commission on the Deaf and Hard of Hearing
- Environmental Education Council
- Department for Workforce Investment
- Kentucky Educational Television
- Department for Libraries and Archives

Energy and Environment

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Enacted FY 2011	Enacted FY 2012
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	81,064,600	96,694,800	103,966,300	76,592,500	80,652,100
Salary and Health Insurance Adjustments	1,460,100				
Continuing Approp.-General Fund	831,300				
Budget Reduction-General Fund	-7,549,500				
Mandated Expenditure Reductions	-3,870,400				
Total General Fund	71,936,100	96,694,800	103,966,300	76,592,500	80,652,100
Tobacco Fund					
Tobacco Settlement - Phase I	9,000,000	9,000,000	9,000,000	9,000,000	6,000,000
Continuing Approp.-Tobacco Settlement	5,539,700				
Total Tobacco Fund	14,539,700	9,000,000	9,000,000	9,000,000	6,000,000
Restricted Funds					
Balance Forward	12,888,400	27,903,200	35,915,400	16,866,800	8,675,100
Current Receipts	40,780,800	17,820,100	18,102,500	20,488,500	20,902,400
Non-Revenue Receipts	80,429,500	74,219,000	74,428,900	102,625,600	118,082,500
Fund Transfers	-28,000,000			-42,500,000	-57,500,000
Total Restricted Funds	106,098,700	119,942,300	128,446,800	97,480,900	90,160,000
Federal Funds					
Balance Forward	10,400				
Current Receipts	85,233,400	87,148,000	88,757,600	85,692,600	86,588,800
Non-Revenue Receipts	-6,656,800	-7,577,300	-7,662,500	-7,577,300	-7,661,500
ARRA Receipts	40,018,700	38,301,300	6,012,200	38,301,300	6,012,200
Total Federal Funds	118,605,700	117,872,000	87,107,300	116,416,600	84,939,500
Road Fund					
Regular Appropriation	300,000	300,000	300,000	300,000	300,000
Total Road Fund	300,000	300,000	300,000	300,000	300,000
TOTAL SOURCE OF FUNDS	311,480,200	343,809,100	328,820,400	299,790,000	262,051,600
EXPENDITURES BY CLASS					
Personnel Costs	131,893,500	148,553,400	158,476,100	131,430,200	132,564,200
Operating Expenses	41,601,500	47,002,000	46,966,600	44,927,900	44,824,900
Grants Loans Benefits	94,032,100	87,948,000	53,921,300	88,246,700	51,403,600
Debt Service	589,000	589,000	589,000	2,540,000	7,216,000
Capital Outlay	6,977,700	7,811,700	6,831,000	4,350,800	4,271,300
Construction	19,519,600	15,989,600	17,549,100	15,989,600	17,549,100
TOTAL EXPENDITURES	294,613,400	307,893,700	284,333,100	287,485,200	257,829,100
EXPENDITURES BY FUND SOURCE					
General Fund	71,936,100	96,694,800	103,966,300	72,962,800	76,933,400
Tobacco Fund	14,539,700	9,000,000	9,000,000	9,000,000	6,000,000
Restricted Funds	89,231,900	84,026,900	83,959,500	88,805,800	89,656,200
Federal Funds	118,605,700	117,872,000	87,107,300	116,416,600	84,939,500
Road Fund	300,000	300,000	300,000	300,000	300,000
TOTAL EXPENDITURES	294,613,400	307,893,700	284,333,100	287,485,200	257,829,100
EXPENDITURES BY UNIT					
Secretary	4,984,400	5,378,500	5,727,200	4,894,200	5,637,600

Environmental Protection	112,174,700	116,841,200	120,401,400	112,274,500	116,627,100
Natural Resources	121,487,200	126,120,400	130,208,100	116,805,500	113,931,600
Energy Development and Independence	42,585,400	44,035,000	12,253,700	42,127,700	10,342,800
Environmental Quality Commission	239,100	270,900	288,500	257,400	263,600
Kentucky Nature Preserves Commission	2,563,300	1,671,500	1,768,600	1,326,300	1,315,800
Public Service Commission	10,579,300	13,576,200	13,685,600	9,799,600	9,710,600
TOTAL EXPENDITURES	294,613,400	307,893,700	284,333,100	287,485,200	257,829,100

Pursuant to Executive Order 2009-538 and KRS 224.10-100, the Energy and Environment Cabinet is charged with the protection and preservation of land, air and water resources as well as creating efficient, sustainable energy solutions. The Cabinet has three departments: Environmental Protection, Natural Resources, and Energy Development and Independence. Attached for administrative purposes are the Mine Safety Review Commission, the State Nature Preserves Commission, the Environmental Quality Commission, and the Public Service Commission.

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

Finance and Administration

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Enacted FY 2011	Enacted FY 2012
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	572,355,600	571,539,300	598,642,700	456,771,300	415,360,300
Salary and Health Insurance Adjustments	1,256,600				
Special Appropriation	3,113,600				
Budget Reduction-General Fund	-85,469,300				
Reorganization Adjustment	81,400				
Mandated Expenditure Reductions	-188,850,800				
Total General Fund	302,487,100	571,539,300	598,642,700	456,771,300	415,360,300
Tobacco Fund					
Tobacco Settlement - Phase I	24,273,900	30,665,801	30,697,720	19,021,600	30,550,700
Continuing Approp.-Tobacco Settlement	2,725,500	2,725,500	2,725,500	11,497,200	
Total Tobacco Fund	26,999,400	33,391,301	33,423,220	30,518,800	30,550,700
Restricted Funds					
Balance Forward	51,704,500	42,558,800	22,046,600	32,302,300	30,431,800
Current Receipts	141,731,700	153,247,100	157,449,400	145,843,800	147,268,700
Non-Revenue Receipts	5,064,100	6,128,000	6,271,600	6,013,000	6,098,700
Fund Transfers	-18,543,000			-3,000,000	-12,000,000
Total Restricted Funds	179,957,300	201,933,900	185,767,600	181,159,100	171,799,200
Federal Funds					
Current Receipts	9,227,500	8,090,900	7,690,900	7,690,900	7,690,900
Non-Revenue Receipts	-162,300				
ARRA Receipts	24,262,500	24,513,500	23,217,600	24,513,500	23,217,600
Total Federal Funds	33,327,700	32,604,400	30,908,500	32,204,400	30,908,500
Road Fund					
Regular Appropriation	2,725,000	3,141,500	3,149,800	2,725,000	2,725,000
Total Road Fund	2,725,000	3,141,500	3,149,800	2,725,000	2,725,000
TOTAL SOURCE OF FUNDS	545,496,500	842,610,401	851,891,820	703,378,600	651,343,700
EXPENDITURES BY CLASS					
Personnel Costs	175,038,300	197,682,800	209,934,400	173,071,100	174,017,100
Operating Expenses	113,279,400	120,264,000	125,178,900	112,889,100	114,730,300
Grants Loans Benefits	34,440,900	33,240,900	31,734,500	33,340,900	32,484,500
Debt Service	166,076,900	433,862,167	449,413,400	325,672,100	282,422,800
Capital Outlay	9,476,800	29,746,300	22,346,300	11,581,000	8,669,700
TOTAL EXPENDITURES	498,312,300	814,796,167	838,607,500	656,554,200	612,324,400
EXPENDITURES BY FUND SOURCE					
General Fund	299,102,400	571,539,300	598,642,700	443,386,800	397,842,700
Tobacco Fund	15,502,200	27,623,667	27,668,900	27,510,700	27,555,900
Restricted Funds	147,655,000	179,887,300	178,237,600	150,727,300	153,292,300
Federal Funds	33,327,700	32,604,400	30,908,500	32,204,400	30,908,500
Road Fund	2,725,000	3,141,500	3,149,800	2,725,000	2,725,000
TOTAL EXPENDITURES	498,312,300	814,796,167	838,607,500	656,554,200	612,324,400
EXPENDITURES BY UNIT					
General Administration	70,442,000	81,801,100	81,093,700	69,925,600	68,784,200
Controller	16,277,800	15,632,300	15,726,000	13,967,600	13,976,000

Debt Service	166,076,900	433,862,167	430,678,400	325,338,600	280,850,800
Facilities and Support Services	40,829,800	44,117,700	64,200,300	42,366,400	43,989,600
County Costs	18,513,500	18,784,000	19,034,000	18,527,700	18,442,300
Commonwealth Office of Technology	61,690,000	75,710,000	81,441,000	64,329,000	65,368,100
Revenue	84,752,500	100,417,300	99,018,100	83,425,400	82,589,300
Property Valuation Administrators	39,729,800	44,471,600	47,416,000	38,673,900	38,324,100
TOTAL EXPENDITURES	498,312,300	814,796,167	838,607,500	656,554,200	612,324,400

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

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

The Department of Revenue is the statutory agency of state government responsible for the administration of all state revenue laws and the collection of taxes.

The Commonwealth Office of Technology (COT) provides leadership, policy direction, and technical support to all executive branch agencies in the application of information technology and the delivery of communications and information services.

Health and Family Services

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Enacted FY 2011	Enacted FY 2012
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,023,761,500	2,006,252,800	2,462,018,600	1,457,700,200	2,110,375,300
Salary and Health Insurance Adjustments	4,838,700				
Continuing Approp.-General Fund	2,053,200				
Budget Reduction-General Fund	-451,897,600				
Mandated Expenditure Reductions	-29,699,600				
Total General Fund	1,549,056,200	2,006,252,800	2,462,018,600	1,457,700,200	2,110,375,300
Tobacco Fund					
Tobacco Settlement - Phase I	30,641,600	28,861,700	27,217,300	27,192,300	24,930,100
Continuing Approp.-Tobacco Settlement	3,943,900				
Total Tobacco Fund	34,585,500	28,861,700	27,217,300	27,192,300	24,930,100
Restricted Funds					
Balance Forward	36,315,500	38,571,500	21,480,000	38,329,200	21,490,800
Current Receipts	609,063,200	517,114,800	520,750,800	515,194,400	515,692,400
Non-Revenue Receipts	364,105,000	383,554,600	383,203,300	386,839,400	387,538,500
Fund Transfers	-10,263,700				
Total Restricted Funds	999,220,000	939,240,900	925,434,100	940,363,000	924,721,700
Federal Funds					
Balance Forward	22,767,600				
Current Receipts	5,118,511,500	5,382,739,900	5,720,376,400	4,908,418,500	5,319,633,100
ARRA Receipts	570,475,500	260,397,200		471,208,200	
Total Federal Funds	5,711,754,600	5,643,137,100	5,720,376,400	5,379,626,700	5,319,633,100
TOTAL SOURCE OF FUNDS	8,294,616,300	8,617,492,500	9,135,046,400	7,804,882,200	8,379,660,200
EXPENDITURES BY CLASS					
Personnel Costs	610,061,300	692,757,400	728,437,500	634,309,000	625,274,900
Operating Expenses	136,992,100	146,662,200	143,250,100	132,437,500	130,207,500
Grants Loans Benefits	7,504,607,800	7,752,445,500	8,224,340,800	7,006,902,800	7,603,520,900
Debt Service			34,448,000	8,393,500	17,022,500
Capital Outlay	1,471,800	4,024,500	1,564,700	1,225,700	1,225,700
Construction	122,900	122,900	122,900	122,900	122,900
TOTAL EXPENDITURES	8,253,255,900	8,596,012,500	9,132,164,000	7,783,391,400	8,377,374,400
EXPENDITURES BY FUND SOURCE					
General Fund	1,549,056,200	2,006,252,800	2,462,018,600	1,457,700,200	2,110,375,300
Tobacco Fund	31,554,300	28,861,700	27,217,300	27,192,300	24,930,100
Restricted Funds	960,890,800	917,760,900	922,551,700	918,872,200	922,435,900
Federal Funds	5,711,754,600	5,643,137,100	5,720,376,400	5,379,626,700	5,319,633,100
TOTAL EXPENDITURES	8,253,255,900	8,596,012,500	9,132,164,000	7,783,391,400	8,377,374,400
EXPENDITURES BY UNIT					
General Administration and Program Support	79,780,100	91,130,700	94,798,400	79,533,900	81,042,900
Comm for Children with Special Health Care Needs	17,003,100	17,956,400	18,675,300	16,721,800	16,822,700
Medicaid Services	6,064,937,200	6,279,192,300	6,741,093,800	5,621,706,600	6,230,345,300
Behavioral Health, Developmental & Intellectual Disabilities	468,142,700	524,058,000	538,596,100	467,458,200	463,379,300

Public Health	429,529,200	446,414,500	453,040,700	434,004,800	432,015,200
Health Policy	1,214,100	1,351,400	1,402,000	1,317,500	1,312,500
Family Resource Centers and Volunteer Services	4,595,800	3,922,900	3,896,000	3,907,000	3,863,900
Income Support	107,539,500	109,431,800	115,901,300	107,479,300	108,442,500
Community Based Services	1,014,479,200	1,049,615,600	1,088,117,400	986,255,900	975,594,100
Aging and Independent Living	66,035,000	72,938,900	76,643,000	65,006,400	64,556,000
TOTAL EXPENDITURES	8,253,255,900	8,596,012,500	9,132,164,000	7,783,391,400	8,377,374,400

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

Executive Order 2008-504 was superseded by Executive Order 2009-541 and created the current appropriation unit and organizational structure of the Cabinet. Executive Order 2009-363 moved the Weatherization program from the Department for Community Based Services to the Finance and Administration Cabinet. Executive Order 2009-770 created the Governor's Office of Electronic Health Information within the Administration and Program Support appropriation unit.

Justice and Public Safety

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Enacted FY 2011	Enacted FY 2012
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	649,107,800	749,138,900	792,550,000	607,909,500	629,988,000
Salary and Health Insurance Adjustments	5,293,300				
Special Appropriation	1,727,100				
Continuing Approp.-General Fund	24,416				
Budget Reduction-General Fund	-107,015,500				
Mandated Expenditure Reductions	-4,618,700				
Total General Fund	544,518,416	749,138,900	792,550,000	607,909,500	629,988,000
Tobacco Fund					
Tobacco Settlement - Phase I	1,923,400	1,929,100	1,935,900	1,923,400	1,923,400
Continuing Approp.-Tobacco Settlement	118,600				
Total Tobacco Fund	2,042,000	1,929,100	1,935,900	1,923,400	1,923,400
Restricted Funds					
Regular Appropriation		314,700	579,400		
Balance Forward	11,412,269	5,862,500	3,278,500	5,862,500	2,713,100
Current Receipts	36,760,817	39,554,200	41,800,700	39,360,600	41,573,800
Non-Revenue Receipts	76,293,100	79,651,000	80,666,800	76,601,200	77,331,500
Fund Transfers				-980,000	
Total Restricted Funds	124,466,186	125,382,400	126,325,400	120,844,300	121,618,400
Federal Funds					
Regular Appropriation		6,427,800	4,721,300		
Balance Forward	1,760,712	4,442,400	5,306,200	4,442,400	5,150,100
Current Receipts	51,393,800	48,502,200	47,834,100	49,643,200	49,350,200
ARRA Receipts	14,212,500	7,667,500	2,298,600	12,021,100	5,079,500
SFSF Receipts	90,199,300			28,344,900	
Total Federal Funds	157,566,312	67,039,900	60,160,200	94,451,600	59,579,800
Road Fund					
Regular Appropriation	73,881,500	75,710,000	76,166,900	79,799,500	83,251,500
Total Road Fund	73,881,500	75,710,000	76,166,900	79,799,500	83,251,500
TOTAL SOURCE OF FUNDS	902,474,414	1,019,200,300	1,057,138,400	904,928,300	896,361,100
EXPENDITURES BY CLASS					
Personnel Costs	497,997,300	565,690,000	604,851,500	511,872,100	512,043,400
Operating Expenses	117,930,200	134,017,100	130,320,800	116,768,000	113,198,700
Grants Loans Benefits	270,292,816	294,789,800	296,764,500	263,492,000	254,926,900
Debt Service	3,337,400	5,239,000	4,485,300	2,694,000	5,188,300
Capital Outlay	2,345,600	10,879,700	10,526,800	2,239,000	2,244,000
TOTAL EXPENDITURES	891,903,316	1,010,615,600	1,046,948,900	897,065,100	887,601,300
EXPENDITURES BY FUND SOURCE					
General Fund	544,518,416	749,138,900	792,550,000	607,909,500	629,988,000
Tobacco Fund	1,775,800	1,929,100	1,935,900	1,923,400	1,923,400
Restricted Funds	118,603,700	122,103,900	123,109,800	118,131,200	119,676,400
Federal Funds	153,123,900	61,733,700	53,186,300	89,301,500	52,762,000
Road Fund	73,881,500	75,710,000	76,166,900	79,799,500	83,251,500
TOTAL EXPENDITURES	891,903,316	1,010,615,600	1,046,948,900	897,065,100	887,601,300
EXPENDITURES BY UNIT					
Justice Administration	37,416,700	39,216,200	31,912,600	36,240,800	30,000,800
Criminal Justice Training	50,274,500	53,545,400	54,352,600	50,522,500	51,035,300

Juvenile Justice	108,347,100	116,716,600	126,836,500	106,259,400	106,016,400
State Police	182,334,200	234,359,300	246,927,800	191,106,200	191,570,000
Corrections	468,816,416	513,460,200	527,206,000	469,149,000	465,940,800
Public Advocacy	44,714,400	53,317,900	59,713,400	43,787,200	43,038,000
TOTAL EXPENDITURES	891,903,316	1,010,615,600	1,046,948,900	897,065,100	887,601,300

The Kentucky Justice Cabinet was established in 1974. It was renamed the Justice and Public Safety Cabinet in 2007. In 2009 the Department of Vehicle Enforcement was brought under the Kentucky State Police.

The Cabinet is comprised of six departments:

- Department of Justice Administration
- Department for Public Advocacy
- Department of Kentucky State Police
- Department of Juvenile Justice
- Department of Criminal Justice Training
- Department of Corrections

	Labor				
	Revised FY 2010	Requested FY 2011	Requested FY 2012	Enacted FY 2011	Enacted FY 2012
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,749,100	25,550,000	26,213,900	4,878,500	4,829,700
Salary and Health Insurance Adjustments	118,600				
Budget Reduction-General Fund	-534,000				
Mandated Expenditure Reductions	-433,700				
Total General Fund	4,900,000	25,550,000	26,213,900	4,878,500	4,829,700
Restricted Funds					
Balance Forward	8,117,000	451,100	35,500	451,100	63,100
Current Receipts	100,354,700	91,597,600	93,677,500	106,226,400	107,280,000
Non-Revenue Receipts	92,377,800	102,966,900	105,252,800	99,223,200	100,664,500
Total Restricted Funds	200,849,500	195,015,600	198,965,800	205,900,700	208,007,600
Federal Funds					
Balance Forward	15,600				
Current Receipts	3,761,700	3,570,600	3,553,800	3,535,500	3,508,800
Non-Revenue Receipts	-274,200	-265,700	-266,800	-261,900	-261,900
Total Federal Funds	3,503,100	3,304,900	3,287,000	3,273,600	3,246,900
TOTAL SOURCE OF FUNDS	209,252,600	223,870,500	228,466,700	214,052,800	216,084,200
EXPENDITURES BY CLASS					
Personnel Costs	129,380,400	143,467,700	148,138,000	134,613,700	136,502,900
Operating Expenses	7,382,300	8,416,200	8,625,800	7,708,600	7,896,100
Grants Loans Benefits	71,468,400	71,468,400	71,468,400	71,468,400	71,468,400
Capital Outlay	570,400	482,700	201,000	199,000	201,000
TOTAL EXPENDITURES	208,801,500	223,835,000	228,433,200	213,989,700	216,068,400
EXPENDITURES BY FUND SOURCE					
General Fund	4,900,000	25,550,000	26,213,900	4,878,500	4,829,700
Restricted Funds	200,398,400	194,980,100	198,932,300	205,837,600	207,991,800
Federal Funds	3,503,100	3,304,900	3,287,000	3,273,600	3,246,900
TOTAL EXPENDITURES	208,801,500	223,835,000	228,433,200	213,989,700	216,068,400
EXPENDITURES BY UNIT					
Secretary	4,527,200	5,000,300	5,003,100	4,386,200	4,388,400
General Administration and Program Support	5,534,600	6,428,700	6,933,300	5,656,100	5,837,500
Workplace Standards	82,303,200	84,397,300	85,438,600	82,063,200	82,325,400
Workers' Claims	14,888,900	16,849,600	17,634,600	15,229,700	15,670,600
Occupational Safety and Health Review Commission	505,800	527,100	556,100	519,800	530,800
Workers' Compensation Funding Commission	101,041,800	110,632,000	112,867,500	106,134,700	107,315,700
TOTAL EXPENDITURES	208,801,500	223,835,000	228,433,200	213,989,700	216,068,400

The Labor Cabinet is created pursuant to KRS 336 and Executive Order 2009-537, which elevated the Labor Department to Cabinet status. The Cabinet consists of the Office of the Secretary, the Department of Workers' Claims, and the Department of Workplace Standards. The Office of the Secretary manages and administers the Cabinet. The Department of Workers' Claims administers workers' compensation claims and ensures that employers comply with the insurance, self-insurance and rehabilitation provisions in KRS Chapter 342. The Department of Workplace Standards regulates state and federal laws

regarding prevailing wage, employment standards, occupational safety and health and child labor law. Workplace Standards also administers the payment of workers' compensation injury claims by the Special Fund and the Coal Workers' Pneumoconiosis Fund.

Attached to the Labor Cabinet for administrative purposes are the Kentucky Labor Management Advisory Council, the State Labor Relations Board, the Workers' Compensation Funding Commission, the Workers' Compensation Advisory Council, the Kentucky Occupational Safety and Health Review Commission, the Occupational Safety and Health Standards Board, the Prevailing Wage Review Board, the Apprenticeship and Training Council, the Employers' Mutual Insurance Authority, the Workers' Compensation Nominating Commission, and the Workers' Compensation Board.

In addition, the Office of General Administration and Program Support for Shared Services and the Office of Inspector General are attached to the Labor Cabinet for administrative purposes. These offices provide principal administrative, human resources, budget, auditing, and internal investigation activities for the Labor Cabinet, Energy and Environment Cabinet, and Public Protection Cabinet.

	Personnel				
	Revised FY 2010	Requested FY 2011	Requested FY 2012	Enacted FY 2011	Enacted FY 2012
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	31,642,900	1,934,100	2,505,400	39,619,900	62,619,900
Salary and Health Insurance Adjustments	-17,524,900				
Budget Reduction-General Fund	-12,248,000				
Mandated Expenditure Reductions	-93,600				
Total General Fund	1,776,400	1,934,100	2,505,400	39,619,900	62,619,900
Restricted Funds					
Balance Forward	16,296,100	16,658,700	10,080,500	15,450,200	12,632,600
Current Receipts	45,595,000	43,559,400	46,828,100	44,559,900	46,828,600
Non-Revenue Receipts	5,576,200	6,939,100	7,665,900	7,370,600	7,278,900
Total Restricted Funds	67,467,300	67,157,200	64,574,500	67,380,700	66,740,100
TOTAL SOURCE OF FUNDS	69,243,700	69,091,300	67,079,900	107,000,600	129,360,000
EXPENDITURES BY CLASS					
Personnel Costs	46,642,800	52,114,100	56,392,000	85,639,700	111,034,200
Operating Expenses	5,304,300	4,985,100	4,928,100	4,028,100	3,601,600
Grants Loans Benefits	1,776,400	1,831,300	1,831,300	1,740,900	1,740,900
Debt Service				2,879,000	2,879,000
Capital Outlay	70,000	80,300	10,300	80,300	10,300
TOTAL EXPENDITURES	53,793,500	59,010,800	63,161,700	94,368,000	119,266,000
EXPENDITURES BY FUND SOURCE					
General Fund	1,776,400	1,934,100	2,505,400	39,619,900	62,619,900
Restricted Funds	52,017,100	57,076,700	60,656,300	54,748,100	56,646,100
TOTAL EXPENDITURES	53,793,500	59,010,800	63,161,700	94,368,000	119,266,000
EXPENDITURES BY UNIT					
General Operations	21,280,900	23,189,500	24,804,900	23,685,500	23,172,400
Public Employees Deferred Compensation Authority	7,236,200	8,610,000	9,115,100	8,574,500	8,988,300
Workers' Compensation Benefits and Reserve	23,500,000	25,380,000	27,410,400	25,367,100	27,364,400
State Salary and Compensation Fund				35,000,000	58,000,000
State Group Health Insurance Fund	1,776,400	1,831,300	1,831,300	1,740,900	1,740,900
TOTAL EXPENDITURES	53,793,500	59,010,800	63,161,700	94,368,000	119,266,000

The Personnel Cabinet provides human resources management for Kentucky state government agencies. The Cabinet coordinates the personnel and payroll functions for most of state government. It coordinates state employee benefit packages, such as health and life insurance, workers' compensation, and deferred compensation programs. The Cabinet coordinates state government's employee application process, as well as recruiting and retention functions.

Currently, the Personnel Cabinet is comprised of five appropriation units: General Operations, Public Employees Deferred Compensation Authority, Workers' Compensation Benefits and Reserve, the State Group Health Insurance Fund, and the State Salary and Compensation Fund.

The Department of Personnel was created in 1960 under KRS 18.160. At the time of its inception, it was headed by a personnel board consisting of five members appointed by the Governor. The Board had the responsibility to forward to the Governor a list of qualified applicants for the position of Commissioner of Personnel. In 1972, the legislature made the Commissioner of Personnel a direct appointee of the Governor without nominations from the Personnel Board.

In 1982, KRS 18.160 was repealed and re-enacted under KRS chapter 18A.015. Legislation enacted that year also authorized the Department to charge other state agencies their pro rata share of costs associated with the administration of the Executive Branch's personnel-related functions. In 1998, the General Assembly elevated the Department to Cabinet status.

Executive Order 2009-542, dated June 12, 2009, reorganized the Personnel Cabinet and its organizational structure.

Postsecondary Education

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Enacted FY 2011	Enacted FY 2012
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,318,002,400	1,432,246,200	1,641,402,200	1,206,885,600	1,245,875,600
Salary and Health Insurance Adjustments	186,700				
Current Year Appropriation		1,794,300	2,476,300		
Continuing Approp.-General Fund	4,251,400	1,139,300	1,000,000		
Budget Reduction-General Fund	-110,014,000				
Mandated Expenditure Reductions	-1,369,000				
Current Receipts		5,067,500	5,067,500		
Total General Fund	1,211,057,500	1,440,247,300	1,649,946,000	1,206,885,600	1,245,875,600
Tobacco Fund					
Tobacco Settlement - Phase I	6,930,600	6,417,100	5,987,600	6,417,100	5,987,600
Continuing Approp.-Tobacco Settlement	140,600				
Total Tobacco Fund	7,071,200	6,417,100	5,987,600	6,417,100	5,987,600
Restricted Funds					
Balance Forward	2,959,900	387,400	155,900	1,215,500	308,500
Current Receipts	3,621,014,400	3,699,307,700	3,845,981,900	3,699,491,800	3,846,547,800
Non-Revenue Receipts	16,337,200	11,120,400	14,983,000	9,394,800	13,185,500
Fund Transfers				-794,600	-517,800
Total Restricted Funds	3,640,311,500	3,710,815,500	3,861,120,800	3,709,307,500	3,859,524,000
Federal Funds					
Current Receipts	754,533,800	767,665,900	806,017,000	793,188,500	821,596,000
ARRA Receipts	3,753,200	3,365,000	3,000,000	3,365,000	3,000,000
SFSF Receipts	70,000,000			57,272,600	
Total Federal Funds	828,287,000	771,030,900	809,017,000	853,826,100	824,596,000
TOTAL SOURCE OF FUNDS	5,686,727,200	5,928,510,800	6,326,071,400	5,776,436,300	5,935,983,200
EXPENDITURES BY CLASS					
Personnel Costs	2,721,788,700	2,831,795,800	2,916,229,900	2,719,137,600	2,727,241,400
Operating Expenses	1,690,848,900	1,803,216,200	1,895,887,800	1,818,511,800	1,969,463,800
Grants Loans Benefits	924,024,200	1,036,813,800	1,081,723,600	898,822,100	904,864,700
Debt Service	121,451,200	126,531,000	263,988,800	114,834,700	109,106,600
Capital Outlay	225,962,700	130,548,100	138,911,800	224,821,600	224,761,700
TOTAL EXPENDITURES	5,684,075,700	5,928,904,900	6,296,741,900	5,776,127,800	5,935,438,200
EXPENDITURES BY FUND SOURCE					
General Fund	1,210,057,500	1,439,497,300	1,649,196,000	1,206,885,600	1,245,875,600
Tobacco Fund	6,635,200	6,167,100	5,737,600	6,417,100	5,987,600
Restricted Funds	3,639,096,000	3,710,659,600	3,859,014,500	3,708,999,000	3,858,979,000
Federal Funds	828,287,000	771,030,900	811,122,800	853,826,100	824,596,000
TOTAL EXPENDITURES	5,684,075,700	5,927,354,900	6,325,070,900	5,776,127,800	5,935,438,200
EXPENDITURES BY UNIT					
Council on Postsecondary Education	79,581,300	81,335,200	253,432,200	82,795,700	80,335,500
Kentucky Higher Education Assistance Authority	219,878,700	321,691,600	333,960,900	215,746,200	219,615,900
Postsecondary Education Institutions	5,384,615,700	5,524,328,100	5,737,677,800	5,477,585,900	5,635,486,800
TOTAL EXPENDITURES	5,684,075,700	5,927,354,900	6,325,070,900	5,776,127,800	5,935,438,200

Public Protection

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Enacted FY 2011	Enacted FY 2012
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,210,600	12,072,600	13,494,000	7,254,300	7,181,900
Salary and Health Insurance Adjustments	80,500				
Special Appropriation	2,663,100				
Budget Reduction-General Fund	-392,300				
Mandated Expenditure Reductions	-96,500				
Total General Fund	7,465,400	12,072,600	13,494,000	7,254,300	7,181,900
Tobacco Fund					
Tobacco Settlement - Phase I	19,881,900	18,084,600	16,581,400	18,084,700	16,581,400
Total Tobacco Fund	19,881,900	18,084,600	16,581,400	18,084,700	16,581,400
Restricted Funds					
Balance Forward	48,659,700	35,724,500	43,258,300	35,646,300	34,080,700
Current Receipts	73,067,400	74,405,300	74,396,200	74,299,900	74,400,200
Non-Revenue Receipts	19,867,100	21,692,700	21,620,600	18,891,000	18,471,400
Fund Transfers	-22,310,000			-11,000,000	-17,000,000
Total Restricted Funds	119,284,200	131,822,500	139,275,100	117,837,200	109,952,300
Federal Funds					
Current Receipts	4,328,700	508,700	508,700	508,700	508,700
ARRA Receipts	668,500	1,150,100	157,900	1,150,100	157,900
Total Federal Funds	4,997,200	1,658,800	666,600	1,658,800	666,600
TOTAL SOURCE OF FUNDS	151,628,700	163,638,500	170,017,100	144,835,000	134,382,200
EXPENDITURES BY CLASS					
Personnel Costs	73,455,800	78,548,900	81,150,200	74,194,900	73,773,400
Operating Expenses	11,583,600	13,032,900	12,920,000	11,360,200	11,229,500
Grants Loans Benefits	28,879,100	28,189,900	27,637,800	24,750,700	24,197,300
Capital Outlay	538,000	608,500	64,500	448,500	64,500
TOTAL EXPENDITURES	114,456,500	120,380,200	121,772,500	110,754,300	109,264,700
EXPENDITURES BY FUND SOURCE					
General Fund	7,465,400	12,072,600	13,494,000	7,254,300	7,181,900
Tobacco Fund	18,356,000	18,084,600	16,581,400	18,084,700	16,581,400
Restricted Funds	83,637,900	88,564,200	91,030,500	83,756,500	84,834,800
Federal Funds	4,997,200	1,658,800	666,600	1,658,800	666,600
TOTAL EXPENDITURES	114,456,500	120,380,200	121,772,500	110,754,300	109,264,700
EXPENDITURES BY UNIT					
Secretary	4,643,400	5,168,500	5,475,400	4,956,800	5,029,100
Boxing and Wrestling Authority	135,000	192,600	204,200	138,300	140,100
Alcoholic Beverage Control	5,344,500	5,793,300	6,168,500	5,699,800	5,819,100
Charitable Gaming	3,092,900	3,317,900	3,506,500	3,080,900	3,154,300
Board of Claims/Crime Victims' Compensation	2,898,600	3,016,000	3,090,100	2,888,100	2,909,100
Financial Institutions	8,736,200	11,561,500	12,181,200	9,213,200	9,213,200
Horse Racing Commission	31,142,100	29,660,200	29,816,000	29,138,600	29,049,400
Housing, Buildings and Construction	16,060,900	18,959,100	19,416,200	17,373,600	17,029,800
Insurance	42,005,000	42,284,800	41,460,700	37,881,000	36,540,400
Tax Appeals	397,900	426,300	453,700	384,000	380,200
TOTAL EXPENDITURES	114,456,500	120,380,200	121,772,500	110,754,300	109,264,700

The Public Protection Cabinet is charged with the supervision and regulation of industries. The Cabinet has five departments and one office: Alcoholic Beverage Control, Financial Institutions, Housing, Buildings and Construction, Insurance, Charitable Gaming and Office of Occupations and Professions. The Cabinet also has four boards/commissions attached for administrative purposes only: Kentucky Horse Racing Commission, Boxing & Wrestling Authority, Board of Claims/Crime Victims Compensation Board and Board of Tax Appeals. The Office of the Secretary also includes the Office of Communications and Public Outreach and the Office of Legal Services.

Tourism, Arts and Heritage

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Enacted FY 2011	Enacted FY 2012
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	52,167,800	76,250,300	86,917,100	50,445,600	49,521,700
Salary and Health Insurance Adjustments	387,800				
Special Appropriation	4,943,200				
Budget Reduction-General Fund	-2,111,400				
Reorganization Adjustment	-81,400				
Mandated Expenditure Reductions	-1,028,200				
Total General Fund	54,277,800	76,250,300	86,917,100	50,445,600	49,521,700
Restricted Funds					
Balance Forward	69,344,600	65,993,200	59,261,500	65,195,900	64,722,900
Current Receipts	158,309,600	166,183,300	170,708,400	165,648,500	170,335,700
Non-Revenue Receipts	-7,600,000	-18,690,000	-18,940,000	-17,250,000	-17,500,000
Total Restricted Funds	220,054,200	213,486,500	211,029,900	213,594,400	217,558,600
Federal Funds					
Balance Forward	10,551,200	10,051,200	5,701,200	10,075,300	6,976,400
Current Receipts	19,500,500	20,552,200	20,966,600	20,577,500	20,993,100
Non-Revenue Receipts	-500,000	-4,350,000	-600,000	-4,350,000	-600,000
ARRA Receipts	310,500				
Total Federal Funds	29,862,200	26,253,400	26,067,800	26,302,800	27,369,500
Road Fund					
Regular Appropriation	350,000	350,000	350,000	350,000	350,000
Total Road Fund	350,000	350,000	350,000	350,000	350,000
TOTAL SOURCE OF FUNDS	304,544,200	316,340,200	324,364,800	290,692,800	294,799,800
EXPENDITURES BY CLASS					
Personnel Costs	137,944,100	147,370,900	156,244,900	134,680,200	137,464,900
Operating Expenses	66,578,100	69,947,300	68,502,200	61,932,700	60,195,400
Grants Loans Benefits	15,862,800	14,010,300	14,278,800	12,733,500	12,645,500
Debt Service	4,427,400	15,624,300	21,888,000	5,280,600	5,807,300
Capital Outlay	4,460,600	4,424,700	4,693,000	4,366,500	4,366,500
TOTAL EXPENDITURES	229,273,000	251,377,500	265,606,900	218,993,500	220,479,600
EXPENDITURES BY FUND SOURCE					
General Fund	54,277,800	76,250,300	86,917,100	50,445,600	49,521,700
Restricted Funds	154,858,300	154,225,000	157,373,200	148,871,500	151,393,700
Federal Funds	19,786,900	20,552,200	20,966,600	19,326,400	19,214,200
Road Fund	350,000	350,000	350,000	350,000	350,000
TOTAL EXPENDITURES	229,273,000	251,377,500	265,606,900	218,993,500	220,479,600
EXPENDITURES BY UNIT					
Secretary	15,404,800	15,820,600	18,948,400	12,850,600	12,846,000
Artisans Center	2,457,300	2,756,600	2,718,200	2,378,900	2,398,700
Travel	3,531,800	4,021,300	4,254,700	3,392,600	3,359,700
Parks	91,416,200	96,620,600	102,705,500	83,197,600	84,320,400
Horse Park Commission	8,700,600	12,173,900	12,120,900	10,820,200	9,953,200
State Fair Board	41,845,000	51,955,000	53,822,200	44,342,600	45,251,500
Fish and Wildlife Resources	49,988,800	51,652,500	54,072,300	48,004,700	48,808,000

Historical Society	7,489,100	7,998,400	7,992,900	7,247,000	6,808,700
Arts Council	4,828,900	4,522,500	4,615,700	4,035,400	4,004,700
Heritage Council	2,660,600	2,117,600	2,231,100	1,807,000	1,821,000
Kentucky Center for the Arts	949,900	1,738,500	2,125,000	916,900	907,700
TOTAL EXPENDITURES	229,273,000	251,377,500	265,606,900	218,993,500	220,479,600

Senate Bill 185, enacted by the 2009 Regular Session of the General Assembly renamed the Commerce Cabinet the Tourism, Arts and Heritage Cabinet. The Tourism, Arts and Heritage Cabinet's mission (KRS 148.522) is to capitalize on the natural assets of the Commonwealth and draw from resources in business development, tourism, outdoor attractions, arts, and cultural heritage. Through unified efforts of its agencies, the Cabinet will continually strive to improve the quality of life of the people of Kentucky by creating new wealth and generating jobs.

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

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

Transportation

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Enacted FY 2011	Enacted FY 2012
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,178,200	5,908,200	5,998,400	4,856,600	5,092,800
Continuing Approp.-General Fund	131,600				
Budget Reduction-General Fund	-538,500				
Mandated Expenditure Reductions	-100,300				
Total General Fund	4,671,000	5,908,200	5,998,400	4,856,600	5,092,800
Restricted Funds					
Balance Forward	234,212,700	9,925,100	10,927,200	6,326,200	7,196,400
Current Receipts	111,215,700	107,357,700	107,371,200	107,396,900	107,406,900
Non-Revenue Receipts	549,371,500	-75,000	-75,000	130,925,000	434,925,000
Fund Transfers	-16,737,200	-1,462,800	-1,464,000	-10,012,800	-10,014,000
Total Restricted Funds	878,062,700	115,745,000	116,759,400	234,635,300	539,514,300
Federal Funds					
Current Receipts	734,257,400	718,294,000	718,311,400	718,294,000	718,311,400
ARRA Receipts	398,283,700				
Total Federal Funds	1,132,541,100	718,294,000	718,311,400	718,294,000	718,311,400
Road Fund					
Regular Appropriation	1,323,196,900	1,208,163,400	1,295,129,200	1,181,485,300	1,259,954,500
Budget Reduction-Road Fund	-172,841,800				
Other	-33,161,600				
Total Road Fund	1,117,193,500	1,208,163,400	1,295,129,200	1,181,485,300	1,259,954,500
Highway Bonds					
Non-Revenue Receipts				56,000,000	456,000,000
Total Highway Bonds				56,000,000	456,000,000
TOTAL SOURCE OF FUNDS	3,132,468,300	2,048,110,600	2,136,198,400	2,195,271,200	2,978,873,000
EXPENDITURES BY CLASS					
Personnel Costs	424,961,300	451,932,600	473,189,300	433,281,600	441,444,100
Operating Expenses	271,344,900	276,283,700	275,534,000	252,261,700	246,587,300
Grants Loans Benefits	265,532,900	229,796,300	243,704,500	231,608,500	240,909,400
Debt Service	132,979,000	197,860,700	217,608,100	146,467,200	188,534,400
Capital Outlay	1,028,500	4,178,000	4,228,000	928,000	928,000
Construction	2,030,295,500	877,132,100	910,144,300	1,114,592,800	1,842,584,500
TOTAL EXPENDITURES	3,126,142,100	2,037,183,400	2,124,408,200	2,179,139,800	2,960,987,700
EXPENDITURES BY FUND SOURCE					
General Fund	4,671,000	5,908,200	5,998,400	4,856,600	5,092,800
Restricted Funds	871,736,500	104,817,800	104,969,200	227,438,900	531,464,000
Federal Funds	1,132,541,100	718,294,000	718,311,400	718,294,000	718,311,400
Road Fund	1,117,193,500	1,208,163,400	1,295,129,200	1,172,550,300	1,250,119,500
Highway Bonds				56,000,000	456,000,000
TOTAL EXPENDITURES	3,126,142,100	2,037,183,400	2,124,408,200	2,179,139,800	2,960,987,700
EXPENDITURES BY UNIT					
General Administration and Support	69,797,900	74,393,000	76,329,900	68,811,100	69,208,100
Aviation	19,497,100	10,384,900	10,564,200	5,445,500	6,030,000
Debt Service	54,278,000	117,784,000	137,556,000	65,812,000	107,069,800
Highways	2,575,212,800	1,460,401,300	1,500,655,100	1,656,140,000	2,380,177,800

Public Transportation	70,936,000	49,870,000	49,870,000	49,560,600	49,514,800
Revenue Sharing	294,530,800	282,714,300	306,734,500	297,074,700	312,423,900
Vehicle Regulation	41,889,500	41,635,900	42,698,500	36,295,900	36,563,300
TOTAL EXPENDITURES	3,126,142,100	2,037,183,400	2,124,408,200	2,179,139,800	2,960,987,700

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

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

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

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

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

Executive Order 2008-529, dated June 16, 2008 reorganized the Transportation Cabinet to its current organizational structure and was ratified by the 2009 General Assembly.

Policy

The 2009 General Assembly amended KRS Chapter 48 to require the General Assembly to pass a separate bill for the Transportation Cabinet budget. In addition, the General Assembly is required to pass the Biennial Highway Construction Plan as a separate bill and the last four years of the six year road plan as a joint resolution. House Bill 3 as enacted by the 2010 Extraordinary Session of the General Assembly is the Transportation Cabinet budget bill for the 2010-2012 fiscal biennium. House Bill 4 as enacted by the 2010 Extraordinary Session of the General Assembly is the Biennial Highway Construction Plan for the 2010-2012 fiscal biennium.

On December 21, 2009, the Consensus Forecasting Group established the Road Fund revenue estimate for the fiscal biennium 2010-2012. The Road Fund revenue estimate is \$1,270,600,000 for fiscal year 2010-2011 and \$1,340,900,000 for fiscal year 2011-2012.



COMMONWEALTH OF KENTUCKY
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SECRETARY OF STATE
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VETO MESSAGE FROM THE
GOVERNOR OF THE COMMONWEALTH OF KENTUCKY
REGARDING HOUSE BILL 1 OF THE
2010 FIRST EXTRAORDINARY SESSION

1. Department for Local Government Infrastructure Projects

I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 7, lines 4 through 9, in their entirety.

I am vetoing this part because the General Assembly failed to appropriate additional funds to the Department for Local Government to finance the two projects identified in this provision. Redirecting over 30 percent of the Department's available General Fund budget would leave insufficient funds to operate the Department, requiring a significant reduction in the statutory duties of the Department and the existing grant programs they administer, including grants to the Area Development Districts. I will seek to identify other sources of funding for these worthy projects.

2. Local Government Economic Development Fund Provision

I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 13, lines 25 through 27, in their entirety.

Page 14, line 1, in its entirety.

I am vetoing this part because this language removes flexibility in awarding grants from this program.

3. Cabinet for Economic Development Secretary

I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 32, lines 10 through 12, in their entirety.

I am vetoing this part because it is inconsistent with the plain language of KRS 154.10-050(2) which states that the Kentucky Economic Development Partnership Board shall set the salary of the secretary which shall be exempt from state employee salary limitations as set forth in KRS 64.640. This statute was part of House Bill 89 enacted by the 1992 General Assembly, and was the product of a Legislative Subcommittee on Economic Development Structure and Programs composed of 44 members including 7 state representatives, 4 state senators, and 33 private sector representatives from all geographic regions of the state. This Special Subcommittee specifically expressed its intent to change the manner in which this Cabinet Secretary was employed, overseen, and compensated by creating a public-private governing body, the Kentucky Economic Development Partnership Board. The Partnership Board has publicly expressed its concern about this particular provision. The General Assembly has seen fit to invest similar authority with numerous state government entities and independent governing boards to compensate their agency heads with a salary greater than the salary of the Governor. These include the Legislative Research Commission, the State Fair Board, the Council on Postsecondary Education, the Kentucky Lottery Corporation, the Kentucky Housing Corporation, the Kentucky Retirement System, the Kentucky Teachers' Retirement System, the nine public postsecondary education institutions, the Department of Education, the Kentucky Higher Education Student Loan Corporation, and the Kentucky Deferred Compensation Board.

4. Economic Development Industrial Authority Grant

I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 33, lines 2 through 5, in their entirety.

I am vetoing this part because the General Assembly failed to appropriate additional funds to the Cabinet for Economic Development to finance the item identified in this provision. The bulk of the funding in this appropriation unit provides financing for the commercialization and innovation programs. Redirecting \$1,000,000 to this project would mean less available funding for those economic development efforts within a budget that has already been reduced. I must retain the flexibility needed to fund all economic endeavors that are currently seeking similar assistance fairly. J.M. Smucker Company is an important corporate citizen and employer for the Allen County area, and

I have instructed the Cabinet for Economic Development to do anything they can within the bounds of current resources to assist J.M. Smucker.

5. Economic Development Innovation and Commercialization Center Program

I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 33, lines 6 through 10, in their entirety.

I am vetoing this part because the General Assembly reduced funding for the Office of the Secretary, which includes funding for the centers. The General Fund budget enacted by the General Assembly also requires a significant level of contract spending reductions, the combination of which leaves the exact amount available for the centers uncertain. The Economic Development Cabinet intends to continue these good programs but needs the flexibility to work through the budget reductions included in the enacted budget with everything under consideration.

6. Natural Resources Forestry Tree Nurseries

I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 58, line 27, in its entirety.

Page 59, lines 1 through 2, in their entirety.

I am vetoing this part because it limits the flexibility the Department needs to manage the reduced budget enacted by the General Assembly. The tree nursery program is an important program and all efforts will be made to ensure that it continues and remains viable.

7. Medicaid Program – Urban Trauma Center

I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 73, lines 7 through 11, in their entirety.

I am vetoing this part because the General Assembly did not provide sufficient resources to maintain the current level of services for all elements of the Medicaid program. Therefore, the Cabinet needs the flexibility to maximize the services provided with the funding available.

8. Medicaid Program – State Match

I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 73, lines 12 through 16, in their entirety.

Page 79, lines 23 through 27, in their entirety.

I am vetoing this part because the General Assembly did not provide sufficient resources to maintain the current level of services for all elements of the Medicaid program. Therefore, the Cabinet needs the flexibility to maximize the services provided with the funding available.

9. Medicaid Program – Medicaid Analysis

I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 74, line 20, after “efficiencies”, delete the rest of the line.

Page 74, lines 21 through 22, in their entirety.

Page 75, line 1, after “analysis”, delete the rest of the line.

Page 75, line 2, delete “expansions”

Page 75, line 4, after “evaluations”, delete “and the MMCO expansion”.

Page 75, lines 7 through 10, in their entirety.

I am vetoing this part because the Cabinet intends to develop a plan for evaluating the benefits and efficiencies of the entire Medicaid program which will include all components of the program. Moreover, a portion of this provision conflicts with the Kentucky Constitution’s separation of powers.

10. Medicaid Program – Medicaid Demonstration Waiver

I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 75, lines 16 through 21, in their entirety.

I am vetoing this part because the General Assembly did not provide sufficient resources to maintain the current level of services for all elements of the Medicaid program. Therefore, the Cabinet needs the flexibility to maximize the services provided with the funding available.

11. Mental Health/Mental Retardation Boards – Exemption from Budget Reductions

I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 78, line 14, after “July 15, 2011.”, delete the rest of the line.

Page 78, lines 15 through 16, in their entirety.

I am vetoing this part because it singles out a specific item for exemption from future budget reductions due to revenue shortfalls. The treatment of funding for thousands of programs in the budget warrant that they all remain under consideration should revenue shortfalls occur.

12. Local and District Health Departments – Exemption from Budget Reductions

I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 80, line 11, after “July 15, 2011.” delete the rest of the line.

Page 80, lines 12 through 13, in their entirety.

I am vetoing this part because it singles out a specific item for exemption from future budget reductions due to revenue shortfalls. The treatment of funding for thousands of programs in the budget warrant that they all remain under consideration should revenue shortfalls occur.

13. Tourism, Arts and Heritage Cabinet - Tourism Marketing and Development

I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 112, line 1, after “counties.” delete the rest of the line.

Page 112, lines 2 through 9, in their entirety.

I am vetoing this part because the Cabinet needs the maximum flexibility to make the best decisions on the use of the limited amount of funds available for tourism marketing and development in coal-producing counties.

14. General Fund Spending Reductions

I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

- Page 238, line 9, after “Act”, delete “ by \$43,100,000”.
- Page 238, line 10, delete “by \$71,000,000”.
- Page 241, line 24, after “achieve”, delete “\$10,000,000 of”.
- Page 241, line 25, after “and”, delete “\$10,000,000 of”.
- Page 241, line 25, after “2011-2012.”, delete the rest of the line.
- Page 241, lines 26 through 27 in its entirety.
- Page 242, line 1, in its entirety.
- Page 242, line 2, delete “Television.”
- Page 242, line 5, after “expenditures”, delete “by \$77,900,000”.
- Page 242, line 6, after “and”, delete “by \$87,900,000”.

I am vetoing this part because the General Assembly has assigned spending reduction targets to contracts that would result in harsh cutbacks to education, economic development, and care for Kentuckians with mental illness and mental retardation. This veto will not affect the amount of spending reductions required by these provisions and reductions will occur in spending on contracts, non-merit employees, and other areas of efficiencies. The amount of spending reductions the General Assembly included in these budget provisions, totaling \$131,000,000 in fiscal year 2010-2011 and \$168,900,000 in fiscal year 2011-2012, will remain in place. Those amounts represent larger spending reductions than the 3.5 percent and 4.5 percent reductions to many agencies already incorporated within the enacted budget. Reductions of that level require all the flexibility and management capabilities the Executive branch can muster. Assignment of specific amounts to certain spending areas based on flawed analysis inhibits the most effective methods of achieving such a significant reduction in expenditures. The provision also exempts from certain types of expenditure reduction several agencies of the Executive branch. Those agencies should not be exempt from consideration given the level of spending reductions required.

15. Debt Service

I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 243, lines 2 through 5, in their entirety.

I am vetoing this part because KRS 48.720 and Part III, Section 9 of this act already require that unexpended General Fund debt service shall lapse to the General Fund Surplus Account. The implementation of bond funded projects during my Administration has occurred expeditiously and without impediment despite the most significant upheaval in the municipal bond market in many years. My Administration has ensured that bond funds have been available to every appropriated project that is ready to spend them. One of the traditional uses of unexpended debt service has been to pay for unbudgeted spending needs such as calling out the National Guard, forest fire suppression, and higher prisoner population than budgeted.

16. Health Insurance

I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 244, lines 23 through 27, in their entirety.

Page 245, lines 1 through 27, in their entirety.

Page 246, lines 1 through 26, in their entirety.

Page 247, lines 1 through 27, in their entirety.

Page 248, lines 1 through 7, in their entirety.

Page 248, line 9, delete "Base Employer Provided Plan and all other"

Page 248, lines 12 through 25, in their entirety.

I am vetoing this part because the General Assembly has already set forth within this act the appropriations for the health insurance program for school district employees, state employees and retirees for the 2010-2012 biennium, and these provisions serve only to limit the options available in implementing the health insurance program. The General Assembly appropriated significantly less than the estimated costs of continuing the existing health insurance plans and the associated employer contributions. Since the amount of funding enacted by the General Assembly is the fundamental basis for developing the health insurance plans for 2011 and 2012, it is not necessary to impose additional restrictions on its implementation. The Personnel Cabinet in partnership with the many stakeholders will develop a health insurance plan, including wellness programs, that lives within the funding appropriated, and will make every effort to fashion the best set of options for the benefit of the many public sector employees and retirees that depend on this program to maintain health care for themselves and their families.

17. Exemption from Furlough Policy

I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 250, line 19, after “employees”, delete the rest of the line.

Page 250, line 20, delete “that are not 100 percent federally funded”.

I am vetoing this part because if a furlough policy becomes necessary to avoid significant layoffs, it is important to have a policy that is fair, equitable, and includes shared sacrifice. While the source of funds is very important for budgeting purposes, equitable treatment of our workforce is a key consideration when sacrifice is required.

18. General Fund Budget Reduction Plan

I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 257, lines 3 through 5, in their entirety.

Page 257, lines 10 through 16, in their entirety.

I am vetoing this part because the Executive branch needs the maximum flexibility to contend with revenue shortfalls should they occur.

19. Road Fund Budget Reduction Plan

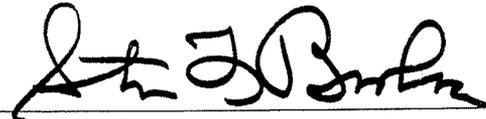
I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 259, line 12, after the period, delete the rest of the line.

Page 259, lines 13 through 15, in their entirety.

I am vetoing this part because the Executive branch needs the maximum flexibility to contend with revenue shortfalls should they occur.

This the 4th day of June, 2010

A handwritten signature in black ink, appearing to read "Steve Beshear", written over a horizontal line.

Steven L. Beshear, Governor



GENERAL ASSEMBLY COMMONWEALTH OF KENTUCKY

2010 EXTRAORDINARY SESSION

HOUSE BILL NO. 1

AS ENACTED AND VETOED IN PART

INFORMATIONAL COPY

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

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

PART I

OPERATING BUDGET

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(1) Funds Appropriations: There is appropriated out of the General Fund, Road Fund, Restricted Funds accounts, Federal Funds accounts, or Bond Funds accounts for the fiscal year beginning July 1, 2009, and ending June 30, 2010, for the fiscal year beginning July 1, 2010, and ending June 30, 2011, and for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following discrete sums, or so much thereof as may be necessary. Appropriated funds are included pursuant to KRS 48.700 and 48.710. Each appropriation is made by source of respective fund or funds accounts. Appropriations for the following officers, cabinets, departments, boards, commissions, institutions, subdivisions, agencies, and budget units of the state government, and any and all other activities of the government of the Commonwealth, are subject to the provisions of Chapters 12, 42, 45, and 48 of the Kentucky Revised Statutes and compliance with the conditions and procedures set forth in this Act.

(2) Tobacco Settlement Funds: Appropriations identified as General Fund (Tobacco) in Part I, Operating Budget, of this Act are representative of the amounts provided in Part X, Phase I Tobacco Settlement, of this Act and are not to be appropriated in duplication.

A. GENERAL GOVERNMENT

Budget Units

1. OFFICE OF THE GOVERNOR

2010-11 2011-12

1 **(2) Congressional Medal of Honor Recipients - Travel and Per Diem:** The
 2 Commissioner of the Department of Veterans' Affairs may approve travel and per diem
 3 expenses incurred when Kentucky residents who have been awarded the Congressional
 4 Medal of Honor attend veterans, military, or memorial events in the Commonwealth of
 5 Kentucky.

6 **(3) Veterans' Service Organization Funding:** Included in the above General
 7 Fund appropriation is \$100,000 in each fiscal year for grants to the Veterans' Service
 8 Organization programs.

9 **(4) Veterans' Cemetery Northeast:** Included in the above General Fund
 10 appropriation is \$55,000 in fiscal year 2010-2011 for the personnel and operating
 11 expenses of the Veterans' Cemetery Northeast in Greenup County.

12 **(5) Debt Service - Fourth State Veterans' Nursing Home:** If any debt service is
 13 required for the issuance of bonds for the construction of the Fourth State Veterans'
 14 Nursing Home authorized in Part II, Capital Projects Budget, of this Act in fiscal year
 15 2010-2011 or fiscal year 2011-2012, it shall be deemed a necessary government expense
 16 and shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget
 17 Reserve Trust Fund Account (KRS 48.705). No bonds shall be sold for this project until it
 18 has been approved by the United States Department of Veterans' Affairs and the
 19 Commonwealth has been notified by the United States Department of Veterans' Affairs
 20 that federal funds are available to support this construction.

21 **(6) Debt Service:** Included in the above General Fund appropriation is \$140,000
 22 in fiscal year 2011-2012 for new debt service to support new bonds as set forth in Part II,
 23 Capital Projects Budget, of this Act.

24 **(7) Brain Injury Alliance of Kentucky and the Epilepsy Foundation of**
 25 **Kentuckiana Funding:** Included in the above General Fund appropriation is \$100,000 in
 26 each fiscal year for grants to the Brain Injury Alliance of Kentucky and \$100,000 in each
 27 fiscal year for grants to the Epilepsy Foundation of Kentuckiana to be used solely for the

1 purpose of working with veterans who have experienced brain trauma and their families.

2 **6. GOVERNOR'S OFFICE OF AGRICULTURAL POLICY**

	2010-11	2011-12
4 General Fund (Tobacco)	30,529,000	17,691,600
5 Restricted Funds	605,700	451,300
6 Federal Funds	500,000	500,000
7 TOTAL	31,634,700	18,642,900

8 **(1) Kentucky Agricultural Finance Corporation:** Notwithstanding KRS
 9 247.978(2), the total amount of principal which a qualified applicant may owe the
 10 Kentucky Agricultural Finance Corporation at any one time shall not exceed \$5,000,000.

11 **(2) Tobacco Settlement Funds - Allocations:** Notwithstanding KRS 248.711(2),
 12 and from the allocation provided therein, counties that are allocated in excess of \$20,000
 13 annually may provide up to four percent of the individual county allocation, not to exceed
 14 \$15,000 annually, to the county council in that county for administrative costs.

15 **(3) Agricultural Development Appropriations:** Notwithstanding KRS
 16 248.703(1), included in the above General Fund (Tobacco) appropriation is \$16,419,375
 17 in fiscal year 2010-2011 and \$16,419,375 in fiscal year 2011-2012 for the counties
 18 account as specified in KRS 248.703(1)(a).

19 **7. KENTUCKY INFRASTRUCTURE AUTHORITY**

	2010-11	2011-12
21 General Fund	2,429,900	5,739,600
22 Restricted Funds	14,927,100	34,136,600
23 Federal Funds	150,269,200	56,879,600
24 TOTAL	167,626,200	96,755,800

25 **(1) Administrative Fee on Infrastructure for Economic Development Fund**
 26 **Projects:** A one-half of one percent administrative fee is authorized to be paid to the
 27 Kentucky Infrastructure Authority for the administration of each project funded by the

1 Infrastructure for Economic Development Fund for Coal-Producing Counties and the
 2 Infrastructure for Economic Development Fund for Tobacco Counties. These
 3 administrative fees shall be paid, upon inception of the project, out of the fund from
 4 which the project was allocated.

5 **(2) Local Government Economic Development Funds:** Included in the above
 6 General Fund appropriation is \$370,000 in each year of the fiscal biennium from the
 7 Local Government Economic Development Fund to support services provided to coal-
 8 producing counties.

9 **(3) Debt Service:** Included in the above General Fund appropriation is \$899,500
 10 in fiscal year 2010-2011 and \$2,574,500 in fiscal year 2011-2012 for new debt service to
 11 support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

12 **(4) Debt Service for Previously Overprogrammed Water and Sewer**
 13 **Infrastructure Projects:** Included in the above General Fund appropriation is
 14 \$1,650,000 in fiscal year 2011-2012 for new debt service to support bonds as set forth in
 15 Part II, Capital Projects Budget, of this Act.

16 **8. MILITARY AFFAIRS**

	2010-11	2011-12
17		
18	General Fund	9,678,500
19	Restricted Funds	8,947,900
20	Federal Funds	42,460,800
21	TOTAL	39,328,200
	94,824,500	42,685,200
		90,961,300

22 **(1) Kentucky National Guard:** There is appropriated from the General Fund the
 23 necessary funds to be expended, subject to the conditions and procedures provided in this
 24 Act, which are required as a result of the Governor's declaration of emergency pursuant to
 25 KRS Chapter 39A, and the Governor's call of the Kentucky National Guard to active duty
 26 when an emergency or exigent situation has been declared to exist by the Governor.
 27 These necessary funds shall be made available from the General Fund Surplus Account

1 (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

2 (2) **Disaster or Emergency Aid Funds:** There is appropriated from the General
3 Fund the necessary funds, subject to the conditions and procedures in this Act, which are
4 required to match federal aid for which the state would be eligible in the event of a
5 presidentially declared disaster or emergency. These necessary funds shall be made
6 available from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve
7 Trust Fund Account (KRS 48.705).

8 **9. COMMISSION ON HUMAN RIGHTS**

	2010-11	2011-12
10 General Fund	1,721,500	1,704,300
11 Federal Funds	256,200	256,100
12 TOTAL	1,977,700	1,960,400

13 **10. COMMISSION ON WOMEN**

	2010-11	2011-12
15 General Fund	212,100	210,000

16 **11. DEPARTMENT FOR LOCAL GOVERNMENT**

	2010-11	2011-12
18 General Fund	8,558,500	8,766,900
19 Restricted Funds	200,000	200,000
20 Federal Funds	59,807,700	58,572,900
21 TOTAL	68,566,200	67,539,800

22 (1) **Debt Service:** Included in the above General Fund appropriation is \$294,000
23 in fiscal year 2011-2012 for new debt service to support new bonds as set forth in Part II,
24 Capital Projects Budget, of this Act.

25 (2) **Support of the 12 Multi-County Regional Industrial Park Authorities:**
26 Included in the above Restricted Funds appropriation is \$200,000 in fiscal year 2010-
27 2011 and \$200,000 in fiscal year 2011-2012 in support of the 12 Multi-County regional

1 industrial park authorities. Funds shall be distributed equally to the 12 Multi-County
 2 regional industrial park authorities for marketing and maintenance of the industrial parks
 3 and the procurement of property and casualty insurance on the parks.

4 ~~[(3) **Infrastructure Improvement:** Included in the above General Fund
 5 appropriation is \$1,300,000 in fiscal year 2010-2011 to the Hopkins County Fiscal Court
 6 for the Hopkins County Fairgrounds Phase II project.~~

7 ~~[(4) **Infrastructure Improvement:** Included in the above General Fund
 8 appropriation is \$1,000,000 in fiscal year 2010-2011 to the City of Liberty in Casey
 9 County for the replacement of two water tanks.] (Veto Item #1)~~

10 **12. LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND**

	2010-11	2011-12
11		
12	54,422,100	67,281,600

13 **13. LOCAL GOVERNMENT ECONOMIC DEVELOPMENT**
 14 **FUND**

	2010-11	2011-12
15		
16	39,313,000	37,743,300

17 **(1) Coal Severance Tax Collections Calculations and Transfers:** The above
 18 appropriations from the General Fund are based on the official estimate presented by the
 19 Office of State Budget Director for coal severance tax collections during the biennium,
 20 distributed in accordance with KRS 42.450 to 42.495.

21 **(2) Kentucky Workers' Compensation Funding Commission:**
 22 Notwithstanding KRS 342.122(1)(c), no General Fund appropriation is provided to the
 23 Kentucky Workers' Compensation Funding Commission in fiscal year 2010-2011 and
 24 fiscal year 2011-2012.

25 **(3) Osteopathic Medicine Scholarship Program:** The transfer of moneys from
 26 the General Fund to the Local Government Economic Development Fund shall be made
 27 after the transfer to the Osteopathic Medicine Scholarship Program has been made

1 pursuant to KRS 164.7891(11) and (12) in the amount of \$901,800 in fiscal year 2010-
2 2011 and \$872,500 in fiscal year 2011-2012 within the Kentucky Higher Education
3 Assistance Authority.

4 **(4) Trover Clinic Grant:** Notwithstanding KRS 42.4582 and 42.4585, the
5 quarterly calculation and transfer of the funds shall be made only after each quarterly
6 installment of the annual appropriation of \$1,000,000 in fiscal year 2010-2011 and
7 \$1,000,000 in fiscal year 2011-2012 has been credited to the Trover Clinic Grant within
8 the Department for Local Government.

9 **(5) Pharmacy Scholarship Fund:** Notwithstanding KRS 164.7901(11) to (13),
10 no funds shall be transferred to the Pharmacy Scholarship Program Fund within the
11 Kentucky Higher Education Assistance Authority in fiscal year 2010-2011 and fiscal year
12 2011-2012.

13 **(6) Mine Safety:** Notwithstanding KRS 42.4582 and 42.4585, the quarterly
14 calculation and transfer of moneys from the General Fund to the Local Government
15 Economic Development Fund shall be made only after each quarterly installment of the
16 annual appropriation of \$4,300,000 in fiscal year 2010-2011 and \$4,400,000 in fiscal year
17 2011-2012 has been made to the Office of Mine Safety and Licensing, Natural Resources
18 budget unit.

19 **(7) School Facilities Construction Commission - 2002-2004:** Notwithstanding
20 KRS 42.4592, the quarterly calculation of the allocation of moneys to coal-producing
21 counties through the Local Government Economic Development Fund in fiscal year
22 2010-2011 shall be made only after funds totaling \$4,617,900, and in fiscal year 2011-
23 2012 shall be made only after funds totaling \$4,617,900, are appropriated as General
24 Fund moneys to the School Facilities Construction Commission budget unit to provide
25 debt service to support previously authorized bonds authorized in 2003 Ky. Acts ch. 156.

26 **(8) Water and Sewer Resources Development Fund for Coal-Producing**
27 **Counties - 2002-2004:** Notwithstanding KRS 42.4592, the quarterly calculation of the

1 allocation of moneys to coal-producing counties through the Local Government
 2 Economic Development Fund shall be made only after each quarterly installment of the
 3 annual appropriation of \$4,091,400 in fiscal year 2010-2011 and \$4,091,400 in fiscal year
 4 2011-2012 is appropriated as General Fund moneys to the Finance and Administration
 5 Cabinet, Debt Service budget unit, to provide General Fund debt service to support
 6 previously authorized bonds for the Water and Sewer Resources Development Fund for
 7 Coal-Producing Counties authorized in 2003 Ky. Acts ch. 156.

8 **(9) KIA Infrastructure for Economic Development Fund for Coal-Producing**
 9 **Counties - 2004-2006:** Notwithstanding KRS 42.4592, the quarterly calculation of the
 10 allocation of moneys to coal-producing counties through the Local Government
 11 Economic Development Fund shall be made only after each quarterly installment of the
 12 annual appropriation of \$694,200 in fiscal year 2011-2012 is appropriated as General
 13 Fund moneys to the Finance and Administration Cabinet, Debt Service budget unit, to
 14 provide General Fund debt service to support a portion of the previously authorized bonds
 15 for the KIA Infrastructure for Economic Development Fund for Coal-Producing Counties
 16 authorized in 2005 Ky. Acts ch. 173.

17 **(10) Infrastructure for Economic Development Fund for Coal-Producing**
 18 **Counties - 2006-2008:** Notwithstanding KRS 42.4592, the quarterly calculation of the
 19 allocation of moneys to coal-producing counties through the Local Government
 20 Economic Development Fund shall be made only after each quarterly installment of the
 21 annual appropriation of \$8,676,300 in fiscal year 2010-2011 and \$8,562,300 in fiscal year
 22 2011-2012 is appropriated as General Fund moneys to the Finance and Administration
 23 Cabinet, Debt Service budget unit, to provide General Fund debt service to support
 24 previously authorized bonds for the Infrastructure for Economic Development Fund for
 25 Coal-Producing Counties authorized in 2006 Ky. Acts ch. 252.

26 **(11) Infrastructure for Economic Development Fund for Coal-Producing**
 27 **Counties - 2008-2010:** Notwithstanding KRS 42.4592, the quarterly calculation of the

1 allocation of moneys to coal-producing counties through the Local Government
 2 Economic Development Fund shall be made only after each quarterly installment of the
 3 annual appropriation of \$7,557,600 in fiscal year 2010-2011 and \$7,538,000 in fiscal year
 4 2011-2012 is appropriated as General Fund moneys to the Kentucky Infrastructure
 5 Authority budget unit, to provide General Fund debt service to support previously
 6 authorized bonds for the Infrastructure for Economic Development Fund for Coal-
 7 Producing Counties authorized in 2008 Ky. Acts ch. 127.

8 **(12) Read to Achieve:** Notwithstanding KRS 42.4592, the quarterly calculation of
 9 the allocation of moneys to coal-producing counties through the Local Government
 10 Economic Development Fund shall be made only after each quarterly installment of the
 11 annual appropriation of \$3,000,000 in fiscal year 2010-2011 and \$3,000,000 in fiscal year
 12 2011-2012 is appropriated as General Fund moneys to the Learning and Results Services
 13 budget unit for the Read to Achieve Program within the Department of Education.

14 **(13) Robinson Scholars Program:** Notwithstanding KRS 42.4592, the quarterly
 15 calculation of the allocation of moneys to coal-producing counties through the Local
 16 Government Economic Development Fund shall be made only after each quarterly
 17 installment of the annual appropriation of \$1,000,000 in fiscal year 2010-2011 and
 18 \$1,000,000 in fiscal year 2011-2012 is appropriated as General Fund moneys to the
 19 University of Kentucky budget unit for the Robinson Scholars Program.

20 **(14) Kentucky Infrastructure Authority:** Notwithstanding KRS 42.4592, the
 21 quarterly calculation of the allocation of moneys to coal-producing counties through the
 22 Local Government Economic Development Fund shall be made only after each quarterly
 23 installment of the annual appropriation of \$370,000 in fiscal year 2010-2011 and
 24 \$370,000 in fiscal year 2011-2012 is appropriated as General Fund moneys to the
 25 Kentucky Infrastructure Authority budget unit.

26 **(15) Department for Local Government:** Notwithstanding KRS 42.4592, the
 27 quarterly calculation of the allocation of moneys to coal-producing counties through the

1 Local Government Economic Development Fund shall be made only after each quarterly
 2 installment of the annual appropriation of \$669,700 in fiscal year 2010-2011 and
 3 \$669,700 in fiscal year 2011-2012 is appropriated as General Fund moneys to the
 4 Department for Local Government budget unit.

5 **(16) Mining Engineering Scholarship Program:** Notwithstanding KRS 42.4592,
 6 the quarterly calculation of the allocation of moneys to coal-producing counties through
 7 the Local Government Economic Development Fund shall be made only after each
 8 quarterly installment of the annual appropriation of \$300,000 in fiscal year 2010-2011
 9 and \$300,000 in fiscal year 2011-2012 is appropriated as General Fund moneys to the
 10 University of Kentucky budget unit for the Mining Engineering Scholarship Program.

11 **(17) School Technology in Coal Counties:** Notwithstanding KRS 42.4592, the
 12 quarterly calculation of the allocation of moneys to coal-producing counties through the
 13 Local Government Economic Development Fund shall be made only after each quarterly
 14 installment of the annual appropriation of \$2,500,000 in fiscal year 2010-2011 and
 15 \$2,500,000 in fiscal year 2011-2012 is appropriated as General Fund moneys to the
 16 Operations and Support Services budget unit within the Department of Education for the
 17 purpose of enhancing education technology in local school districts within coal-producing
 18 counties.

19 **(18) KIA Infrastructure for Economic Development Fund for Coal-Producing**
 20 **Counties - 2004-2006:** Notwithstanding KRS 42.4588, funds totaling \$6,480,900 in
 21 fiscal year 2010-2011 and \$5,778,500 in fiscal year 2011-2012 shall be transferred from
 22 the Local Government Economic Development Fund, Multi-County Fund, to the General
 23 Fund to be used by the Finance and Administration Cabinet, Debt Service budget unit, to
 24 support a portion of the previously authorized bonds for the Infrastructure for Economic
 25 Development Fund for Coal-Producing Counties authorized in 2005 Ky. Acts ch. 173.

26 **(19) Drug Courts:** Notwithstanding KRS 42.4588, \$1,800,000 in fiscal year 2010-
 27 2011 and \$1,800,000 in fiscal year 2011-2012 shall be transferred from the Local

1 Government Economic Development Fund, Multi-County Fund, to the Drug Court
2 Program in the Office of Drug Control Policy, Justice Administration budget unit.

3 **(20) Operation Unite:** Notwithstanding KRS 42.4588, funds totaling \$2,000,000
4 in fiscal year 2010-2011 and \$2,000,000 in fiscal year 2011-2012 shall be transferred
5 from the Local Government Economic Development Fund, Multi-County Fund, to the
6 Office of Drug Control Policy, Justice Administration budget unit, for Operation Unite in
7 relation to the Federal Task Force on Drug Abuse.

8 **(21) Energy Research and Development Fund:** (a) Notwithstanding KRS
9 42.4588, \$3,500,000 in fiscal year 2010-2011 and \$3,500,000 in fiscal year 2011-2012
10 shall be transferred from the Local Government Economic Development Fund, Multi-
11 County Fund, to the Energy Development and Independence budget unit. These funds
12 shall be used, except as specified in paragraph (b) of this subsection, for research projects
13 relating to clean coal, new combustion technology, thin-seam coal extraction safety,
14 tracking and communication devices, coal slurry disposal, synthetic natural gas produced
15 from coal through gasification processes, and the development of alternative
16 transportation fuels produced by processes that convert coal or biomass resources or
17 extract oil from oil shale, and other coal research and shall be targeted solely to
18 Kentucky's Local Government Economic Development Fund-eligible counties. The
19 Department for Energy Development and Independence shall coordinate its efforts with
20 those of Kentucky's universities and related Kentucky Community and Technical College
21 System programs in order to maximize Kentucky's opportunities for federal funding and
22 receive research grants and awards from federal and other sources of funding for the
23 development of clean coal technology, coal-to-liquid-fuel conversion, alternate
24 transportation fuels, and biomass energy resources.

25 (b) Included in the Restricted Funds appropriation in paragraph (a) of this
26 subsection is \$1,000,000 in fiscal year 2010-2011 and \$1,000,000 in fiscal year 2011-
27 2012 which shall not be expended unless matched with federal or private funds for the

1 purpose of supporting research and development activities at the University of Kentucky
2 Center for Applied Energy Research.

3 **(22) Support of the 12 Multi-County Regional Industrial Park Authorities:**
4 Notwithstanding KRS 42.4588, funds totaling \$200,000 in fiscal year 2010-2011 and
5 \$200,000 in fiscal year 2011-2012 shall be transferred from the Local Government
6 Economic Development Fund, Multi-County Fund, to the Department for Local
7 Government budget unit to be distributed equally to the 12 Multi-County regional
8 industrial park authorities located in coal counties to be used for marketing and
9 maintenance of the industrial parks and for procurement of property and casualty
10 insurance on the parks.

11 **(23) Debt Service:** All necessary debt service amounts shall be appropriated from
12 the General Fund and shall be fully paid regardless of whether there are sufficient moneys
13 available to be transferred from coal severance tax-supported funding program accounts
14 to other accounts of the General Fund.

15 **(24) Parameters for County Flexibility:** Notwithstanding KRS 42.4588(2), Local
16 Government Economic Development Fund allocations may be used to support the
17 nonrecurring investments in public health and safety, economic development, public
18 infrastructure, information technology development and access, and public water and
19 wastewater development, with the concurrence of both the respective fiscal court and the
20 Department for Local Government or the Kentucky Infrastructure Authority, as
21 appropriate.

22 **(25) Kentucky Wood Products Competitiveness Corporation:** Notwithstanding
23 KRS 42.4586, no funds shall be transferred to the Secondary Wood Products
24 Development Fund.

25 ~~**(26) Multi-County Fund:** Notwithstanding KRS 42.4588, no grants shall be made~~
26 ~~from the Local Government Economic Development Fund, Multi-County Fund, without~~
27 ~~authorization from the General Assembly, unless the grant is for an industrial~~

1 ~~development project as specified in KRS 42.4588(2)(a).~~ (Veto Item #2)

2 **14. AREA DEVELOPMENT FUND**

3		2010-11	2011-12
4	General Fund	569,600	563,900

5 **(1) Appropriation Limit:** Notwithstanding KRS 48.185, funds recommended
6 from the General Fund for the Area Development Fund shall be limited to these amounts.

7 **(2) Area Development District Flexibility:** Notwithstanding KRS 42.350(2) and
8 provided that sufficient funds are maintained in the Joint Funding Agreement program to
9 meet the match requirements for the Economic Development Administration grants,
10 Community Development Block Grants, Appalachian Regional Commission grants, or
11 any federal program where the Joint Funding Agreement funds are utilized to meet non-
12 federal match requirements, an Area Development District with authorization from its
13 Board of Directors may request approval to transfer funding between the Area
14 Development Fund and the Joint Funding Agreement program from the Commissioner of
15 the Department for Local Government.

16 **15. EXECUTIVE BRANCH ETHICS COMMISSION**

17		2010-11	2011-12
18	General Fund	451,700	447,200
19	Restricted Funds	61,000	61,000
20	TOTAL	512,700	508,200

21 **16. SECRETARY OF STATE**

22		2010-11	2011-12
23	General Fund	1,771,400	1,753,700
24	Restricted Funds	1,081,300	1,092,300
25	TOTAL	2,852,700	2,846,000

26 **(1) Use of Restricted Funds:** Notwithstanding KRS 14.140(1) and (3), the above
27 Restricted Funds may be used for the continuation of current activities within the Office

1 of the Secretary of State.

2 **17. BOARD OF ELECTIONS**

	2010-11	2011-12
4 General Fund	3,930,500	3,891,200
5 Restricted Funds	175,900	160,000
6 Federal Funds	6,305,500	5,305,500
7 TOTAL	10,411,900	9,356,700

8 **(1) Help America Vote Act of 2002:** Amounts above those appropriated that are
 9 necessary to match Federal Funds from the Help America Vote Act shall be deemed a
 10 necessary government expense and shall be paid from the General Fund Surplus Account
 11 (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

12 **(2) Cost of Elections:** Notwithstanding KRS 116.145, the State Board of
 13 Elections shall set a rate for the fee for new voter registration paid to the county clerks
 14 within the available appropriated resources. The State Board of Elections shall also set a
 15 fixed rate for the expenses outlined in KRS 117.343 within the available appropriated
 16 resources. Notwithstanding KRS 117.345(2), the State Board of Elections shall set a rate
 17 for the expenses outlined in KRS 117.345(2) for precincts with a voting machine within
 18 the available appropriated resources, not to exceed \$300 per precinct per election. These
 19 rates and all assumptions as to the number of precincts, registered voters, and new voter
 20 registrations shall be communicated to the Secretary of the Finance and Administration
 21 Cabinet and the State Budget Director by November 1, 2010, for fiscal year 2010-2011
 22 and by November 1, 2011, for fiscal year 2011-2012.

23 Costs associated with special elections, KRS 117.345(2) costs associated with
 24 additional precincts with a voting machine, KRS 117.343 costs for additional registered
 25 voters, and KRS 116.145 costs for additional new registered voters shall be deemed a
 26 necessary government expense and shall be paid from the General Fund Surplus Account
 27 (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705). Any

1 reimbursements authorized as a necessary government expense according to the above
 2 provisions shall be at the same rates as those established by the State Board of Elections
 3 as provided in the above paragraph.

4 **18. REGISTRY OF ELECTION FINANCE**

	2010-11	2011-12
6 General Fund	1,177,700	1,165,900

7 **19. ATTORNEY GENERAL**

	2010-11	2011-12
9 General Fund	10,861,200	10,752,500
10 Restricted Funds	9,238,800	9,254,600
11 Federal Funds	4,641,700	3,410,800
12 TOTAL	24,741,700	23,417,900

13 **(1) Expert Witnesses:** In addition to such funds as may be appropriated, the
 14 Office of the Attorney General may request from the Finance and Administration Cabinet,
 15 as a necessary government expense, such funds as may be necessary for expert witnesses.
 16 Upon justification of the request, the Finance and Administration Cabinet shall provide
 17 up to \$275,000 for the 2010-2012 fiscal biennium for this purpose to the Office of the
 18 Attorney General. The Department of Insurance shall provide the Office of the Attorney
 19 General any available information to assist in the preparation of a rate hearing pursuant to
 20 KRS 304.17A-095.

21 **(2) Annual and Sick Leave Service Credit:** Notwithstanding any statutory or
 22 regulatory restrictions to the contrary, any former employee of the Unified Prosecutorial
 23 System who has been appointed to a permanent full-time position under KRS Chapter
 24 18A shall be credited annual and sick leave based on service credited under the Kentucky
 25 Retirement Systems solely for the purpose of computation of sick and annual leave. This
 26 provision shall only apply to any new appointment or current employee as of July 1,
 27 1998.

1 **(3) Legal Services Contracts:** The Office of the Attorney General may present
 2 proposals to state agencies specifying legal work that is presently accomplished through
 3 Personal Service Contracts that indicate the Office of the Attorney General's capacity to
 4 perform the work at a lesser cost. State agencies may agree to make arrangements with
 5 the Office of the Attorney General to perform the legal work and compensate the Office
 6 of the Attorney General for the legal services. Notwithstanding KRS Chapter 45A, the
 7 Office of the Attorney General may contract with outside law firms on a contingency
 8 basis.

9 **(4) Child Sexual Abuse License Plate Revenue:** Notwithstanding KRS 186.162,
 10 the Transportation Cabinet shall review the costs related to the distribution of child
 11 victims' license plates. Any revenue received from the sale or renewal of those plates in
 12 excess of actual costs shall be transferred to the Child Victims' Trust Fund on an annual
 13 basis.

14 **(5) Reasonable Costs of Litigation:** Notwithstanding KRS 48.005(4) and (6),
 15 the Office of the Attorney General may first recover its reasonable costs of litigation, as
 16 determined by the court and approved by the Secretary of the Finance and Administration
 17 Cabinet, and any remaining funds after consumer restitution is made shall be deposited in
 18 the General Fund Surplus Account (KRS 48.700). Any costs recovered under this
 19 subsection shall be reported to the Interim Joint Committee on Appropriations and
 20 Revenue.

21 **(6) Compensatory Leave Conversion to Sick Leave:** If the Office of the
 22 Attorney General determines that internal budgetary pressures warrant further austerity
 23 measures, the Attorney General may institute a policy to suspend payment of 50 hour
 24 blocks of compensatory time for those attorneys who have accumulated 240 hours of
 25 compensatory time and instead convert those hours to sick leave.

26 **20. UNIFIED PROSECUTORIAL SYSTEM**

27 **(1) Prosecutors Advisory Council Administrative Functions:** The Prosecutors

1 Advisory Council shall approve compensation for employees of the Unified Prosecutorial
 2 System subject to the appropriations in this Act.

3 **a. Commonwealth's Attorneys**

	2010-11	2011-12
4 General Fund	35,628,300	35,272,000
5 Restricted Funds	1,453,500	1,440,200
6 Federal Funds	284,400	145,100
7 TOTAL	37,366,200	36,857,300

9 **b. County Attorneys**

	2010-11	2011-12
10 General Fund	30,547,600	30,242,100
11 Restricted Funds	303,700	303,700
12 Federal Funds	499,900	499,900
13 TOTAL	31,351,200	31,045,700

14 **TOTAL - UNIFIED PROSECUTORIAL SYSTEM**

	2010-11	2011-12
15 General Fund	66,175,900	65,514,100
16 Restricted Funds	1,757,200	1,743,900
17 Federal Funds	784,300	645,000
18 TOTAL	68,717,400	67,903,000

19 **21. TREASURY**

	2010-11	2011-12
20 General Fund	1,646,200	1,629,700
21 Restricted Funds	1,035,400	1,053,300
22 Road Fund	250,000	250,000
23 TOTAL	2,931,600	2,933,000

24 **(1) Unclaimed Property Fund:** Included in the above Restricted Funds

1 appropriation is a recurring transfer from the Unclaimed Property Fund. In each
 2 respective fiscal year of the 2010-2012 fiscal biennium, \$1,035,400 and \$1,053,300 is
 3 appropriated to provide funding for services performed by the Unclaimed Property
 4 Division of the Department of the Treasury.

5 **22. AGRICULTURE**

	2010-11	2011-12
6		
7	General Fund	17,095,800
8	Restricted Funds	9,773,200
9	Federal Funds	5,006,400
10	TOTAL	31,875,400

11 **(1) Purchase of Agricultural Conservation Easement (PACE) Program:** The
 12 Purchase of Agricultural Conservation Easement (PACE) board may contract directly
 13 with land surveyors, real estate appraisers, and other licensed professionals as necessary.
 14 The Department of Agriculture may receive funds from local and private sources to
 15 match Federal Funds for the PACE Program.

16 **(2) Metrology Lab Operating Fees:** The Department of Agriculture may
 17 promulgate administrative regulations establishing license fees, testing fees, and any other
 18 fees necessary to operate and maintain a metrology lab in the Department of Agriculture.
 19 These Restricted Funds receipts shall be utilized for personnel and operations of the
 20 metrology lab.

21 **(3) County Fair Grants:** Included in the above General Fund appropriation is
 22 \$495,000 in fiscal year 2010-2011 and \$495,000 in fiscal year 2011-2012, which shall be
 23 subject to any General Fund Reduction Order, to support capital improvement grants to
 24 the Local Agricultural Fair State Aid Program.

25 **(4) Staffing Support for the World Equestrian Games:** Included in the above
 26 General Fund appropriation are funds in fiscal year 2010-2011 for the Office of the State
 27 Veterinarian to provide staffing support for the quarantine site in northern Kentucky for

1 the World Equestrian Games.

2 **(5) Farms to Food Banks Program:** Included in the above Restricted Funds
 3 appropriation are funds in fiscal year 2010-2011 to support the Farms to Food Banks
 4 program to benefit both Kentucky farmers and the needy by providing fresh, locally
 5 grown produce to food pantries.

6 **23. AUDITOR OF PUBLIC ACCOUNTS**

	2010-11	2011-12
7		
8 General Fund	4,625,800	4,579,500
9 Restricted Funds	5,129,500	4,964,500
10 TOTAL	9,755,300	9,544,000

11 **(1) Auditor's Scholarships:** Notwithstanding KRS 43.200, no funding is
 12 provided for Auditor's scholarships.

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

18 **(3) Compensatory Leave Conversion to Sick Leave:** If the Auditor of Public
 19 Accounts determines that internal budgetary pressures warrant further austerity measures,
 20 the State Auditor may institute a policy to suspend payment of 50 hour blocks of
 21 compensatory time for those employees who have accumulated 240 hours of
 22 compensatory time and instead convert those hours to sick leave.

23 **(4) Charges for Mandated Audits:** Any expenses incurred by the Auditor of
 24 Public Accounts for auditing individual government entities when mandated by the
 25 Legislative Research Commission shall be charged to the agency or entity receiving audit
 26 services.

27 **24. PERSONNEL BOARD**

1		2010-11	2011-12
2	Restricted Funds	777,900	777,900

3 **(1) Personnel Board Operating Assessment:** Each agency of the Executive
 4 Branch with employees covered by KRS Chapter 18A shall be assessed each fiscal year
 5 the amount required for the operation of the Personnel Board. The agency assessment
 6 shall be determined by the Secretary of the Finance and Administration Cabinet based on
 7 the authorized full-time positions of each agency on July 1 of each year of the biennium.
 8 The Secretary of the Finance and Administration Cabinet shall collect the assessment.

9 **(2) Special Assessment:** As a result of increased workload or for other reasons in
 10 the best interest of the State Merit System, the Chairman of the Personnel Board may
 11 request a special assessment to adequately provide for the financial needs and operations
 12 of the Personnel Board. Any special assessment for Personnel Board operations shall
 13 receive the prior approval of the State Budget Director and the Secretary of the Finance
 14 and Administration Cabinet. Should a special assessment be approved, it shall be
 15 uniformly implemented with the same procedures as the regular Personnel Board
 16 Operating Assessment.

17 **25. KENTUCKY RETIREMENT SYSTEMS**

18		2010-11	2011-12
19	Restricted Funds	26,191,000	26,191,000

20 **(1) Dependent Subsidy for Retirees - Kentucky Employee Retirement**
 21 **System:** From July 1, 2010, through June 30, 2012, in addition to the benefits conferred
 22 under KRS 61.702, a recipient of a nonhazardous monthly retirement allowance shall also
 23 be eligible for the dependent subsidy as provided under the terms established by the State
 24 Group Health Insurance Program. The dependent subsidy conferred to recipients of a
 25 nonhazardous monthly retirement allowance shall not be considered as a benefit protected
 26 by the inviolable contract provisions of KRS 16.652, 61.692, and 78.852.

27 **(2) Dependent Subsidy for Retirees - County Employees Retirement System:**

1 From July 1, 2010, through June 30, 2012, in addition to the benefits conferred under
2 KRS 61.702, a recipient of a nonhazardous monthly retirement allowance shall also be
3 eligible for the dependent subsidy as provided under the terms established by the State
4 Group Health Insurance Program. The dependent subsidy conferred to recipients of a
5 nonhazardous monthly retirement allowance shall not be considered as a benefit protected
6 by the inviolable contract provisions of KRS 16.652, 61.692, and 78.852.

7 **26. OCCUPATIONAL AND PROFESSIONAL BOARDS AND**
8 **COMMISSIONS**

9 **a. Accountancy**

		2010-11	2011-12
10			
11	Restricted Funds	630,500	637,500

12 **b. Certification of Alcohol and Drug Counselors**

		2010-11	2011-12
13			
14	Restricted Funds	67,200	67,200

15 **c. Architects**

		2009-10	2010-11	2011-12
16				
17	Restricted Funds	15,000	409,000	416,300

18 **d. Certification for Professional Art Therapists**

		2010-11	2011-12
19			
20	Restricted Funds	11,400	11,400

21 **e. Auctioneers**

		2010-11	2011-12
22			
23	Restricted Funds	403,800	405,700

24 **f. Barbering**

		2009-10	2010-11	2011-12
25				
26	Restricted Funds	13,100	310,000	314,900

27 **g. Chiropractic Examiners**

1		2010-11	2011-12
2	Restricted Funds	274,600	279,000
3	h. Dentistry		
4		2009-10	2010-11
5	Restricted Funds	50,000	705,400
6	i. Licensure and Certification for Dietitians and Nutritionists		
7		2010-11	2011-12
8	Restricted Funds	69,600	69,600
9	j. Embalmers and Funeral Directors		
10		2009-10	2010-11
11	Restricted Funds	26,200	366,200
12	k. Licensure for Professional Engineers and Land Surveyors		
13		2010-11	2011-12
14	Restricted Funds	1,445,300	1,466,800
15	l. Certification of Fee-Based Pastoral Counselors		
16		2010-11	2011-12
17	Restricted Funds	3,500	3,500
18	m. Registration for Professional Geologists		
19		2010-11	2011-12
20	Restricted Funds	115,000	115,000
21	n. Hairdressers and Cosmetologists		
22		2010-11	2011-12
23	Restricted Funds	1,174,000	1,194,500
24	o. Specialists in Hearing Instruments		
25		2010-11	2011-12
26	Restricted Funds	52,700	52,700
27	p. Interpreters for the Deaf and Hard of Hearing		

1		2010-11	2011-12
2	Restricted Funds	31,000	31,000
3	q. Examiners and Registration of Landscape Architects		
4		2009-10	2010-11
5	Restricted Funds	5,200	67,700
6	r. Licensure of Marriage and Family Therapists		
7		2010-11	2011-12
8	Restricted Funds	83,200	83,200
9	s. Licensure for Massage Therapy		
10		2010-11	2011-12
11	Restricted Funds	120,700	120,700
12	t. Medical Licensure		
13		2010-11	2011-12
14	Restricted Funds	2,658,600	2,684,300
15	u. Nursing		
16		2010-11	2011-12
17	Restricted Funds	5,517,700	5,615,500
18	v. Licensure for Nursing Home Administrators		
19		2010-11	2011-12
20	Restricted Funds	47,000	47,000
21	w. Licensure for Occupational Therapy		
22		2010-11	2011-12
23	Restricted Funds	107,600	107,600
24	x. Ophthalmic Dispensers		
25		2010-11	2011-12
26	Restricted Funds	57,400	57,400
27	y. Optometric Examiners		

	2009-10	2010-11	2011-12
1			
2	Restricted Funds	5,700	179,300
3	z. Pharmacy		
4		2010-11	2011-12
5	Restricted Funds	1,367,800	1,392,200
6	aa. Physical Therapy		
7		2010-11	2011-12
8	Restricted Funds	398,900	407,900
9	ab. Podiatry		
10		2010-11	2011-12
11	Restricted Funds	24,700	24,700
12	ac. Private Investigators		
13		2010-11	2011-12
14	Restricted Funds	80,000	80,000
15	ad. Licensed Professional Counselors		
16		2010-11	2011-12
17	Restricted Funds	126,800	126,800
18	ae. Proprietary Education		
19		2010-11	2011-12
20	Restricted Funds	206,800	206,800
21	af. Examiners of Psychology		
22		2010-11	2011-12
23	Restricted Funds	191,100	191,100
24	ag. Real Estate Appraisers		
25		2010-11	2011-12
26	Restricted Funds	684,900	694,300
27	ah. Real Estate Commission		

1			2010-11	2011-12
2	Restricted Funds		2,174,300	2,200,000
3	ai. Respiratory Care			
4		2009-10	2010-11	2011-12
5	Restricted Funds	2,500	190,900	193,800
6	aj. Social Work			
7		2009-10	2010-11	2011-12
8	Restricted Funds	22,900	226,300	230,100
9	ak. Speech-Language Pathology and Audiology			
10			2010-11	2011-12
11	Restricted Funds		157,200	157,200
12	al. Veterinary Examiners			
13			2010-11	2011-12
14	Restricted Funds		237,800	237,800
15	TOTAL - OCCUPATIONAL AND PROFESSIONAL BOARDS AND			
16	COMMISSIONS			
17		2009-10	2010-11	2011-12
18	Restricted Funds	140,600	20,975,900	21,261,300
19	27. KENTUCKY RIVER AUTHORITY			
20			2010-11	2011-12
21	General Fund		257,700	255,100
22	Restricted Funds		4,548,800	3,814,500
23	TOTAL		4,806,500	4,069,600

24 **(1) Water Withdrawal Fees:** The water withdrawal fees imposed by the
 25 Kentucky River Authority shall not be subject to state and local taxes. Notwithstanding
 26 KRS 151.710(10), Tier I water withdrawal fees shall be used to support the operations of
 27 the Authority and for contractual services for water supply and quality studies.

1 **28. SCHOOL FACILITIES CONSTRUCTION COMMISSION**

	2010-11	2011-12
3 General Fund	101,433,100	102,802,000

4 **(1) Debt Service:** Included in the above General Fund appropriation is
5 \$4,050,000 in fiscal year 2010-2011 and \$12,656,200 in fiscal year 2011-2012 for new
6 debt service to support bonds as set forth in Part II, Capital Projects Budget, of this Act.

7 **(2) Urgent Need School Trust Fund:** (a) The Urgent Need School Trust Fund is
8 established in the Finance and Administration Cabinet for the purpose of assisting school
9 districts that have urgent and critical construction needs. The Urgent Need School Trust
10 Fund shall be administered by the School Facilities Construction Commission. The fund
11 may receive state appropriations, contributions, and grants from any source which shall
12 be credited to the trust fund and invested until needed. All interest earned on the fund
13 shall be retained in the trust fund. Notwithstanding KRS 45.229, moneys in the trust fund
14 shall not lapse but shall carry forward at the end of each fiscal year.

15 (b) A local school district that has escrowed urgent need funds may use these
16 funds to purchase property and to perform site work on purchased property.

17 (c) Notwithstanding KRS 157.611 to 157.640, 157.650, 157.655, 157.660, or
18 157.665, the School Facilities Construction Commission is authorized to make additional
19 offers of assistance of up to \$65,494,000 to address the requirements of Part I, C., 4., (18)
20 of this Act.

21 (d) Included in the above appropriation are sufficient funds to meet the
22 requirements of Part II, A., 12., 004. of this Act.

23 **(3) Additional Offers of Assistance:** Notwithstanding KRS 157.611 to 157.640,
24 157.650, 157.655, 157.660, or 157.665, the School Facilities Construction Commission is
25 authorized to make an additional \$100,000,000 in offers of assistance during the 2010-
26 2012 biennium in anticipation of debt service availability during the 2012-2014
27 biennium. No bonded indebtedness based on the above amount is to be incurred during

1 the 2010-2012 biennium.

2 **29. TEACHERS' RETIREMENT SYSTEM**

	2010-11	2011-12
4 General Fund	219,491,900	238,637,000
5 Restricted Funds	11,428,700	12,030,300
6 TOTAL	230,920,600	250,667,300

7 **(1) State Retirement Obligations:** Notwithstanding KRS 161.550, General Fund
 8 moneys are appropriated to comply with the obligations of the state under the Teachers'
 9 Retirement System statutes as provided in KRS 161.220 to 161.716.

10 **(2) Administrative Costs:** In accordance with KRS 161.420, in each fiscal year
 11 an amount not greater than four percent of the receipts of the state accumulation fund
 12 shall be set aside into the expense fund or expended for the administration of the
 13 retirement system.

14 **(3) Amortization of Sick Leave:** Included in the above General Fund
 15 appropriation is \$6,516,600 in fiscal year 2010-2011 and \$13,674,800 in fiscal year 2011-
 16 2012 to provide the cost of amortizing the requirements of KRS 161.155, relating to sick
 17 leave, for members retiring during the 2010-2012 fiscal biennium.

18 **(4) State Medical Insurance Fund Financing:** Notwithstanding KRS 161.420
 19 and 161.550, a portion of the state employer contribution in a sufficient amount shall be
 20 allocated to the Teachers' Retirement System Medical Insurance Fund instead of the State
 21 Accumulation Fund. Also, included in the above General Fund appropriation is
 22 \$74,693,700 in debt service in fiscal year 2010-2011 and \$95,281,200 in fiscal year 2011-
 23 2012 for bonds issued to fulfill existing state obligations to the State Accumulation Fund
 24 due to borrowings from the fund on behalf of the Medical Insurance Fund. The debt
 25 service will also support bonds issued in support of the Medical Insurance Fund for
 26 projected needs during the 2010-2012 fiscal biennium, the increased costs to state
 27 agencies, and medical coverage for new under-65 retirees net of the Medicare equivalent

1 contribution made by the under-65 retiree.

2 **(5) Dependent Subsidy for Retirees under age 65:** Notwithstanding KRS
 3 161.675(4)(a) and (b), from July 1, 2010, through June 30, 2012, for all retirees under the
 4 age of 65 who participate in the Kentucky Group Health Insurance Program through the
 5 Kentucky Teachers' Retirement System, the Kentucky Teachers' Retirement System shall
 6 pay the same dependent subsidy that Executive Branch agencies pay for their active
 7 employees who have similar coverage. The dependent subsidy is not subject to KRS
 8 161.714.

9 **(6) Highly Skilled Educators' Retirement Benefits:** Salary supplements
 10 received by persons selected as highly skilled educators on or after July 1, 2000, shall not
 11 be included in the total salary compensation for any retirement benefits to which the
 12 employee may be entitled.

13 **(7) Supplemental Health Insurance Funding:** Notwithstanding KRS
 14 161.675(4)(a) and (b), included in the above General Fund appropriation is \$50,000 in
 15 each fiscal year to enable the retirement system to provide a subsidy from July 1, 2010,
 16 through June 30, 2012, for those retired state members over age 65 that insure their
 17 spouses under age 65 through the state health insurance plan. The amount of the subsidy
 18 for those over age 65 shall not exceed the amount of the subsidy for members under age
 19 65 that choose couple, family, or parent plus coverage. The spousal subsidy is not subject
 20 to KRS 161.714.

21 **30. JUDGMENTS**

22		2010-11	2011-12
23	General Fund	-0-	-0-

24 **(1) Payment of Judgments and Carry Forward of General Fund**
 25 **Appropriation Balance:** The above appropriation is for the payment of judgments as
 26 may be rendered against the Commonwealth by courts and orders of the State Personnel
 27 Board and, where applicable, shall be subject to the provisions of KRS Chapter 45, and

1 for the payment of medical malpractice judgments against the University of Kentucky and
 2 the University of Louisville in accordance with KRS 164.892 and 164.941, and for the
 3 payment of judgments, audit adjustments, and excess billings to federal programs related
 4 to transfers from statewide internal service funds to the General Fund authorized in prior
 5 Appropriations Acts. Funds required to pay the costs of items included within the
 6 Judgments budget unit are appropriated, and any required expenditure over the above
 7 amounts is to be paid first from the General Fund Surplus Account (KRS 48.700), if
 8 available, or from the Budget Reserve Trust Fund Account (KRS 48.705), subject to the
 9 conditions and procedures provided in this Act.

10 **31. APPROPRIATIONS NOT OTHERWISE CLASSIFIED**

	2010-11	2011-12
12 General Fund	5,776,100	5,776,100

13 **(1) Funding Sources for Appropriations Not Otherwise Classified:** Funds
 14 required to pay the costs of items included within the Appropriations Not Otherwise
 15 Classified are appropriated. Any required expenditure over the above amounts is to be
 16 paid first from the General Fund Surplus Account (KRS 48.700), if available, or from any
 17 available balance in either the Judgments budget unit appropriation or the Budget Reserve
 18 Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in
 19 this Act.

20 The above appropriation is for the payment of Attorney General Expense, Board of
 21 Claims Award, Guardian Ad Litem, Prior Year Claims, Unredeemed Checks Refunded,
 22 Involuntary Commitments - ICF/MR, Frankfort in Lieu of Taxes, Frankfort Cemetery,
 23 Police Officer, Firefighter, and National Guard and Reserve Survivor Benefits, Medical
 24 Malpractice Liability Insurance Reimbursement, and Blanket Employee Bonds.

25 **(2) Repayment of Awards or Judgments:** Funds are appropriated from the
 26 General Fund for the repayment of awards or judgments made by the Board of Claims
 27 against departments, boards, commissions, and other agencies maintained by

1 appropriations out of the General Fund. However, awards under \$5,000 shall be paid
2 from funds available for the operations of the agency.

3 (3) **Guardian Ad Litem Fees:** Included in the above appropriation is funding for
4 fees to be paid to each guardian ad litem appointed by the court pursuant to KRS 311.732.
5 The fee shall be fixed by the court and shall not exceed \$500.

6 (4) **Reissuance of Uncashed Checks:** Checks written by the State Treasurer and
7 not cashed within the statutory period may be presented to the State Treasurer for
8 reissuance in accordance with KRS 41.370.

9 (5) **Police Officer, Firefighter, and Active Duty National Guard and Reserve**
10 **Survivor Benefits:** Funds are appropriated for payment of benefits for state and local
11 police officers, firefighters, and active duty National Guard and reserve members in
12 accordance with KRS 61.315 and 95A.070.

13 **TOTAL - GENERAL GOVERNMENT**

	2009-10	2010-11	2011-12
14 General Fund (Tobacco)	-0-	30,529,000	17,691,600
15 General Fund	-0-	577,898,000	611,613,100
16 Restricted Funds	140,600	179,912,200	194,728,900
17 Federal Funds	-0-	292,027,800	194,581,600
18 Road Fund	-0-	500,000	500,000
19 TOTAL	140,600	1,080,867,000	1,019,115,200

21 **B. ECONOMIC DEVELOPMENT CABINET**

22 **Budget Units**

23 **1. SECRETARY**

	2010-11	2011-12
24 General Fund	13,518,600	13,947,400
25 Restricted Funds	186,800	200,000
26 TOTAL	13,705,400	14,147,400

1 **(1) Funding for Commercialization and Innovation:** Notwithstanding KRS
 2 154.12-278, interest income earned on the balances in the High-Tech
 3 Construction/Investment Pool and loan repayments received by the High-Tech
 4 Construction/Investment Pool shall be used to support the Department for
 5 Commercialization and Innovation and are appropriated in addition to amounts
 6 appropriated above.

7 **(2) Debt Service:** Included in the above General Fund appropriation is \$564,000
 8 in fiscal year 2011-2012 for debt service to support new bonds as set forth in Part II,
 9 Capital Projects Budget, of this Act.

10 ~~**(3) Cabinet Secretary Compensation:** Notwithstanding KRS 154.10-050(2), the~~
 11 ~~Secretary for the Cabinet for Economic Development shall not be paid a salary greater~~
 12 ~~than the salary of the Governor of the Commonwealth.] (Veto Item #3)~~

13 **(4) Angel Investor Program:** The Cabinet for Economic Development is
 14 directed to study the potential benefits of developing an Angel Investor Program,
 15 including an evaluation of the current Kentucky Investment Fund Act, the benefits of tax
 16 credits to encourage Angel investing, and the methods used by other states and the
 17 effectiveness of those methods. The Cabinet shall report to the Interim Joint Committee
 18 on Appropriations and Revenue by December 1, 2010.

19 **(5) Airport Expansion Incentives:** The Cabinet for Economic Development is
 20 directed to study the potential benefits of developing an incentive program for the
 21 purpose of attracting commercial airlines to existing Kentucky airports that have available
 22 and unused terminal space, gates, hangar facilities, or other unused capacity, and unmet
 23 flight demand. The Cabinet shall report to the Interim Joint Committee on
 24 Appropriations and Revenue and the Interim Joint Committee on Transportation by
 25 December 1, 2010.

26 **(6) Louisville Waterfront Development Corporation:** Included in the above
 27 General Fund appropriation is \$420,800 in fiscal year 2010-2011 and \$420,800 in fiscal

1 year 2011-2012 for the Louisville Waterfront Development Corporation.

2 ~~[(7) **Allen County Industrial Authority Grant:** Included in the above General~~
 3 ~~Fund appropriation is \$1,000,000 in fiscal year 2010-2011 for a grant to the Allen County~~
 4 ~~Industrial Authority to support construction of a storage facility for the benefit of the J.M.~~
 5 ~~Smucker Company.] (Veto Item #4)~~

6 ~~[(8) **Kentucky Innovation and Commercialization Center Program:** The~~
 7 ~~Kentucky Innovation and Commercialization Center Program authorized in KRS 154.12-~~
 8 ~~305 shall remain open for the 2010-2012 fiscal biennium. Included in the above General~~
 9 ~~Fund appropriation are sufficient funds to support the six Innovation and~~
 10 ~~Commercialization Centers and seven Satellite Innovation Centers.] (Veto Item #5)~~

11 **2. BUSINESS DEVELOPMENT**

	2010-11	2011-12
12 General Fund	4,729,800	4,682,500
13 Restricted Funds	300,000	300,000
14 Federal Funds	155,400	155,400
15 TOTAL	5,185,200	5,137,900

17 **3. FINANCIAL INCENTIVES**

	2010-11	2011-12
18 General Fund	5,321,700	10,987,600
19 Restricted Funds	1,579,500	1,612,700
20 TOTAL	6,901,200	12,600,300

22 **(1) Debt Service:** Included in the above General Fund appropriation is
 23 \$2,161,500 in fiscal year 2010-2011 and \$7,859,000 in fiscal year 2011-2012 for debt
 24 service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

25 **(2) Carry Forward of General Fund Appropriation Balance for Bluegrass**
 26 **State Skills Corporation:** Notwithstanding KRS 45.229, the General Fund appropriation
 27 balance for training grants for fiscal year 2010-2011 and for fiscal year 2011-2012 for the

1 Bluegrass State Skills Corporation shall not lapse and shall carry forward.

2 **TOTAL - ECONOMIC DEVELOPMENT CABINET**

	2010-11	2011-12
4 General Fund	23,570,100	29,617,500
5 Restricted Funds	2,066,300	2,112,700
6 Federal Funds	155,400	155,400
7 TOTAL	25,791,800	31,885,600

8 **C. DEPARTMENT OF EDUCATION**

9 **Budget Units**

10 **1. EXECUTIVE POLICY AND MANAGEMENT**

	2010-11	2011-12
12 General Fund	3,102,600	596,500

13 **(1) Employment of Personnel:** Notwithstanding KRS 18A.115, the Department
14 of Education may fill, through memoranda of agreement, not more than 50 percent of its
15 existing authorized positions below the division director level with individuals employed
16 as school administrators and educators in Kentucky.

17 **(2) Employment of Leadership Personnel:** Notwithstanding KRS 18A.005 to
18 18A.200, the Kentucky Board of Education shall continue to have sole authority to
19 determine the employees of the Department of Education who are exempt from the
20 classified service and to set their compensation comparable to the competitive market.

21 **(3) Review of the Classification of Primary and Secondary School Buildings:**
22 Included in the above General Fund appropriation is \$2,500,000 in fiscal year 2010-2011
23 to implement KRS 157.420(9) and (10). Notwithstanding KRS 45.229, any portion of the
24 \$2,500,000 that has not been expended by the end of fiscal year 2010-2011 shall not lapse
25 and shall carry forward into fiscal year 2011-2012.

26 **2. OPERATIONS AND SUPPORT SERVICES**

	2010-11	2011-12
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1	General Fund	41,745,400	41,206,400
2	Restricted Funds	2,243,600	2,269,300
3	Federal Funds	16,027,800	10,527,800
4	TOTAL	60,016,800	54,003,500

5 **(1) School Technology in Coal Counties:** Notwithstanding KRS 42.4588(2) and
6 (4), included in the above General Fund appropriation is \$2,500,000 in each fiscal year
7 from the Local Government Economic Development Fund for the purpose of enhancing
8 education technology in local school districts within coal-producing counties. The
9 Commissioner of Education shall use the appropriation in this subsection to continue the
10 Coal County Computing program in conjunction with the Cabinet for Economic
11 Development through its Department of Commercialization and Innovation.

12 **(2) Education Technology Program:** Included in the above General Fund
13 appropriation is \$17,361,800 in fiscal year 2010-2011 and \$17,188,100 in fiscal year
14 2011-2012 for the Education Technology Program.

15 **3. LEARNING AND RESULTS SERVICES**

16		2010-11	2011-12
17	General Fund (Tobacco)	2,150,000	2,050,000
18	General Fund	887,490,300	886,882,200
19	Restricted Funds	3,357,800	3,363,100
20	Federal Funds	1,016,067,300	837,825,600
21	TOTAL	1,909,065,400	1,730,120,900

22 **(1) Funding for Employer Health and Life Insurance:** If the costs for health
23 insurance or life insurance coverage for employees of local school districts exceed the
24 levels of appropriated funds, any unexpended Support Education Excellence in Kentucky
25 appropriations may be used to offset the unbudgeted costs. Any transfer shall be subject
26 to approval of the Governor upon the written recommendation of the State Budget
27 Director pursuant to the written request of the Commissioner of Education. The per-

1 month per-employee administrative assessment shall be remitted to the Personnel Cabinet
 2 by the Department of Education from the General Fund appropriation for local school
 3 district health and life insurance.

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

8 **(3) Family Resource and Youth Services Centers:** Funds appropriated to
 9 establish and support Family Resource and Youth Services Centers shall be transferred in
 10 fiscal year 2010-2011 and in fiscal year 2011-2012 to the Cabinet for Health and Family
 11 Services consistent with KRS 156.497. The Cabinet for Health and Family Services is
 12 authorized to use, for administrative purposes, no more than three percent of the total
 13 funds transferred from the Department of Education for the Family Resource and Youth
 14 Services Centers. If a certified person is employed as a director or coordinator of a Family
 15 Resource and Youth Services Center, that person shall retain his or her status as a
 16 certified employee of the school district.

17 If 70 percent or more of the funding level provided by the state is utilized to support
 18 the salary of the director of a center, that center shall provide a report to the Cabinet for
 19 Health and Family Services identifying the salary of the director. The Cabinet for Health
 20 and Family Services shall transmit any reports received from Family Resource and Youth
 21 Services Centers pursuant to this paragraph to the Legislative Research Commission.

22 **(4) Health Insurance:** Included in the above General Fund appropriation is
 23 \$609,013,700 in fiscal year 2010-2011 and \$614,768,000 in fiscal year 2011-2012 for
 24 employer contributions for health insurance and the contribution to the health
 25 reimbursement account for employees waiving coverage.

26 **(5) Program Flexibility:** Notwithstanding KRS 157.226(2) and (3), 157.3175(3)
 27 and (4), and 160.345(8) with regard to the state allocation, four programs (Professional

1 Development, Extended School Services, Textbooks, and Safe Schools) shall continue to
 2 permit the state and local school districts additional flexibility in the distribution of
 3 program funds while still addressing the governing statutes and serving the need and the
 4 intended student population. Notwithstanding KRS 157.226(2) and (3), 157.3175(3) and
 5 (4), and 160.345(8) with regard to the state allocation, local school districts may use
 6 funds from the Professional Development, Extended School Services, Textbooks, and
 7 Safe Schools programs to supplement the Preschool program in fiscal year 2010-2011
 8 and in fiscal year 2011-2012.

9 **(6) Publishing Requirements:** Notwithstanding KRS 160.463 and 424.220,
 10 public availability of the school district's complete annual financial statement and the
 11 school report card shall be made by publishing the documents in the newspaper of the
 12 largest general circulation in the county, electronically on the Internet, or by printed copy
 13 at a prearranged site at the main branch of the public library within the school district. If
 14 publication on the Internet or by printed copy at the public library is chosen, the
 15 superintendent shall be directed to publish notification in the newspaper of the largest
 16 circulation in the county as to the location where the document can be viewed by the
 17 public. The notification shall include the address of the library or the electronic address of
 18 the Web site on the Internet where the documents can be viewed.

19 **(7) Locally Operated Vocational Programs:** Notwithstanding KRS 157.069, the
 20 supplemental funding distribution shall include Category II and III programs in districts
 21 established after June 21, 2001, with state assistance, if approved by the Commissioner of
 22 Education.

23 **(8) Coordination With Head Start:** Each local district shall work with Head
 24 Start and other existing preschool programs to avoid duplication of services and
 25 programs, to avoid supplanting federal funds, and to maximize Head Start funds in order
 26 to serve as many four year old children as possible, and shall maintain certification from
 27 the Head Start director that the Head Start Program is fully utilized. If a local district fails

1 to comply with the requirements of this subsection, the Commissioner of Education shall
 2 withhold preschool funding for an amount equal to the number of Head Start eligible
 3 children served in the district who would have been eligible to be served by Head Start
 4 under the full utilization certification required under this subsection. The Commissioner
 5 of Education shall resolve any disputes and make a determination of the district's
 6 compliance with the full utilization requirement.

7 **(9) Highly Skilled Educators:** Notwithstanding KRS 158.6455(3), 158.782, and
 8 160.350(3), the Kentucky Department of Education shall have the authority to expend
 9 moneys appropriated for the Highly Skilled Education Assistance Program in fiscal year
 10 2010-2011 on intervention services that may be required by the Federal No Child Left
 11 Behind Act of 2001 (Public Law 107-110). No funds are provided for the Highly Skilled
 12 Education Assistance Program in fiscal year 2011-2012.

13 **(10) Commonwealth School Improvement Fund:** Notwithstanding KRS
 14 158.805, the Commissioner of Education shall be authorized to use the Commonwealth
 15 School Improvement Fund to provide support services to schools needing assistance
 16 under KRS 158.6455 or in order to meet the requirements of No Child Left Behind.

17 **(11) Advisory Council for Gifted and Talented Education:** Notwithstanding
 18 KRS 158.648(1), a member of the State Advisory Council for Gifted and Talented
 19 Education may be reappointed but shall not serve more than three consecutive terms.
 20 Notwithstanding KRS 158.648(1), a member of the Kentucky Association for Gifted
 21 Education shall be a voting member of the State Advisory Council for Gifted and
 22 Talented Education.

23 **(12) Allocation of Safe School Funds:** Notwithstanding KRS 158.446, the Center
 24 for School Safety shall develop and implement allotment policies for all moneys received
 25 for the purposes of KRS 158.440, 158.441, 158.442, 158.445, and 158.446.

26 **(13) Allocations to School-Based Decision Making Councils:** Notwithstanding
 27 KRS 160.345(8), for fiscal years 2010-2011 and 2011-2012, a local board of education

1 may reduce the allocations to individual schools within the district as outlined in 702
 2 KAR 3:246, secs. 6, 7, and 8. The allocation under 702 KAR 3:246, sec. 6, shall not be
 3 less than \$100 per pupil in average daily attendance.

4 **(14) Kentucky School for the Blind and Kentucky School for the Deaf:**
 5 Included in the above General Fund appropriation is \$6,826,500 in each year of the fiscal
 6 biennium for the Kentucky School for the Blind, and \$10,041,500 in each year of the
 7 fiscal biennium for the Kentucky School for the Deaf.

8 **(15) Learning and Results Services Programs:** Notwithstanding KRS 156.265,
 9 included in the above General Fund appropriation are the following allocations for the
 10 2010-2012 fiscal biennium:

11 (a) \$1,351,600 in fiscal year 2010-2011 and \$1,338,100 in fiscal year 2011-2012
 12 for the ACT and WorkKeys testing;

13 (b) \$96,500 in fiscal year 2010-2011 and \$95,500 in fiscal year 2011-2012 for the
 14 Appalachian Learning Disabled Tutoring;

15 (c) \$595,200 in fiscal year 2010-2011 and \$589,200 in fiscal year 2011-2012 for
 16 the Blind/Deaf Residential Travel Program;

17 (d) \$1,351,600 in fiscal year 2010-2011 and \$1,338,100 in fiscal year 2011-2012
 18 for the Collaborative Center for Literacy Development;

19 (e) \$8,036,600 in fiscal year 2010-2011 and \$7,956,200 in fiscal year 2011-2012
 20 for the Commonwealth Accountability Testing System-Report Card;

21 (f) \$1,455,800 in fiscal year 2010-2011 and \$1,441,200 in fiscal year 2011-2012
 22 for the Commonwealth School Improvement Fund;

23 (g) \$2,027,400 in fiscal year 2010-2011 and \$2,007,100 in fiscal year 2011-2012
 24 for the Community Education Program;

25 (h) \$696,000 in fiscal year 2010-2011 and \$689,000 in fiscal year 2011-2012 for
 26 the Dropout Prevention Program;

27 (i) \$467,600 in fiscal year 2010-2011 and \$463,000 in fiscal year 2011-2012 for

- 1 the Elementary Arts and Humanities Program;
- 2 (j) \$482,700 in fiscal year 2010-2011 and \$477,900 in fiscal year 2011-2012 for
- 3 the Every1 Reads Program;
- 4 (k) \$12,771,700 in fiscal year 2010-2011 and \$12,643,900 in fiscal year 2011-
- 5 2012 for the Extended School Services Program;
- 6 (l) \$54,599,200 in fiscal year 2010-2011 and \$54,053,200 in fiscal year 2011-
- 7 2012 for the Family Resource and Youth Services Centers Program;
- 8 (m) \$246,200 in fiscal year 2010-2011 and \$243,700 in fiscal year 2011-2012 for
- 9 the Georgia Chaffee Teenage Parent Program;
- 10 (n) \$6,875,400 in fiscal year 2010-2011 and \$6,806,700 in fiscal year 2011-2012
- 11 for the Gifted and Talented Program;
- 12 (o) \$5,189,600 in fiscal year 2010-2011 for the Highly Skilled Educator Program;
- 13 (p) \$368,200 in fiscal year 2010-2011 and \$364,600 in fiscal year 2011-2012 for
- 14 the Leadership and Mentor Fund;
- 15 (q) \$2,343,000 in fiscal year 2010-2011 and \$2,319,500 in fiscal year 2011-2012
- 16 for the Local School District Life Insurance;
- 17 (r) \$11,876,700 in fiscal year 2010-2011 and \$11,757,900 in fiscal year 2011-
- 18 2012 for the Locally Operated Vocational Schools;
- 19 (s) \$5,696,100 in fiscal year 2010-2011 and \$5,639,100 in fiscal year 2011-2012
- 20 for the Mathematics Achievement Fund;
- 21 (t) \$374,100 in fiscal year 2010-2011 and \$370,300 in fiscal year 2011-2012 for
- 22 the Middle School Academic Center;
- 23 (u) \$332,100 in fiscal year 2010-2011 and \$328,800 in fiscal year 2011-2012 for
- 24 the Partnership for Student Success Program;
- 25 (v) \$72,531,600 in fiscal year 2010-2011 and \$71,806,300 in fiscal year 2011-
- 26 2012 for the Preschool Program;
- 27 (w) \$6,027,000 in fiscal year 2010-2011 and \$5,966,700 in fiscal year 2011-2012

1 for the Professional Development Program (Staff Development);

2 (x) \$960,300 in fiscal year 2010-2011 and \$950,700 in fiscal year 2011-2012 for
3 the Professional Growth Fund;

4 (y) \$18,882,400 in fiscal year 2010-2011 and \$18,693,600 in fiscal year 2011-
5 2012 for the Read to Achieve Program;

6 (z) \$4,546,600 in fiscal year 2010-2011 and \$4,501,100 in fiscal year 2011-2012
7 for the Safe Schools Program;

8 (aa) \$482,700 in fiscal year 2010-2011 and \$477,900 in fiscal year 2011-2012 for
9 the Save the Children/Rural Literacy Program;

10 (ab) \$4,212,500 in fiscal year 2010-2011 and \$4,170,400 in fiscal year 2011-2012
11 for the School Food Services;

12 (ac) \$10,583,400 in fiscal year 2010-2011 and \$10,477,500 in fiscal year 2011-
13 2012 for the State Agency Children Program;

14 (ad) \$1,544,700 in fiscal year 2010-2011 and \$1,529,300 in fiscal year 2011-2012
15 for the Teacher Academies Program;

16 (ae) \$1,821,500 in fiscal year 2010-2011 and \$1,803,300 in fiscal year 2011-2012
17 for the Teacher Recruitment and Retention Program-Educator Quality & Diversity;

18 (af) \$646,900 in fiscal year 2010-2011 and \$640,400 in fiscal year 2011-2012 for
19 the Textbooks Program;

20 (ag) \$772,300 in fiscal year 2010-2011 and \$764,600 in fiscal year 2011-2012 for
21 the Virtual Learning Program; and

22 (ah) \$589,200 in fiscal year 2010-2011 and \$583,300 in fiscal year 2011-2012 for
23 the Writing Program.

24 **(16) Local District Grant Carry Forward:** Notwithstanding 2008 Ky. Acts ch.
25 127, Part I, D., 3., (17), KRS 158.792(2), and 158.844(5), any non-SEEK state grant
26 funds appropriated to the Department of Education to be disbursed to local school
27 districts that are unexpended during fiscal year 2009-2010 shall lapse to the General

1 Fund.

2 **(17) School Calendars:** Prior to the approval of school calendars for fiscal year
3 2010-2011, the Kentucky Board of Education shall by administrative regulation establish
4 procedures by which the Commissioner of Education may approve innovative alternative
5 school calendars. No later than October 31, 2010, the Department of Education shall
6 report to the Interim Joint Committee on Education the results for the state assessment
7 system, the norm referenced test, and the EXPLORE, PLAN, and ACT tests for each
8 school district with a school calendar of less than 177 school days.

9 **(18) Surplus Property:** Notwithstanding KRS 45A.045, 45.777, and 56.463, any
10 funds received by the Commonwealth from the disposal of any surplus property at the
11 Kentucky School for the Blind and the Kentucky School for the Deaf shall be deposited
12 in a restricted account and shall not be expended without appropriation authority granted
13 by the General Assembly.

14 **(19) Use of Local District Capital Funds:** Notwithstanding KRS 157.420(4) and
15 (6), 157.440, and 157.621, a local board of education may submit a request to the
16 Commissioner of Education to utilize any capital funds, regardless of the source, for
17 general operating expenses in fiscal year 2010-2011 and fiscal year 2011-2012 without
18 forfeiting the district's eligibility to participate in the School Facilities Construction
19 Commission program. Prior to August 1, 2010, the Kentucky Board of Education shall
20 approve guidelines to be followed in considering such requests from local boards of
21 education.

22 **(20) Dual Course Credit:** Notwithstanding any statute to the contrary, the
23 Commissioner of Education may approve a plan that is established by a local school
24 board and a Southern Association of Colleges and Schools accredited postsecondary
25 education institution for purposes of granting high school and college credit and which
26 allows students to fulfill high school graduation requirements and compulsory school
27 attendance; providing rigorous academic curriculum within a supportive and nurturing

1 environment for underserved students; and encouraging academic success by linking
 2 students, teachers, and community partners in innovative ways.

3 **(21) Lexington Hearing and Speech Center:** Included in the above General Fund
 4 appropriation is \$100,000 in each fiscal year for the Lexington Hearing and Speech
 5 Center to provide speech and hearing services for Kentucky children.

6 **4. SUPPORT EDUCATION EXCELLENCE IN KENTUCKY (SEEK)**
 7 **PROGRAM**

	2010-11	2011-12
9 General Fund	2,725,530,500	2,894,186,800
10 Federal Funds	182,486,200	-0-
11 TOTAL	2,908,016,700	2,894,186,800

12 **(1) Common School Fund Earnings:** Accumulated earnings for the Common
 13 School Fund shall be transferred in each fiscal year to the SEEK Program.

14 **(2) Base SEEK Allotments:** Notwithstanding KRS 157.420(2), included in the
 15 above General Fund appropriation is \$1,852,856,400 in fiscal year 2010-2011 and
 16 \$2,034,512,800 in fiscal year 2011-2012 for the base SEEK Program as defined by KRS
 17 157.360. Included in the above Federal Funds appropriation is \$182,486,200 in Federal
 18 State Fiscal Stabilization Fund moneys in fiscal year 2010-2011 for the base SEEK
 19 Program as defined by KRS 157.360. Funds appropriated to the SEEK Program shall be
 20 allotted to school districts in accordance with KRS 157.310 to 157.440, except that the
 21 total of the funds allotted shall not exceed the appropriations for this purpose except as
 22 provided in this Act. Notwithstanding KRS 157.360(2)(c), included in the appropriation
 23 for the base SEEK Program is \$214,752,800 in each fiscal year for pupil transportation.

24 **(3) Tier I Component:** Included in the above General Fund appropriation is
 25 \$173,576,400 in fiscal year 2010-2011 and \$168,251,400 in fiscal year 2011-2012 for the
 26 Tier I component as established by KRS 157.440.

27 **(4) Vocational Transportation:** Included in the above General Fund

1 appropriation is \$2,416,900 in each fiscal year for vocational transportation.

2 **(5) Secondary Vocational Education:** Included in the above General Fund
3 appropriation is \$23,289,000 in each fiscal year to provide secondary vocational
4 education in state-operated vocational schools.

5 **(6) Teachers' Retirement System Employer Match:** Included in the above
6 General Fund appropriation is \$349,899,700 in fiscal year 2010-2011 and \$347,017,500
7 in fiscal year 2011-2012 to enable local school districts to provide the employer match for
8 qualified employees as provided for by KRS 161.550.

9 **(7) Salary Supplements for Nationally Certified Teachers:** Notwithstanding
10 KRS 157.395, included in the above General Fund appropriation is \$2,750,000 in each
11 fiscal year for the purpose of providing salary supplements for public school teachers who
12 have attained certification from the National Board for Professional Teaching Standards
13 as of July 14, 2000, or thereafter. Notwithstanding KRS 157.395, if the appropriation is
14 insufficient to provide the mandated salary supplement for public school teachers who
15 have attained certification, the Kentucky Department of Education is authorized to pro
16 rata reduce the supplement.

17 **(8) Allocation of SEEK Funds:** Notwithstanding KRS 157.360(2)(c), the above
18 General Fund and Federal Funds appropriations to the base SEEK Program are intended
19 to provide a base guarantee of \$3,868 per student in average daily attendance in fiscal
20 year 2010-2011 and \$3,903 per student in average daily attendance in fiscal year 2011-
21 2012 as well as to meet the other requirements of KRS 157.360.

22 Funds appropriated to the SEEK Program shall be allotted to school districts in
23 accordance with KRS 157.310 to 157.440, except that the total of the funds allotted shall
24 not exceed the appropriations for this purpose, except as provided in this Act. The total
25 appropriation for the SEEK Program shall be measured by, or construed as, estimates of
26 the state expenditures required by KRS 157.310 to 157.440. If the required expenditures
27 exceed these estimates, the Secretary of the Finance and Administration Cabinet, upon

1 the written request of the Commissioner of Education and with the approval of the
 2 Governor, may increase the appropriation by such amount as may be available and
 3 necessary to meet, to the extent possible, the required expenditures under the cited
 4 sections of the Kentucky Revised Statutes, but any increase of the total appropriation to
 5 the SEEK Program is subject to Part III, General Provisions, of this Act and the
 6 provisions of KRS Chapter 48.

7 **(9) Final SEEK Calculation:** Notwithstanding KRS 157.410, on or before
 8 March 1 of each year, the Commissioner of Education shall determine the exact amount
 9 of the public common school fund to which each district is entitled, and the remainder of
 10 the amount due each district for the year shall be distributed in equal installments
 11 beginning the first month after completion of final calculation and for each successive
 12 month thereafter.

13 **(10) SEEK Adjustment Factors:** Funds allocated for the SEEK base and its
 14 adjustment factors that are not needed for the base or a particular adjustment factor may
 15 be allocated to other adjustment factors, if funds for that adjustment factor are not
 16 sufficient.

17 **(11) Facilities Support Program of Kentucky/Equalized Nickel Levies:**
 18 Included in the above General Fund appropriation is \$76,922,100 in fiscal year 2010-
 19 2011 and \$73,515,300 in fiscal year 2011-2012 to provide facilities equalization funding
 20 pursuant to KRS 157.440 and 157.620.

21 **(12) Growth Levy Equalization Funding:** Included in the above General Fund
 22 appropriation is \$14,442,700 in fiscal year 2010-2011 and \$13,291,300 in fiscal year
 23 2011-2012 to provide facilities equalization funding pursuant to KRS 157.440 and
 24 157.620, for districts meeting the eligibility requirements of KRS 157.621(1) and (4).

25 **(13) Retroactive Equalized Facility Funding:** Included in the above General
 26 Fund appropriation is \$8,176,300 in fiscal year 2010-2011 and \$8,203,400 in fiscal year
 27 2011-2012 to provide equalized facility funding pursuant to KRS 157.440 and 157.620 to

1 districts meeting the eligibility requirements of KRS 157.621(2) and (4) notwithstanding
 2 the April 24, 2008, deadline. This appropriation applies to school districts that levied the
 3 tax rate subject to recall prior to January 1, 2010. For the 2010-2012 fiscal biennium,
 4 equalization shall be provided to a local school district that levies a tax pursuant to KRS
 5 157.621(1)(c) in fiscal year 2010-2011 at 25 percent of the calculated equalization
 6 funding in fiscal year 2011-2012. It is the intent of the 2010 General Assembly that any
 7 school district receiving partial equalization under this subsection in the 2010-2012 fiscal
 8 biennium shall receive full calculated equalization in the 2012-2014 fiscal biennium and
 9 thereafter.

10 **(14) Equalized Facility Funding:** Included in the above General Fund
 11 appropriation is \$6,448,200 in fiscal year 2010-2011 and \$6,166,400 in fiscal year 2011-
 12 2012 to provide equalized facility funding pursuant to KRS 157.420 and 157.620 to
 13 districts meeting the eligibility requirements of KRS 157.621(3) and (4).

14 **(15) Instructional Days:** Notwithstanding KRS 158.070, the school term for fiscal
 15 year 2010-2011 and fiscal year 2011-2012 shall include the equivalent of 177 six-hour
 16 instructional days. Districts may exceed 177 six-hour instructional days. Included in the
 17 above General Fund appropriation are sufficient funds for 176 six-hour instructional days.

18 **(16) Use of Excess SEEK Funds:** Notwithstanding 2009 (1st Extra. Sess.) Ky.
 19 Acts ch. 2, Section 6, (18), any unexpended SEEK appropriations for fiscal year 2009-
 20 2010 as determined on or before March 1, 2010, by the Kentucky Department of
 21 Education shall lapse to the General Fund.

22 **(17) Use of SEEK Funds:** To receive funds under the SEEK program, district
 23 number 301 shall maintain operation of school number 170 during the time this budget is
 24 in effect.

25 **(18) Equalization Funding for Category 5 Schools:** (a) Included in the above
 26 General Fund appropriation is \$5,958,300 in fiscal year 2011-2012 to provide
 27 equalization funding for school districts that: 1. Have school facilities classified as

1 Category 5 on May 18, 2010, by the Department of Education; and 2. Levy an additional
2 five cents equivalent tax rate for debt service, new construction, and major renovation
3 beyond the five cents equivalent tax rate required by KRS 157.440(1)(b), except as
4 provided in paragraph (c) of this subsection. Equalization shall be provided at 150 percent
5 of the statewide average per pupil assessment beginning in the fiscal year following the
6 fiscal year in which the levy is imposed. This levy shall be subject to the recall provisions
7 of KRS 132.017.

8 (b) If the total revenue generated in the 2010-2012 fiscal biennium by the
9 additional five cents equivalent tax levy, the equalization funds, and any escrowed or
10 additional offers of assistance from the School Facilities Construction Commission is
11 insufficient to cash fund the project or to sufficiently support the required annual debt
12 service for the entirety of the capital project, the school district shall be awarded
13 additional funds equal to the amount of annual debt service necessary to complete the
14 project in its entirety. Any funds included in paragraph (a) of this subsection not
15 necessary to provide equalization in fiscal year 2011-2012 shall be used for this purpose.
16 If the total funds appropriated in paragraph (a) of this subsection are insufficient, the
17 School Facilities Construction Commission is authorized to make an additional offer of
18 assistance in an amount needed to fully fund this subsection.

19 (c) School districts that have previously levied a five cents equivalent tax rate for
20 debt service, new construction, and major renovation beyond the rate required by KRS
21 157.440(1)(b) shall not be required to levy an additional tax to receive the equalization
22 funds appropriated in paragraph (a) of this subsection and needed to complete a project in
23 its entirety. A school district that has previously levied a five cent equivalent tax rate
24 under KRS 157.621(1) shall receive the equalization funds appropriated in paragraph (a)
25 of this subsection.

26 (d) If the school district utilizes the equalization funds appropriated in paragraph
27 (a) of this subsection to support a bond issue for construction purposes, equalization

1 funds shall be provided for 20 years or until the bonds are retired, whichever is less.

2 (e) The Department of Education, School Facilities Construction Commission,
3 and local boards of education involved in financing local school facilities construction
4 projects under this subsection shall, to the extent possible, maximize the use of federal
5 Build America Bonds, Qualified School Construction Bonds, Qualified Zone Academy
6 Bonds, or any other federal financing or bond programs for which a project may qualify if
7 use of the program or programs will reduce the overall cost of the project or financing of
8 the project.

9 (f) In the event that a school district receives funding pursuant to this subsection
10 to support construction of a new school facility and subsequently, as the result of
11 litigation, receives funding for the same facility for which state funds were provided, that
12 school district shall reimburse the Commonwealth an amount equal to that provided
13 under paragraph (a) of this subsection. Any funds received in this manner shall be
14 deposited in the Budget Reserve Trust Fund Account (KRS 48.705).

15 **TOTAL - DEPARTMENT OF EDUCATION**

	2010-11	2011-12
16		
17	General Fund (Tobacco) 2,150,000	2,050,000
18	General Fund 3,657,868,800	3,822,871,900
19	Restricted Funds 5,601,400	5,632,400
20	Federal Funds 1,214,581,300	848,353,400
21	TOTAL 4,880,201,500	4,678,907,700

22 **D. EDUCATION AND WORKFORCE DEVELOPMENT CABINET**

23 **Budget Units**

24 **1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT**

	2010-11	2011-12
25		
26	General Fund 4,418,000	4,373,800
27	Restricted Funds 4,943,500	4,943,500

1	Federal Funds	147,600	147,600
2	TOTAL	9,509,100	9,464,900

3 **(1) Governor's Scholars Program:** Included in the above General Fund
4 appropriation is \$1,970,000 in fiscal year 2010-2011 and \$1,950,300 in fiscal year 2011-
5 2012 for the Governor's Scholars Program.

6 **2. DEAF AND HARD OF HEARING**

7		2010-11	2011-12
8	General Fund	798,700	790,700
9	Restricted Funds	817,900	831,400
10	TOTAL	1,616,600	1,622,100

11 **3. KENTUCKY EDUCATIONAL TELEVISION**

12		2010-11	2011-12
13	General Fund	12,228,000	12,105,800
14	Restricted Funds	1,151,000	1,151,000
15	Federal Funds	700,000	700,000
16	TOTAL	14,079,000	13,956,800

17 **4. ENVIRONMENTAL EDUCATION COUNCIL**

18		2010-11	2011-12
19	Restricted Funds	319,500	326,100
20	Federal Funds	90,400	33,900
21	TOTAL	409,900	360,000

22 **5. LIBRARIES AND ARCHIVES**

23 **a. General Operations**

24		2010-11	2011-12
25	General Fund	5,826,000	5,767,800
26	Restricted Funds	1,427,500	1,427,500
27	Federal Funds	2,165,300	2,165,300

1 **7. EMPLOYMENT AND TRAINING**

	2010-11	2011-12
3 General Fund	1,710,000	-0-
4 Restricted Funds	2,368,800	2,368,800
5 Federal Funds	2,390,538,900	2,393,219,700
6 TOTAL	2,394,617,700	2,395,588,500

7 **(1) Unemployment Insurance Penalty and Interest Account:** Notwithstanding
 8 KRS 341.835, upon approval by the Office of State Budget Director, up to \$3,000,000
 9 from the Unemployment Insurance Penalty and Interest Account in the Unemployment
 10 Compensation Administration Fund may be used during each fiscal year by the Office of
 11 Employment and Training to operate employment training and unemployment insurance
 12 programs and up to \$750,000 may be transferred in each fiscal year to the General
 13 Administration and Program Support budget unit in the Education and Workforce
 14 Development Cabinet to aid in the support of the Office of Employment and Training
 15 programs.

16 **(2) Total Unemployment Rate:** (a) Notwithstanding KRS 341.094(2), there is a
 17 "state 'on' indicator" for this state with respect to weeks of unemployment until the week
 18 ending four weeks prior to the last week of unemployment for which 100 percent federal
 19 sharing is available under Section 2005(a) of Public Law 111-5, or a similar provision is
 20 in effect, without regard to the extension of federal sharing for certain claims as provided
 21 under Section 2005(c) of Public Law 111-5 if:

22 1. The average rate of total unemployment (seasonally adjusted), as determined
 23 by the United States Secretary of Labor, for the period consisting of the most recent three
 24 months for which data for all states are published before the close of such week equals or
 25 exceeds six and one-half percent; and

26 2. The average rate of total unemployment in this state (seasonally adjusted), as
 27 determined by the United States Secretary of Labor, for the three-month period referred to

1 in subparagraph 1. of this paragraph equals or exceeds 110 percent of such average for
 2 either or both of the corresponding three-month periods ending in the preceding two
 3 calendar years.

4 There is a "state 'off' indicator" for a week if the requirements are not satisfied.

5 (b) Notwithstanding KRS 341.730, effective for weeks beginning in a high
 6 unemployment period, the total extended benefit amount payable to any eligible worker
 7 with respect to his or her applicable benefit year shall be the least of the following
 8 amounts:

9 1. Eighty percent of the maximum amount of regular benefits which were
 10 payable to him or her under KRS Chapter 341 in his or her applicable benefit year; or

11 2. Twenty times the weekly benefit rate which was payable to him or her under
 12 KRS Chapter 341 for a week of total unemployment in the applicable benefit year. As
 13 used in this subparagraph, "high unemployment period" means any period during which
 14 an extended benefit period would be in effect if paragraph (a) of this subsection were
 15 applied by substituting eight percent for six and one-half percent.

16 (c) Notwithstanding KRS 341.096(1)(a), 20 C.F.R. sec. 615.12(c)(1) shall be the
 17 numerator for calculating the rate of insured unemployment.

18 (3) **WorkNow KY:** Included in the above General Fund appropriation is
 19 \$1,710,000 in fiscal year 2010-2011 to provide matching funds for the WorkNow KY
 20 program. This program provides subsidized employment for any youth or adult that is
 21 Temporary Assistance for Needy Families (TANF) eligible.

22 **8. CAREER AND TECHNICAL EDUCATION**

	2010-11	2011-12
23		
24	General Fund	25,968,800
25	Restricted Funds	21,620,000
26	Federal Funds	15,153,900
27	TOTAL	62,742,700
		63,571,400

1 **(1) Participation in the Education Technology Program by Area Vocational**
 2 **Education Centers:** Area Vocational Education Centers shall be fully eligible to
 3 participate in the Kentucky Education Technology System. Notwithstanding KRS
 4 157.650, 157.655, 157.660, and 157.665, the School Facilities Construction Commission,
 5 in consultation with the Kentucky Board of Education and the Department of Education,
 6 shall develop administrative regulations which identify a methodology by which the
 7 average daily attendance for Area Vocational Education Centers may be equated to the
 8 average daily attendance of other local school districts in order that they may receive their
 9 respective distributions of these funds. The School Facilities Construction Commission
 10 shall include Area Vocational Education Centers in any offers of assistance to local
 11 school districts for technology assistance during the 2010-2012 fiscal biennium.

12 **(2) Transfer of State-Operated Secondary Vocational Education and**
 13 **Technology Centers:** (a) Notwithstanding KRS 151B.035, 151B.040, 151B.045,
 14 151B.050, 151B.055, and 151B.070, effective at the beginning of fiscal year 2010-2011,
 15 a local board of education may submit a request to the Executive Director of the Office of
 16 Career and Technical Education to assume authority for the management and control of a
 17 state-operated secondary vocational education and technology center. Upon agreement
 18 between the Executive Director of the Office of Career and Technical Education and the
 19 local board of education for the transfer of a state-operated secondary vocational
 20 education and technology center, all personnel, equipment, and supplies shall be
 21 transferred to the local board of education and shall only be utilized for the operation of
 22 the locally operated vocational center. The transfer of management and control of the
 23 secondary area vocational education and technology center shall be considered a
 24 permanent transfer to the local district.

25 (b) A certified employee who is affected by a transfer to the local board of
 26 education under paragraph (a) of this subsection shall be granted a one year limited
 27 contract by the local board of education and shall be employed on the local district salary

1 schedule. A classified employee shall be guaranteed employment equal to his or her
2 present status for at least one complete school term. A transferred employee shall be
3 provided the benefits of comparable employees in the district and shall be subject to all
4 rules and policies of the local board of education, including but not limited to disciplinary
5 and personnel actions that are the same as those that may be exercised by the district for
6 any other employee in the district during a contract period.

7 (c) A transferred employee who has accrued annual leave and compensatory time
8 shall be paid a lump sum for the accrued time at the effective date of the transfer by the
9 Office of Career and Technical Education. The employee shall be granted credit for
10 accrued sick leave up to the maximum allowed for transfers for teachers between school
11 districts. Sick leave credit shall be awarded to a classified employee based on the local
12 board policy. Any excess sick leave that a classified or certified employee has earned that
13 the district will not accept in the transfer may be requested to be held in escrow by the
14 appropriate state personnel system under KRS Chapter 18A or 151B, and the sick leave
15 balance shall be restored to the employee if the employee returns to a state government
16 position.

17 (d) An employee who is to be transferred to a local board of education under
18 provisions of this subsection but who chooses not to accept a one year limited contract
19 with the board shall be separated from the state system and the employee's position shall
20 be abolished. The employee may apply for any state position for which the employee is
21 qualified but shall not be granted priority over other applicants for a position because the
22 employee's position was abolished due to a transfer of the vocational education and
23 technology center. An employee who refuses a contract with the local board shall be
24 provided a lump-sum payment for accrued annual leave and compensatory time, and the
25 employee's sick leave balance shall be placed in escrow by the appropriate state personnel
26 system under KRS Chapter 18A or 151B. The sick leave balance shall be restored to the
27 employee if the employee returns to a state government position.

1 (e) A certified employee, other than a principal, who has earned continuing status
 2 in the state certified personnel system under KRS Chapter 151B may be granted tenure
 3 under the provisions of KRS 161.740(1)(c). A principal may be granted tenure as a
 4 teacher, but the provisions relating to demotion of the principal under KRS 161.765 shall
 5 apply.

6 (f) An employee of the Office of Career and Technical Education who is
 7 transferred to the local school district and who occupies a position covered by the
 8 Kentucky Teachers' Retirement System shall remain in the Teachers' Retirement System.

9 (g) General Fund moneys previously appropriated to the Office of Career and
 10 Technical Education for support of the transferred state-operated vocational technical
 11 school shall be appropriated to the Kentucky Department of Education for support of the
 12 local board of education center operations effective at the beginning of fiscal year 2010-
 13 2011. In addition, the local board of education shall receive 100 percent of the Support
 14 Education Excellence in Kentucky (SEEK) Program funds from the Kentucky
 15 Department of Education that are generated from students enrolled in the center.

16 **9. VOCATIONAL REHABILITATION**

	2010-11	2011-12
17		
18	General Fund	11,663,800
19	Restricted Funds	3,507,100
20	Federal Funds	48,618,300
21	TOTAL	63,789,200
		64,023,500

22 (1) **Interpreter Services:** Included in the above General Fund appropriation is
 23 \$450,000 in each fiscal year to provide accessibility services for deaf and hard of hearing
 24 students in postsecondary education institutions.

25 **10. EDUCATION PROFESSIONAL STANDARDS BOARD**

	2010-11	2011-12
26		
27	General Fund	7,683,700
		7,606,900

1	Restricted Funds	870,500	870,500
2	Federal Funds	304,200	308,300
3	TOTAL	8,858,400	8,785,700

4 **(1) Employment of Leadership Personnel:** Notwithstanding KRS 18A.005 to
5 18A.200, the Education Professional Standards Board shall have the sole authority to
6 determine the employees of the Education Professional Standards Board staff who are
7 exempt from the classified service and to set their compensation comparable to the
8 competitive market.

9 **(2) Kentucky Teacher Internship Program:** Notwithstanding KRS 161.030(7),
10 the Education Professional Standards Board shall set the minimum number of hours for
11 the activities set forth in KRS 161.030(7), subject to the availability of appropriations.

12 **(3) Kentucky Principal Internship Program:** Notwithstanding KRS 161.027,
13 no funds are provided in the above appropriations for the operational costs of the
14 Kentucky Principal Internship Program.

15 **(4) Teacher Certification:** Notwithstanding KRS 161.020 to 161.120, the
16 Education Professional Standards Board shall extend by two years the length of time
17 required for certified teachers to complete a planned fifth year program.

18 **TOTAL - EDUCATION AND WORKFORCE DEVELOPMENT CABINET**

19		2010-11	2011-12
20	General Fund	77,077,600	74,614,100
21	Restricted Funds	40,499,300	41,607,600
22	Federal Funds	2,468,961,200	2,472,277,700
23	Road Fund	-0-	-0-
24	TOTAL	2,586,538,100	2,588,499,400

25 **E. ENERGY AND ENVIRONMENT CABINET**

26 **Budget Units**

27 **1. SECRETARY**

	2010-11	2011-12
1		
2 General Fund	3,462,500	4,154,400
3 Restricted Funds	453,500	467,700
4 Federal Funds	978,200	1,015,500
5 TOTAL	4,894,200	5,637,600

6 **(1) Debt Service:** Included in the above General Fund appropriation is \$726,500
7 in fiscal year 2011-2012 for new debt service to support new bonds as set forth in Part II,
8 Capital Projects Budget, of this Act.

9 **2. ENVIRONMENTAL PROTECTION**

	2010-11	2011-12
10		
11 General Fund	23,448,300	27,182,800
12 Restricted Funds	64,571,200	65,221,300
13 Federal Funds	23,955,000	23,923,000
14 Road Fund	300,000	300,000
15 TOTAL	112,274,500	116,627,100

16 **(1) Municipal Solid Waste Landfill Inspectors:** Notwithstanding KRS 224.43-
17 320, no funds are provided in the above appropriations for the assignment of full-time
18 inspectors to each municipal solid waste landfill operating in the Commonwealth.

19 **(2) Debt Service:** Included in the above General Fund appropriation is
20 \$1,951,000 in fiscal year 2010-2011 and \$5,900,500 in fiscal year 2011-2012 for new
21 debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this
22 Act.

23 **(3) Waste Tire Trust Fund:** Notwithstanding KRS 224.50-868(1), the new tire
24 fee shall continue to be collected until June 30, 2012, to continue the waste tire program
25 authorized by KRS 224.50-850 to 224.50-880. Notwithstanding KRS 224.50-880, the
26 Energy and Environment Cabinet shall utilize no more than 25 percent of the funds
27 collected for administration. All other funds shall be utilized, in accordance with the

1 above referenced statutes, for waste tire amnesty programs, crumb rubber grants, tire-
 2 derived fuel programs, and other projects that will manage waste tires as appropriate to
 3 protect human health, safety, and the environment, or to develop markets for waste tires.

4 **(4) Kentucky Pride Program:** Included in the above Restricted Funds
 5 appropriation is \$14,750,000 in each fiscal year for the Kentucky Pride Program.

6 **3. NATURAL RESOURCES**

	2010-11	2011-12
7		
8	9,000,000	6,000,000
9	34,177,800	33,836,000
10	19,004,200	19,291,900
11	54,623,500	54,803,700
12	116,805,500	113,931,600

13 **(1) Emergency Forest Fire Suppression:** Not less than \$240,000 of the above
 14 General Fund appropriation for each fiscal year shall be set aside for emergency forest
 15 fire suppression. There is appropriated from the General Fund the necessary funds,
 16 subject to the conditions and procedures provided in this Act, which are required as a
 17 result of emergency fire suppression activities in excess of \$240,000. Fire suppression
 18 costs in excess of \$240,000 annually shall be deemed necessary government expenses and
 19 shall be paid from the General Fund Surplus Account (KRS 48.700) or the Budget
 20 Reserve Trust Fund Account (KRS 48.705).

21 **(2) Mine Safety:** Included in the above General Fund appropriation is \$4,300,000
 22 in fiscal year 2010-2011 and \$4,400,000 in fiscal year 2011-2012 for the Office of Mine
 23 Safety and Licensing, Natural Resources budget unit.

24 **(3) Conservation Districts:** Included in the above General Fund appropriation is
 25 \$950,000 in each fiscal year for the Division of Conservation to provide direct aid to local
 26 conservation districts.

27 ~~**(4) Forestry Tree Nurseries:** Included in the above Restricted Funds~~

1 appropriation is \$250,000 in each fiscal year for the Department for Natural Resources'
 2 ~~tree nursery programs in Morgan County and Marshall County.] (Veto Item #6)~~

3 **4. ENERGY DEVELOPMENT AND INDEPENDENCE**

	2010-11	2011-12
4 General Fund	1,462,600	1,448,000
5 Restricted Funds	4,066,500	3,958,800
6 Federal Funds	36,598,600	4,936,000
7 TOTAL	42,127,700	10,342,800

9 **(1) Energy Research and Development:** (a) Notwithstanding KRS 42.4588,
 10 included in the above Restricted Funds appropriation is \$3,500,000 in fiscal year 2010-
 11 2011 and \$3,500,000 in fiscal year 2011-2012 which shall be used, except as specified in
 12 paragraph (b) of this subsection, for research projects relating to clean coal, new
 13 combustion technology, thin-seam coal extraction, safety, tracking and communication
 14 devices, coal slurry disposal, synthetic natural gas produced from coal through
 15 gasification processes, and the development of alternative transportation fuels produced
 16 by processes that convert coal or biomass resources or extract oil from oil shale, and other
 17 coal research and shall be targeted solely to Kentucky's Local Government Economic
 18 Development Fund-eligible counties. The Department for Energy Development and
 19 Independence shall coordinate its efforts with those of Kentucky's universities and related
 20 Kentucky Community and Technical College System programs in order to maximize
 21 Kentucky's opportunities for federal funding and receive research grants and awards from
 22 federal and other sources of funding for the development of clean coal technology, coal-
 23 to-liquid-fuel conversion, alternate transportation fuels, and biomass energy resources.

24 (b) Included in the Restricted Funds appropriation in paragraph (a) of this
 25 subsection is \$1,000,000 in fiscal year 2010-2011 and \$1,000,000 in fiscal year 2011-
 26 2012 which shall not be expended unless matched with federal or private funds for the
 27 purpose of supporting research and development activities at the University of Kentucky

1 Center for Applied Energy Research.

2 **5. ENVIRONMENTAL QUALITY COMMISSION**

	2010-11	2011-12
4 Restricted Funds	257,400	263,600

5 **6. KENTUCKY NATURE PRESERVES COMMISSION**

	2010-11	2011-12
7 General Fund	1,041,300	1,030,900
8 Restricted Funds	242,000	241,900
9 Federal Funds	43,000	43,000
10 TOTAL	1,326,300	1,315,800

11 **7. PUBLIC SERVICE COMMISSION**

	2010-11	2011-12
13 General Fund	13,000,000	13,000,000
14 Restricted Funds	211,000	211,000
15 Federal Funds	218,300	218,300
16 TOTAL	13,429,300	13,429,300

17 **(1) Debt Service:** Included in the above General Fund appropriation is \$589,000
 18 in fiscal year 2010-2011 and \$589,000 in fiscal year 2011-2012 for debt service for
 19 previously issued bonds.

20 **(2) Lapse of General Fund Appropriation Balance:** Notwithstanding KRS
 21 278.150(3), \$3,629,700 in fiscal year 2010-2011 and \$3,718,700 in fiscal year 2011-2012
 22 shall lapse to the credit of the General Fund.

23 **(3) Telecommunication Access Program:** Notwithstanding KRS 278.5499, the
 24 funding mechanism for the telecommunication device for the deaf distribution program
 25 shall allocate not more than two cents per access line per month.

26 **(4) Small Utilities Assistance:** Included in the above General Fund appropriation
 27 is \$400,000 in fiscal year 2010-2011 and \$400,000 in fiscal year 2011-2012 for small

1 utilities assistance.

2 **(5) Water Districts and Water Associations:** A water district created pursuant
 3 to KRS Chapter 74 and a water association formed under KRS Chapter 273 that
 4 undertakes a waterline extension or improvement project shall not be required to obtain a
 5 certificate of public convenience and necessity, notwithstanding KRS 278.020(1), if the
 6 water district or water association is a Class A or B utility as defined in the Uniform
 7 System of Accounts established by the Public Service Commission, pursuant to KRS
 8 278.220, as the system of accounts prescribed for utilities in Kentucky, and either: (a) The
 9 water line extension or improvement project will not cost in excess of \$500,000; or (b)
 10 The water district or water association will not, as a result of the water line extension or
 11 improvement project, incur obligations requiring Public Service Commission approval
 12 pursuant to KRS 278.300. In either case, the water district or water association shall not,
 13 as a result of the water line extension or improvement project, increase rates to its
 14 customers.

15 **TOTAL - ENERGY AND ENVIRONMENT CABINET**

	2010-11	2011-12
16		
17	9,000,000	6,000,000
18	76,592,500	80,652,100
19	88,805,800	89,656,200
20	116,416,600	84,939,500
21	300,000	300,000
22	291,114,900	261,547,800

23 **F. FINANCE AND ADMINISTRATION CABINET**

24 **Budget Units**

25 **1. GENERAL ADMINISTRATION**

	2010-11	2011-12
26		
27	7,126,900	7,055,600

1	Restricted Funds	30,757,800	30,794,100
2	Federal Funds	31,640,900	30,534,500
3	Road Fund	400,000	400,000
4	TOTAL	69,925,600	68,784,200

5 **(1) State Motor Vehicle Fleet:** The Secretary of the Finance and Administration
6 Cabinet shall restrict permanently assigned vehicles to only Constitutional Officers, the
7 Court of Justice, Executive Cabinet Secretaries, law enforcement, or for other public
8 safety purposes. A report listing the recipients of permanently assigned vehicles from the
9 State Motor Vehicle Fleet shall be submitted to the Interim Joint Committee on
10 Appropriations and Revenue by August 1 of each fiscal year.

11 **(2) Gubernatorial Transition:** Should there be a new Governor-elect, then
12 pursuant to KRS 11.260, the Finance and Administration Cabinet shall bear all necessary
13 expenses for carrying out the purposes of KRS 11.210 to 11.260. Up to \$220,000 of these
14 necessary expenses shall be deemed a necessary government expense and shall be paid
15 from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund
16 Account (KRS 48.705).

17 **2. CONTROLLER**

18		2010-11	2011-12
19	General Fund	5,929,200	5,869,900
20	Restricted Funds	8,038,400	8,106,100
21	TOTAL	13,967,600	13,976,000

22 **(1) Social Security Contingent Liability Fund:** Any expenditures that may be
23 required by KRS 61.470 are hereby deemed necessary government expenses and shall be
24 paid first from the General Fund Surplus Account (KRS 48.700), if available, or from any
25 available balance in the Budget Reserve Trust Fund Account (KRS 48.705), subject to the
26 conditions and procedures provided in this Act.

27 **3. DEBT SERVICE**

	2010-11	2011-12	
1			
2	General Fund (Tobacco)	18,746,600	30,275,700
3	General Fund	311,487,400	271,087,500
4	TOTAL	330,234,000	301,363,200

5 **(1) General Fund (Tobacco) Debt Service Lapse:** Notwithstanding the
6 provisions of Part X, (4) of this Act, \$3,008,100 in fiscal year 2010-2011 and \$2,994,800
7 in fiscal year 2011-2012 shall lapse and not continue forward to the next fiscal year.

8 **4. FACILITIES AND SUPPORT SERVICES**

	2010-11	2011-12	
9			
10	General Fund	5,713,200	6,246,900
11	Restricted Funds	36,139,700	37,418,700
12	Federal Funds	513,500	324,000
13	TOTAL	42,366,400	43,989,600

14 **(1) Debt Service:** Included in the above General Fund appropriation is \$333,500
15 in fiscal year 2010-2011 and \$920,000 in fiscal year 2011-2012 for new debt service to
16 support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

17 **5. COUNTY COSTS**

	2010-11	2011-12	
18			
19	General Fund	16,825,200	16,739,800
20	Restricted Funds	1,702,500	1,702,500
21	TOTAL	18,527,700	18,442,300

22 **(1) County Costs:** Funds required to pay county costs are appropriated and
23 additional funds may be allotted from the General Fund Surplus Account (KRS 48.700)
24 or the Budget Reserve Trust Fund Account (KRS 48.705) by the Secretary of the Finance
25 and Administration Cabinet, subject to the conditions and procedures provided in this
26 Act.

27 **6. COMMONWEALTH OFFICE OF TECHNOLOGY**

	2010-11	2011-12
1		
2 Restricted Funds	64,279,000	65,318,100
3 Federal Funds	50,000	50,000
4 TOTAL	64,329,000	65,368,100

5 **(1) Computer Services Fund Receipts:** The Secretary of the Finance and
6 Administration Cabinet shall provide a listing of fee receipts from the Executive, Judicial,
7 and Legislative Branches of government itemized by appropriation units, cost allocation
8 methodology, and a report detailing the rebate of excess fee receipts to the agencies to the
9 Interim Joint Committee on Appropriations and Revenue by August 1 of each fiscal year.

10 **7. REVENUE**

	2010-11	2011-12
11		
12 General Fund (Tobacco)	275,000	275,000
13 General Fund	74,716,800	73,737,800
14 Restricted Funds	6,108,600	6,251,500
15 Road Fund	2,325,000	2,325,000
16 TOTAL	83,425,400	82,589,300

17 **(1) Insurance Surcharge Rate:** Pursuant to KRS 136.392, the insurance
18 surcharge rate shall be calculated at a rate to provide sufficient funds in the 2010-2012
19 fiscal biennium for the Firefighters Foundation Program Fund and the Kentucky Law
20 Enforcement Foundation Program Fund. The calculation of sufficient funds for the
21 above-named programs shall include any Restricted Funds carried forward from fiscal
22 years 2009-2010 and 2010-2011 as provided by the General Assembly in this Act.

23 **(2) Road Fund Compliance and Motor Vehicle Property Tax Programs:** The
24 above Road Fund appropriation in each fiscal year represents the cost of the Road Fund
25 Compliance and Motor Vehicle Property Tax Programs within the Department of
26 Revenue and is to be used exclusively for that purpose.

27 **(3) Operations of Revenue:** Notwithstanding KRS 132.672, 136.652, 160.6154,

1 and 365.390(2), funds may be expended in support of the operations of the Department of
 2 Revenue.

3 (4) **Debt Service:** Included in the above General Fund appropriation is \$651,000
 4 in fiscal year 2011-2012 for new debt service to support new bonds as set forth in Part II,
 5 Capital Projects Budget, of this Act.

6 **8. PROPERTY VALUATION ADMINISTRATORS**

	2010-11	2011-12
7		
8 General Fund	34,972,600	34,622,800
9 Restricted Funds	3,701,300	3,701,300
10 TOTAL	38,673,900	38,324,100

11 (1) **Management of Expenditures:** Notwithstanding KRS 132.590 and 132.597,
 12 the property valuation administrators are authorized to take necessary actions to manage
 13 expenditures within the appropriated amounts contained in this Act.

14 **TOTAL - FINANCE AND ADMINISTRATION CABINET**

	2010-11	2011-12
15		
16 General Fund (Tobacco)	19,021,600	30,550,700
17 General Fund	456,771,300	415,360,300
18 Restricted Funds	150,727,300	153,292,300
19 Federal Funds	32,204,400	30,908,500
20 Road Fund	2,725,000	2,725,000
21 TOTAL	661,449,600	632,836,800

22 **G. HEALTH AND FAMILY SERVICES CABINET**

23 **Budget Units**

24 **1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT**

	2010-11	2011-12
25		
26 General Fund	34,505,000	34,159,900
27 Restricted Funds	9,221,600	9,683,800

1	Federal Funds	35,807,300	37,199,200
2	TOTAL	79,533,900	81,042,900

3 **(1) Human Services Transportation Delivery:** Notwithstanding KRS 281.014,
 4 the Kentucky Works Program shall not participate in the Human Services Transportation
 5 Delivery Program or the Coordinated Transportation Advisory Committee.

6 **(2) Debt Service:** Included in the above General Fund appropriation is \$139,000
 7 in fiscal year 2010-2011 and \$406,500 in fiscal year 2011-2012 for new debt service to
 8 support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

9 **(3) Transfer of Funds Between Appropriation Units of the Cabinet:** The
 10 Secretary of the Cabinet for Health and Family Services may, with the prior approval of
 11 the State Budget Director and prior notice to the Interim Joint Committee on
 12 Appropriations and Revenue, transfer General Fund moneys appropriated in this Act from
 13 one appropriation unit within the cabinet to another Cabinet for Health and Family
 14 Services unit to address projected funding shortfalls and for other program reasons in the
 15 best interest of the citizens of the Commonwealth.

16 **(4) Federally Funded Positions:** Notwithstanding KRS 18A.010(2) and any
 17 provisions of this Act to the contrary, direct service units of the Office of Inspector
 18 General, Department for Income Support, Commission for Children with Special Health
 19 Care Needs, Department for Community Based Services, Department for Medicaid
 20 Services, Department for Behavioral Health, Developmental and Intellectual Disabilities,
 21 and the Department for Public Health shall be authorized to establish and fill such
 22 positions that are 100 percent federally funded for salary and fringe benefits.

23 **2. COMMISSION FOR CHILDREN WITH SPECIAL HEALTH**
 24 **CARE NEEDS**

	2010-11	2011-12
25		
26	350,000	350,000
27	4,984,500	4,934,700

1	Restricted Funds	6,971,900	6,971,900
2	Federal Funds	4,415,400	4,566,100
3	TOTAL	16,721,800	16,822,700

4 **(1) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)
5 appropriation is \$350,000 for Universal Newborn Hearing Screening and Vision
6 Screening in each fiscal year.

7 **3. MEDICAID SERVICES**

8 **a. Medicaid Administration**

9		2010-11	2011-12
10	General Fund	36,303,100	35,940,100
11	Restricted Funds	24,590,300	14,096,900
12	Federal Funds	62,181,600	51,690,400
13	TOTAL	123,075,000	101,727,400

14 **(1) Transfer of Excess Administrative Funds for Medicaid Benefits:** If any
15 portion of the above General Fund appropriation in either fiscal year is deemed to be in
16 excess of the necessary expenses for administration of the Department, the amount may
17 be used for Medicaid Benefits in accordance with statutes governing the functions and
18 activities of the Department for Medicaid Services. In no instance shall these excess
19 funds be used without prior written approval of the State Budget Director to:

- 20 (a) Establish a new program;
- 21 (b) Expand the services of an existing program; or
- 22 (c) Increase rates or payment levels in an existing program.

23 Any transfer authorized under this subsection shall be approved by the Secretary of
24 the Finance and Administration Cabinet upon recommendation of the State Budget
25 Director.

26 **(2) Medicaid Service Category Expenditure Information:** No Medicaid
27 managed care contract shall be valid and no payment to a Medicaid managed care vendor

1 by the Finance and Administration Cabinet or the Cabinet for Health and Family Services
 2 shall be made, unless the Medicaid managed care contract contains a provision that the
 3 contractor shall collect Medicaid expenditure data by the categories of services paid for
 4 by the Medicaid Program. Actual statewide Medicaid expenditure data by all categories
 5 of Medicaid services, including mandated and optional Medicaid services, special
 6 expenditures/offsets, and Disproportionate Share Hospital payments by type of hospital,
 7 shall be compiled by the Department for Medicaid Services for all Medicaid providers
 8 and forwarded to the Interim Joint Committee on Appropriations and Revenue on a
 9 quarterly basis. Projections of Medicaid expenditures by categories of Medicaid services
 10 shall be provided to the Interim Joint Committee on Appropriations and Revenue upon
 11 request.

12 **b. Medicaid Benefits**

	2010-11	2011-12
14 General Fund	776,598,500	1,435,255,600
15 Restricted Funds	358,478,000	370,376,900
16 Federal Funds	4,363,555,100	4,322,985,400
17 TOTAL	5,498,631,600	6,128,617,900

18 **(1) Supports for Community Living Slots:** Included in the above appropriation
 19 is \$1,896,700 in General Fund moneys and \$5,983,300 in Federal Funds to support 200
 20 additional Supports for Community Living slots in fiscal year 2010-2011 and \$6,774,000
 21 in General Fund moneys and \$16,986,000 in Federal Funds to support 200 additional
 22 Supports for Community Living slots in fiscal year 2011-2012 for a total of 400
 23 additional slots over the 2010-2012 fiscal biennium.

24 Supports for Community Living Waiver funds shall be utilized only for direct
 25 services to qualified Supports for Community Living Waiver recipients.

26 **(2) Carry Forward of General Fund Appropriation Balance:** Notwithstanding
 27 KRS 45.229, any General Fund appropriation unexpended in fiscal year 2010-2011 shall

1 not lapse but shall be carried forward into the next fiscal year.

2 **(3) Disproportionate Share Hospital Program:** Hospitals shall report indigent
3 inpatient and outpatient care for which, under federal law, the hospital is eligible to
4 receive disproportionate share payments. Disproportionate Share Hospital payments shall
5 equal the maximum amounts established by federal law.

6 **(4) Hospital Indigent Patient Billing:** Hospitals shall not bill patients for
7 services if the services have been reported to the Cabinet and the hospital has received
8 disproportionate share payments for the specific services.

9 **(5) Provider Tax Information:** Any provider who posts a sign or includes
10 information on customer receipts or any material distributed for public consumption
11 indicating that it has paid provider tax shall also post, in the same size typeset as the
12 provider tax information, the amount of payment received from the Department for
13 Medicaid Services during the same period the provider tax was paid. Providers who fail
14 to meet this requirement shall be excluded from the Disproportionate Share Hospital and
15 Medicaid Programs. The Cabinet for Health and Family Services shall include this
16 provision in facilities' annual licensure inspections.

17 **(6) Quality and Charity Care Trust Fund:** No hospital shall be reimbursed
18 from both the Quality and Charity Care Trust Fund and the Disproportionate Share
19 Hospital Program for the same service to the same patient. Any hospital that willfully
20 violates this provision shall be subject to a penalty equal to three times the amount of the
21 improper charge to the funds which shall be credited to the General Fund. The Secretary
22 of the Cabinet for Health and Family Services shall have the authority to secure the
23 patient information as needed from the participating facilities in order to determine
24 compliance and enforce this provision. Each facility billing and receiving reimbursements
25 from the Quality and Charity Care Trust Fund shall be required to identify each patient by
26 Social Security number and indicate whether the patient is classified as indigent or
27 medically needy. In any fiscal year for which all the parties to the Quality and Charity

1 Care Trust Agreement so agree, the General Fund appropriation to fulfill the
 2 Commonwealth's contractual obligation relating to the Quality and Charity Care Trust
 3 Agreement, or any portion thereof, together with any other funds paid to the Quality and
 4 Charity Care Trust contractual obligation of the parties, or any portion thereof, shall be
 5 transferred to the Department for Medicaid Services as part of its Restricted Funds
 6 appropriation for Medicaid Benefits. In any fiscal year for which all the parties to the
 7 Quality and Charity Care Trust Agreement do not agree to transfer all or any portion of
 8 the Trust's revenues to the Department for Medicaid Services for Medicaid Benefits, the
 9 Quality and Charity Care Trust shall operate pursuant to its contractual provisions.

10 **(7) Kentucky Children's Health Insurance Program (KCHIP):** The Secretary
 11 of the Cabinet for Health and Family Services may transfer funds from the Medicaid
 12 Benefits budget unit to the Kentucky Children's Health Insurance Program General Fund
 13 or Restricted Funds appropriations to be used to match the Federal Funds. These transfers
 14 may be made to cover both additional regular allocations and redistribution from the
 15 federal government. The Secretary shall recommend any proposed transfer to the State
 16 Budget Director for review and concurrence prior to transfer. Upon concurrence of the
 17 State Budget Director and prior to the transfer, the Secretary shall make the appropriate
 18 interim appropriation increase requests pursuant to KRS 48.630.

19 **(8) Intergovernmental Transfers (IGTs):** Any funds received through an
 20 Intergovernmental Transfer (IGT) agreement between the Department for Medicaid
 21 Services and other governmental entities, in accordance with a federally approved State
 22 Plan amendment, shall be used to provide for the health and welfare of the citizens of the
 23 Commonwealth through the provision of Medicaid Benefits. Revenues from IGTs are
 24 contingent upon agreement by the parties. The Secretary of the Cabinet for Health and
 25 Family Services shall make the appropriate interim appropriations increase requests
 26 pursuant to KRS 48.630.

27 **(9) Medicaid Budget Analysis Reports:** The Department for Medicaid Services

1 shall submit a quarterly budget analysis report to the Interim Joint Committee on
 2 Appropriations and Revenue. The report shall provide monthly detail of actual
 3 expenditures, eligibles, and average monthly cost per eligible by eligibility category along
 4 with current trailing 12-month averages for each of these figures. The report shall also
 5 provide actual figures for all categories of noneligible-specific expenditures such as
 6 Supplemental Medical Insurance premiums, Kentucky Patient Access to Care,
 7 nonemergency transportation, drug rebates, cost settlements, and Disproportionate Share
 8 Hospital payments by type of hospital. The report shall compare the actual expenditure
 9 experience with those underlying the enacted or revised enacted budget and explain any
 10 significant variances which may occur.

11 **(10) Medicaid Benefits Budget Deficit:** In the event Medicaid Benefits
 12 expenditures are projected to exceed available funds, the Secretary of the Cabinet for
 13 Health and Family Services shall be empowered to recommend that reimbursement rates,
 14 optional services, eligibles, or programs be reduced or maintained at levels existing at the
 15 time of the projected deficit in order to avoid a budget deficit. The projected deficit shall
 16 be confirmed by the Office of State Budget Director. No service, eligible, or program
 17 reductions shall be implemented by the Cabinet for Health and Family Services without
 18 written notice of such action to the Interim Joint Committee on Appropriations and
 19 Revenue and the State Budget Director. Such actions taken by the Cabinet for Health and
 20 Family Services shall be reported, upon request, at the next meeting of the Interim Joint
 21 Committee on Appropriations and Revenue.

22 **(11) Medicaid Benefits Budget Surplus:** In the event Medicaid Benefits
 23 expenditures are less than available funds, the Secretary of the Cabinet for Health and
 24 Family Services may recommend the utilization of available funds to increase
 25 reimbursement rates, support program administration, or expand the Medicaid Program or
 26 the number of eligibles. No reimbursement rate, service, eligible, or program shall be
 27 increased without written approval of the State Budget Director and a report to the

1 Interim Joint Committee on Appropriations and Revenue.

2 **(12) Transfer of Medicaid Benefits Funds:** Any portion of the General Fund
3 appropriation in either fiscal year that is deemed to be necessary for the administration of
4 the Medicaid program may be transferred from the Medicaid Benefits budget unit to the
5 Medicaid Administration budget unit in accordance with statutes governing the functions
6 and activities of the Department for Medicaid Services. The Secretary shall recommend
7 any proposed transfer to the State Budget Director for approval prior to transfer. Such
8 action shall be reported by the Cabinet for Health and Family Services to the Interim Joint
9 Committee on Appropriations and Revenue.

10 **(13) Critical Access Hospitals:** Beginning with the effective date of this Act
11 through June 30, 2012, no acute care hospital shall convert to a critical access hospital
12 unless the hospital has either received funding for a feasibility study from the Kentucky
13 State Office of Rural Health or filed a written request by January 1, 2010, with the
14 Kentucky State Office of Rural Health requesting funding for conducting a feasibility
15 study.

16 **(14) Medicaid Copayments:** Notwithstanding KRS 205.6312, the Department for
17 Medicaid Services may impose copayments for services rendered to Medicaid recipients
18 not to exceed the amounts permitted by federal law.

19 **(15) Medicaid Pharmacy:** Notwithstanding KRS 205.6312(4), a pharmacy
20 provider participating in the Medical Assistance Program shall not be required to serve an
21 eligible recipient if the recipient does not make the required copayment at the time of
22 service. An exception to this provision shall be an initial encounter when a recipient
23 presents a condition which could result in harm to the recipient if left untreated, in which
24 case the pharmacist shall dispense a 72 hour emergency supply of the required medicine.
25 The recipient may then return to the pharmacy with the necessary copayment to obtain the
26 remainder of the prescription. Only one dispensing fee shall be paid by the Cabinet for the
27 provision of both the emergency supply and the remainder of the prescription.

1 **(16) KCHIP Premium Suspension:** Included in the above General Fund
 2 appropriation is \$370,000 in each fiscal year for suspending KCHIP premiums. The
 3 additional funding represents the net state share between premium collections less
 4 administrative costs related to premium collections. Notwithstanding KRS
 5 205.6485(1)(c), KCHIP premiums are suspended for fiscal year 2010-2011 and fiscal year
 6 2011-2012.

7 ~~**(17) Urban Trauma Center:** Included in the above appropriation is funding to
 8 provide for payments for costs associated with operating an urban trauma center hospital
 9 as defined in 907 KAR 1:825. Payments are conditional upon availability of state
 10 matching funds and the ability to receive federal financial participation for such
 11 payments.] (Veto Item #7)~~

12 ~~**(18) Medicaid State Match for Preventive Services By Local and District
 13 Health Departments:** Included in the above appropriation in each year of the fiscal
 14 biennium are the total state matching funds required to fully support preventive health
 15 services provided to Medicaid recipients through local and district health departments.
 16 Such services shall continue, at a minimum, at the current level.] (Veto Item #8)~~

17 **(19) Appeals:** An appeal from denial of a service or services provided by a
 18 Medicaid managed care organization for medical necessity, or denial, limitation, or
 19 termination of a health care service in a case involving a medical or surgical specialty or
 20 subspecialty, shall, upon request of the recipient, authorized person, or provider, include a
 21 review by a board-eligible or board-certified physician in the appropriate specialty or
 22 subspecialty area; except in the case of a health care service rendered by a chiropractor or
 23 optometrist, in which case, the denial shall be made respectively by a chiropractor or
 24 optometrist duly licensed in Kentucky as specified in KRS 304.17A-607(1)(b). The
 25 physician reviewer shall not have participated in the initial review and denial of service
 26 and shall not be the provider of service or services under consideration in the appeal.

27 **(20) Medicaid Waiver for Personal Care Services:** The Cabinet for Health and

1 Family Services shall conduct a study to determine the feasibility of pursuing a Medicaid
 2 waiver for personal care services. The results of the study shall be reported to the Interim
 3 Joint Committee on Health and Welfare by December 1, 2010.

4 **(21) General Fund Carry Forward:** Notwithstanding KRS 45.229, included in
 5 the above General Fund appropriation is \$20,609,400 in fiscal year 2009-2010 which
 6 shall be carried forward to fiscal year 2010-2011 to support Medicaid benefits
 7 expenditures and \$16,350,700 in fiscal year 2010-2011 which shall be carried forward to
 8 fiscal year 2011-2012 to support Medicaid benefits expenditures.

9 **(22) Medicaid Recipient Identification Study:** The Cabinet for Health and
 10 Family Services shall conduct a study to identify security measures permitted by federal
 11 law that ensure Medicaid recipients over 18 years of age and not residing in institutions
 12 are properly identified with Medicaid providers and that multiple persons do not utilize
 13 the same Medicaid card. The Cabinet shall report the study findings to the Interim Joint
 14 Committees on Health and Welfare and Appropriations and Revenue by December 1,
 15 2010.

16 **(23) Drug Utilization Review:** The Cabinet for Health and Family Services shall
 17 implement the Drug Management Review Advisory Board in accordance with the
 18 provisions of KRS 205.5636 and 205.5638.

19 **(24) Medicaid Analysis:** The Cabinet for Health and Family Services shall
 20 develop a plan for evaluating Medicaid benefits and efficiencies ~~and expanding the~~
 21 ~~existing Medicaid Managed Care Organization (MMCO) currently serving Region 3—~~
 22 ~~Louisville and surrounding counties]. (Veto Item #9)~~

23 Areas to be evaluated for Medicaid efficiencies shall include, but not be limited to:
 24 (a) Alternate methods of achieving savings in pharmacy dispensing fees; (b) An
 25 evaluation of options in reducing the average wholesale price (AWP) pricing structures
 26 for all drug categories; (c) An analysis of potential savings through medication therapy
 27 management; and (d) An assessment of the fiscal impact of primary care case

1 management programs. The plan shall include a cost and savings analysis~~[of any planned~~
2 ~~expansions]~~. (*Veto Item #9*)

3 The Cabinet for Health and Family Services shall report on the efficiency
4 evaluations~~[and the MMCO expansion]~~ (*Veto Item #9*) to the Interim Joint Committee on
5 Health and Welfare and the Interim Joint Committee on Appropriations and Revenue by
6 December 1, 2010.

7 ~~[If the Legislative Research Commission (LRC) determines that the Cabinet for~~
8 ~~Health and Family Services has not adequately addressed the concerns identified in this~~
9 ~~subsection, then the LRC may commission its own evaluation and the Cabinet for Health~~
10 ~~and Family Services shall pay for the cost of the evaluation.]~~ (*Veto Item #9*)

11 **(25) Partnership Section 1115 Medicaid Demonstration Waiver Operated by**
12 **University Health Care, Inc.:** It is the intent of the General Assembly for University
13 Health Care, Inc. to continue to provide Medicaid managed care and pharmacy benefit
14 management services for Jefferson County and the surrounding 15 counties included
15 under the Partnership Section 1115 Medicaid Demonstration Waiver.

16 ~~[As such, included in the above appropriation in each year of the fiscal~~
17 ~~biennium are the total state matching funds required to fully support the continuation of~~
18 ~~University Health Care, Inc.'s operation of Passport Health Plan of the Partnership~~
19 ~~Section 1115 Medicaid Demonstration Waiver serving Jefferson County and the~~
20 ~~surrounding 15 counties. This funding includes the amount necessary to preserve the~~
21 ~~program at least at the fiscal year 2009-2010 level.]~~ (*Veto Item #10*)

22 In accordance with the process set forth by the United States Centers for
23 Medicare and Medicaid Services for renewal of the Partnership Section 1115
24 Demonstration Waiver operated by University Health Care, Inc., the Cabinet for Health
25 and Family Services shall act to comply with these requirements for renewal. If the
26 Secretary determines that the cabinet cannot attest to the budget neutrality required for
27 renewal of the waiver, the Secretary shall report this decision and supporting rationale to

1 the Interim Joint Committee on Appropriations and Revenue, or if during a legislative
 2 session to the House and Senate Committees on Appropriations and Revenue, no less
 3 than 120 days prior to the deadline for submission of the request for renewal.

4 **(26) Medicaid Pharmacy Efficiencies:** It is the intent of the General Assembly to
 5 improve and reform the management of the statewide pharmacy program offered to
 6 Medicaid recipients. As such, the General Assembly directs the Cabinet for Health and
 7 Family Services to take necessary actions, including seeking federal approval, to establish
 8 programs or engage providers to assist with managing the statewide pharmacy program
 9 by increasing the use of generic drugs and by increasing accepted practices to eliminate
 10 excess prescriptions in order to deter Medicaid recipients from obtaining multiple
 11 prescriptions from different physicians for the same drug.

12 **TOTAL - MEDICAID SERVICES**

	2010-11	2011-12
14 General Fund	812,901,600	1,471,195,700
15 Restricted Funds	383,068,300	384,473,800
16 Federal Funds	4,425,736,700	4,374,675,800
17 TOTAL	5,621,706,600	6,230,345,300

18 **4. BEHAVIORAL HEALTH, DEVELOPMENTAL AND INTELLECTUAL**
 19 **DISABILITIES**

	2010-11	2011-12
21 General Fund (Tobacco)	900,000	900,000
22 General Fund	183,670,800	181,941,100
23 Restricted Funds	242,537,600	242,694,400
24 Federal Funds	40,349,800	37,843,800
25 TOTAL	467,458,200	463,379,300

26 **(1) Disproportionate Share Hospital Funds:** Mental health disproportionate
 27 share funds are budgeted at the maximum amounts permitted by Section 1923(f) of the

1 Social Security Act. Upon publication in the Federal Register of the Annual Institutions
2 for Mental Disease (IMD) Disproportionate Share Hospital (DSH) limit, 92.3 percent of
3 the federal IMD DSH limit goes to the state-operated mental hospitals.

4 **(2) Debt Service:** Included in the above General Fund appropriation is
5 \$1,011,000 in fiscal year 2010-2011 and \$2,236,000 in fiscal year 2011-2012 for debt
6 service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

7 **(3) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)
8 appropriation is \$900,000 in each fiscal year for substance abuse prevention and
9 treatment for pregnant women with a history of substance abuse problems.

10 **(4) Replacement of Eastern State Hospital:** The Commonwealth recognizes the
11 statutory role of community mental health/mental retardation boards in providing mental
12 health and mental retardation services across the Commonwealth. Notwithstanding any
13 other provision of law to the contrary, the Secretary of the Cabinet for Health and Family
14 Services shall solicit a proposal from the Bluegrass Regional Mental Health and Mental
15 Retardation (MH/MR) Board, Inc. to operate a new Eastern State Facility constructed to
16 replace the existing Eastern State Hospital facility.

17 Notwithstanding any other provision of law to the contrary, upon a finding by the
18 Secretary that the proposal meets programmatic requirements for the anticipated
19 population and its needs and upon a further finding that the financial provisions are
20 satisfactory, the cabinet may enter into a contractual arrangement with Bluegrass
21 Regional MH/MR Board, Inc. to operate the facility without soliciting competing
22 proposals.

23 **(5) Rental Payments:** If the new mental health facility to replace Eastern State
24 Hospital as authorized in this Act is occupied by the Cabinet for Health and Family
25 Services during the 2010-2012 fiscal biennium, all associated rental payments shall be
26 deemed a necessary government expense and shall be paid from the General Fund
27 Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS

1	General Fund (Tobacco)	16,546,900	14,505,100
2	General Fund	61,174,300	61,312,500
3	Restricted Funds	116,297,100	116,455,000
4	Federal Funds	239,986,500	239,742,600
5	TOTAL	434,004,800	432,015,200

6 **(1) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)
7 appropriation is \$8,752,000 in fiscal year 2010-2011 and \$8,000,000 in fiscal year 2011-
8 2012 for the Health Access Nurturing Development Services Program, \$1,000,000 in
9 each fiscal year for Healthy Start initiatives, \$1,775,900 in fiscal year 2010-2011 and
10 \$800,000 in fiscal year 2011-2012 for Universal Children's Immunizations, \$200,000 in
11 each fiscal year for the Folic Acid Program, \$950,000 in each fiscal year for Early
12 Childhood Mental Health, \$310,500 in each fiscal year for Early Childhood Oral Health,
13 \$750,000 in fiscal year 2010-2011 and \$675,800 in fiscal year 2011-2012 for the
14 Kentucky Early Intervention Services First Steps Program, \$225,000 in fiscal year 2010-
15 2011 and \$200,000 in fiscal year 2011-2012 for the Reach Out and Read Program, and
16 \$2,583,500 in fiscal year 2010-2011 and \$2,368,800 in fiscal year 2011-2012 for
17 Smoking Cessation.

18 **(2) Local and District Health Department Payments:** The Department for
19 Public Health shall not impose a cap or other restriction on the number or amount of
20 services that a local or district health department may provide. The Department for Public
21 Health shall submit all requests for payment for services provided to the Department for
22 Medicaid Services that are submitted by a local or district health department.

23 ~~**(3) Medicaid State Match for Preventive Services Through Local and**~~
24 ~~**District Health Departments:** Included in the Medicaid Benefits appropriation as set~~
25 ~~forth in Part I, G., 3., b., of this Act is the total General Fund state matching dollars~~
26 ~~required in each fiscal year to fully support preventive health services provided to~~
27 ~~Medicaid recipients through local and district health departments.] (Veto Item #8)~~

1 **(4) Local and District Health Department Retirement Cost Increase:** Included
 2 in the above General Fund appropriation is \$1,634,000 in fiscal year 2010-2011 and
 3 \$2,380,500 in fiscal year 2011-2012 for Local and District Health Departments to assist
 4 them with the required increase of the employer contribution rates, effective July 1, 2010,
 5 and July 1, 2011, for the Kentucky Employees Nonhazardous state retirement system. The
 6 Department for Medicaid Services shall recognize this new cost to the Local and District
 7 Health Departments in the reimbursement rates, and the Department for Public Health
 8 shall utilize these funds to provide the required state match. If that effort is not successful
 9 by August 1, 2010, then the Commissioner of Public Health shall distribute these funds
 10 directly to the Local and District Health Departments on a prorated basis by August 15,
 11 2010, and by July 15, 2011. ~~Notwithstanding any provision of this Act to the contrary,~~
 12 ~~the total amount of these funds, as provided in this subsection, shall not be subject to~~
 13 ~~reduction, transfer, or any other budgetary reduction action.] (Veto Item #12)~~

14 **6. HEALTH POLICY**

	2010-11	2011-12
15 General Fund	496,500	491,500
16 Restricted Funds	821,000	821,000
17 TOTAL	1,317,500	1,312,500

18 **7. FAMILY RESOURCE CENTERS AND VOLUNTEER SERVICES**

	2010-11	2011-12
19 General Fund	428,300	424,000
20 Restricted Funds	95,000	95,000
21 Federal Funds	3,383,700	3,344,900
22 TOTAL	3,907,000	3,863,900

23 **8. INCOME SUPPORT**

	2010-11	2011-12
24 General Fund	1,376,400	1,362,600

1	Restricted Funds	19,734,100	19,925,900
2	Federal Funds	86,368,800	87,154,000
3	TOTAL	107,479,300	108,442,500

4 **9. COMMUNITY BASED SERVICES**

5		2010-11	2011-12
6	General Fund (Tobacco)	9,395,400	9,175,000
7	General Fund	315,908,700	312,749,600
8	Restricted Funds	137,870,700	139,060,200
9	Federal Funds	523,081,100	514,609,300
10	TOTAL	986,255,900	975,594,100

11 **(1) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)
 12 appropriation is \$9,395,400 in fiscal year 2010-2011 and \$9,175,000 in fiscal year 2011-
 13 2012 for the Early Childhood Development Program.

14 **(2) Kentucky Sexual Assault Prevention Programs Retirement Cost Increase:**
 15 Included in the above General Fund appropriation is \$53,200 in fiscal year 2010-2011 and
 16 \$81,900 in fiscal year 2011-2012 for Kentucky Sexual Assault Prevention Programs to
 17 add to their base contract to assist them with the required increase of the employer
 18 contribution rates, effective July 1, 2010, and July 1, 2011, for the Kentucky Employees
 19 Nonhazardous state retirement system.

20 **(3) Kentucky Domestic Violence Association Program Retirement Cost**
Increase: Included in the above General Fund appropriation is \$226,400 in fiscal year
 21 2010-2011 and \$348,000 in fiscal year 2011-2012 for Domestic Violence Centers to add
 22 to their base contract to assist them with the required increase of the employer
 23 contribution rates, effective July 1, 2010, and July 1, 2011, for the Kentucky Employees
 24 Nonhazardous state retirement system.
 25

26 **(4) Child Advocacy Centers Retirement Cost Increase:** Included in the above
 27 General Fund appropriation is \$84,700 in fiscal year 2010-2011 and \$130,200 in fiscal

1 year 2011-2012 for Child Advocacy Centers to add to their base contract to assist them
 2 with the required increase of the employer contribution rates, effective July 1, 2010, and
 3 July 1, 2011, for the Kentucky Employees Nonhazardous state retirement system.

4 **(5) Family and Children's Place:** Included in the above General Fund
 5 appropriation is \$50,000 in each fiscal year to continue current services at the Family and
 6 Children's Place in Louisville, Kentucky.

7 **(6) Boni Bill Implementation:** Included in the above General Fund appropriation
 8 are funds for the continued implementation of the Boni Frederick Bill (2007 Ky. Acts ch.
 9 140). The social workers employed by the Commonwealth of Kentucky face a
 10 challenging work environment, and children and citizens of the Commonwealth deserve
 11 an adequate response to allegations of adult or child abuse, neglect, or exploitation. This
 12 funding shall also include but not be limited to procuring adequate cellular phone
 13 communications to address safety issues of social workers in the areas served, and may
 14 include funds to ensure front-line social worker office and field safety needs.

15 The Finance and Administration Cabinet shall assist the Cabinet for Health and
 16 Family Services and the Department for Community Based Services in securing adequate
 17 cell phone coverage practicable to ensure worker safety.

18 **10. AGING AND INDEPENDENT LIVING**

	2010-11	2011-12
19 General Fund	42,254,100	41,803,700
20 Restricted Funds	2,254,900	2,254,900
21 Federal Funds	20,497,400	20,497,400
22 TOTAL	65,006,400	64,556,000

24 **(1) Local Match Requirements:** Notwithstanding KRS 205.460, entities
 25 contracting with the Cabinet for Health and Family Services to provide essential services
 26 under KRS 205.455 and 205.460 shall provide local match equal to or greater than the
 27 amount in effect during fiscal year 2009-2010. Local match may include any combination

1 of materials, commodities, transportation, office space, personal services, or other types
 2 of facility services or funds. The Secretary of the Cabinet for Health and Family Services
 3 shall prescribe the procedures to certify the local match assurance.

4 **TOTAL - HEALTH AND FAMILY SERVICES CABINET**

	2010-11	2011-12
5		
6	General Fund (Tobacco) 27,192,300	24,930,100
7	General Fund 1,457,700,200	2,110,375,300
8	Restricted Funds 918,872,200	922,435,900
9	Federal Funds 5,379,626,700	5,319,633,100
10	TOTAL 7,783,391,400	8,377,374,400

11 **H. JUSTICE AND PUBLIC SAFETY CABINET**

12 **Budget Units**

13 **1. JUSTICE ADMINISTRATION**

	2010-11	2011-12
14		
15	General Fund (Tobacco) 1,923,400	1,923,400
16	General Fund 11,352,900	11,152,900
17	Restricted Funds 5,728,900	5,419,000
18	Federal Funds 17,235,600	11,505,500
19	TOTAL 36,240,800	30,000,800

20 **(1) Office of Drug Control Policy:** Included in the above Restricted Funds
 21 appropriation is \$1,800,000 in fiscal year 2010-2011 and \$1,800,000 in fiscal year 2011-
 22 2012 for regional Drug Courts in Kentucky's coal-producing counties.

23 **(2) Operation Unite:** Included in the above Restricted Funds appropriation is
 24 \$2,000,000 in each fiscal year for Operation Unite.

25 **(3) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)
 26 appropriation is \$1,923,400 in fiscal year 2010-2011 and \$1,923,400 in fiscal year 2011-
 27 2012 for the Office of Drug Control Policy.

1 **(4) Public Safety Performance Project:** Included in the above General Fund
 2 appropriation is \$200,000 in fiscal year 2010-2011 for the Pew Center on the States'
 3 Public Safety Performance Project.

4 **2. CRIMINAL JUSTICE TRAINING**

	2010-11	2011-12
6 Restricted Funds	50,316,400	50,829,200
7 Federal Funds	206,100	206,100
8 TOTAL	50,522,500	51,035,300

9 **(1) Kentucky Law Enforcement Foundation Program Fund:** Included in the
 10 above Restricted Funds appropriation is \$49,218,000 in fiscal year 2010-2011 and
 11 \$49,723,300 in fiscal year 2011-2012 for the Kentucky Law Enforcement Foundation
 12 Program Fund.

13 **(2) Training Incentive Payments:** Notwithstanding KRS 15.460(1), included in
 14 the above Restricted Funds appropriation is \$3,100 in fiscal year 2010-2011 and \$3,100
 15 in fiscal year 2011-2012 for each participant for training incentive payments.

16 **(3) Training Incentive Stipends - Justice and Public Safety Cabinet**
 17 **Personnel:** Notwithstanding KRS 15.410, 15.420(2), 15.440(1), 15.460(1), and 15.470(2)
 18 and (4), included in the above Restricted Funds appropriation is sufficient funding for a
 19 \$3,100 annual training incentive stipend for Kentucky state troopers, Kentucky State
 20 Police arson investigators, Kentucky State Police hazardous devices investigators,
 21 Kentucky State Police legislative security specialists, and Kentucky vehicle enforcement
 22 officers from the Kentucky Law Enforcement Foundation Program Fund.

23 **3. JUVENILE JUSTICE**

	2010-11	2011-12
25 General Fund	76,467,900	76,467,900
26 Restricted Funds	14,635,400	14,686,700
27 Federal Funds	15,156,100	14,861,800

1 TOTAL 106,259,400 106,016,400

2 (1) **Mary Kendall Homes and Gateway Juvenile Diversion:** Included in the
 3 above General Fund appropriation is \$300,000 in each fiscal year of the biennium for the
 4 support of the Mary Kendall Homes and \$300,000 in each fiscal year of the biennium for
 5 the support of Gateway Juvenile Diversion.

6 **4. STATE POLICE**

	2010-11	2011-12
7		
8 General Fund	55,770,300	65,505,300
9 Restricted Funds	20,031,500	21,016,000
10 Federal Funds	35,504,900	21,797,200
11 Road Fund	79,799,500	83,251,500
12 TOTAL	191,106,200	191,570,000

13 (1) **Call to Extraordinary Duty:** There is appropriated from the General Fund to
 14 the Department of Kentucky State Police, subject to the conditions and procedures
 15 provided in this Act, funds which are required as a result of the Governor's call of the
 16 Kentucky State Police to extraordinary duty when an emergency situation has been
 17 declared to exist by the Governor. Funding is authorized to be provided from the General
 18 Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS
 19 48.705).

20 (2) **State Police and Vehicle Enforcement Personnel Training Incentive:**
 21 Included in the above Restricted Funds appropriation is sufficient funding for a \$3,100
 22 annual training incentive stipend for state troopers, arson investigators, hazardous devices
 23 investigators, legislative security specialists, and vehicle enforcement officers from the
 24 Kentucky Law Enforcement Foundation Program Fund.

25 (3) **Restricted Funds Uses:** Notwithstanding KRS 42.320(2)(h), 160.151(1)(c),
 26 189A.050(3)(a), and 237.110(18), funds are included in the above Restricted Funds
 27 appropriation to maintain the operations and administration of the Kentucky State Police.

1 **(4) Dispatcher Training Incentive:** Included in the above General Fund
 2 appropriation is sufficient funding for a \$3,100 annual training incentive stipend for
 3 dispatchers.

4 **5. CORRECTIONS**

5 **a. Corrections Management**

	2010-11	2011-12
6 General Fund	8,605,700	11,104,700
7 Restricted Funds	135,100	135,100
8 Federal Funds	275,000	75,000
9 TOTAL	9,015,800	11,314,800

10 **(1) Debt Service:** Included in the above General Fund appropriation is \$478,000
 11 in fiscal year 2010-2011 and \$2,977,000 in fiscal year 2011-2012 for new debt service to
 12 support new bonds as set forth in Part II, Capital Projects Budget, of this Act.
 13

14 **(2) Appropriations Adjustments:** The General Assembly has determined that
 15 the Department of Corrections shall be permitted to adjust appropriations between the
 16 Community Services and Local Facilities budget unit and the Adult Correctional
 17 Institutions budget unit in fiscal year 2010-2011 and in fiscal year 2011-2012. Only
 18 adjustments necessary to manage the diverse mix of inmate classifications, custody
 19 levels, probation and parole caseloads, and population increases or decreases shall be
 20 permitted. Any appropriations transferred or otherwise directed between these
 21 appropriation units shall be documented and justified in writing. No adjustments may be
 22 made except upon the prior written concurrence of the State Budget Director. The State
 23 Budget Director shall report the adjustments and the necessity of the adjustments to the
 24 Interim Joint Committee on Appropriations and Revenue.

25 **(3) Jailer Mental Health Screening Training:** The Kentucky Commission on
 26 Services and Supports for Individuals with Mental Illness, Alcohol and Other Drug Abuse
 27 Disorders, and Dual Diagnoses shall, in its annual review of the Commission plan,

1 include in its duties recommendations for improvements in identifying, treating, housing,
 2 and transporting prisoners in jails and juveniles in detention centers with mental illness.
 3 Items to be reviewed shall include but not be limited to recommendations for statutory
 4 and regulatory changes, training and treatment funding, cost sharing, housing and
 5 transportation costs, appropriate treatment sites, and training requirements for local jailers
 6 and other officers of the court who may come in contact with persons incarcerated or in
 7 detention but deemed mentally ill.

8 The training shall continue to be delivered by Regional Mental Health/Mental
 9 Retardation Board staff to new jailers and new jail staff, except administrative support, on
 10 screening and responding to the needs of inmates with mental illness within six months of
 11 employment. Treatment services may also be provided for within this funding allocation.

12 **(4) Non-Violent, Non-Sexual Class C and Class B Felons:** The Department of
 13 Corrections shall assess the non-violent, non-sexual inmate population incarcerated for a
 14 Class C or Class B felony, and develop recommendations for actions or programs that
 15 may be implemented to reduce the time of incarceration for these inmates and assist them
 16 with reentering the community. A report shall be submitted to the House and Senate
 17 Appropriations and Revenue Committees and the House and Senate Judiciary
 18 Committees by January 15, 2011, specifying the Department's findings and
 19 recommendations.

20 **(5) Public Safety First Programs:** Included in the above General Fund
 21 appropriation is \$515,000 in fiscal year 2010-2011 for the Public Safety First Programs,
 22 including the Victim Information and Notification Everyday (VINE) Protective Order and
 23 the VINE Court Victim Notification Program.

24 **b. Adult Correctional Institutions**

	2010-11	2011-12
25		
26	259,399,000	273,313,700
27	19,706,400	19,988,900

1	Federal Funds	18,463,600	2,253,700
2	TOTAL	297,569,000	295,556,300

3 **(1) Time Credit for Program Completion:** Notwithstanding KRS 197.045(1),
 4 the Department of Corrections shall provide an educational good time credit of 90 days to
 5 any prisoner who successfully receives a graduate equivalency diploma or a high school
 6 diploma, a two or four year certification in applied sciences, or a technical education
 7 diploma as provided and defined by the department, or completes a drug treatment
 8 program or other treatment program as defined by the department that requires
 9 participation in the program of six months or more.

10 **(2) Meritorious Credit:** Notwithstanding KRS 197.045(3), an inmate may, at the
 11 discretion of the Commissioner of the Department of Corrections, be allowed a deduction
 12 from a sentence not to exceed seven days per month for meritorious behavior, and may be
 13 allowed an additional deduction up to seven days per month for acts of exceptional
 14 service during times of emergency or for performing duties of outstanding importance in
 15 connection with institutional operations and programs.

16 **(3) Corrections Education:** Included in the above General Fund appropriation is
 17 \$5,348,100 in fiscal year 2010-2011 and \$5,348,100 in fiscal year 2011-2012 for
 18 education programs at the Department of Corrections facilities that had previously been
 19 provided for in the Kentucky Community and Technical College System (KCTCS)
 20 budget. The faculty and staff funded by this amount and employed by KCTCS to provide
 21 educational services and support to inmates shall be transferred to the Department of
 22 Corrections beginning in fiscal year 2010-2011.

23 **(4) Canteen Fund Proceeds:** The Department of Corrections shall file
 24 semiannual reports with the Interim Joint Committee on Appropriations and Revenue
 25 detailing the revenues and expenditures from the Canteen Fund for each state-operated
 26 prison, private prison, and the central office of the department. The first report shall be
 27 due August 1, 2010, and shall provide financial information for the period of January 1,

1 2010, through June 30, 2010. Thereafter, reports shall be filed every six months from the
2 August 1, 2010, date.

3 **(5) Expungement of Dismissed Inmate Disciplinary Reports at Department**
4 **of Corrections Institutions:** The warden of each Department of Corrections institution
5 shall expunge inmate prison disciplinary reports that have been dismissed or otherwise
6 ordered void, and shall further remove any reference to dismissed or voided disciplinary
7 reports from inmate records.

8 **(6) Correctional Facilities Plan:** (a) The Department of Corrections shall
9 develop a plan that projects the Commonwealth's need for correctional facilities on an
10 annual basis starting with fiscal year 2011-2012 and ending with fiscal year 2021-2022.
11 The plan shall consider and assess all appropriate factors including:

- 12 1. Current condition and capacity of existing state prisons, private prisons
13 utilized by the state, and county jails;
- 14 2. Current and projected number and classification of state inmates;
- 15 3. The potential for using community corrections programs to minimize the use
16 of prison beds; and
- 17 4. Demographic trends in the Commonwealth that may impact crime and
18 incarceration rates.

19 (b) The plan shall make recommendations concerning future correctional facility
20 modifications based on a cost/benefit analysis for each proposed action that shall include:

- 21 1. Renovation or expansion of existing facilities;
- 22 2. Closing or reducing the capacity of older facilities in the system;
- 23 3. Constructing new facilities;
- 24 4. Increased or decreased use of county jails, and the resulting financial impact
25 on county fiscal courts and the Commonwealth;
- 26 5. Increased or decreased use of private prisons; and
- 27 6. The use of community corrections programs, electronic and global positioning

1 monitoring equipment, and halfway houses.

2 (c) The plan shall be submitted to the Legislative Research Commission for
 3 referral to the appropriate committees by December 31, 2010.

4 **(7) Place of Imprisonment for Class D Felons:** A Class D felon with a sentence
 5 of more than five years who has less than five years remaining to be served, has been
 6 convicted of a non-violent or non-sexual offense, and is not classified by the Department
 7 of Corrections as community custody, may serve the remainder of his or her term in a
 8 county jail in a county in which the fiscal court has agreed to house state prisoners.

9 **(8) Transfer to State Institutions:** Notwithstanding KRS 532.100(7), state
 10 prisoners, excluding the Class C and Class D felons, qualifying to serve time in county
 11 jails, may be transferred to a state institution within 90 days of final sentencing, if the
 12 county jail does not object to the additional 45 days.

13 **(9) Insurance Proceeds:** All funds received by the Commonwealth as a result of
 14 the damages caused by the inmate disturbance at Northpoint Training Center on August
 15 21, 2009, shall be deposited to the General Fund.

16 **c. Community Services and Local Facilities**

	2010-11	2011-12
17 General Fund	144,421,000	140,926,500
18 Restricted Funds	3,557,500	3,557,500
19 Federal Funds	264,200	264,200
20 TOTAL	148,242,700	144,748,200

21 **(1) Excess Local Jail Per Diem Costs:** In the event that actual local jail per diem
 22 payments exceed the amounts provided to support the budgeted average daily population
 23 of state felons in county jails for fiscal year 2010-2011 and fiscal year 2011-2012, the
 24 payments shall be deemed necessary government expenses and may be paid from the
 25 General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account
 26 (KRS 48.705), subject to notification as to necessity and amount by the State Budget
 27

1 Director who shall report any certified expenditure to the Interim Joint Committee on
2 Appropriations and Revenue.

3 **(2) Local Jails Funding:** Notwithstanding KRS 441.605 to 441.695, funds in the
4 amount of \$2,427,500 in fiscal year 2010-2011 and \$2,427,500 in fiscal year 2011-2012
5 shall be expended from the Kentucky Local Correctional Facilities Construction
6 Authority for local correctional facility and operational support consistent with
7 contractual covenants in accordance with bond indentures of the Authority.

8 **(3) Conditional Parole for Substance Abuse and Other Programs:**
9 Notwithstanding KRS 439.340(3)(b), when the Parole Board recommends parole upon
10 completion of a program, the Commissioner of the Department of Corrections or his or
11 her designee, shall determine the most appropriate placement in a program either operated
12 by the Department of Corrections or a program within the community approved by the
13 Department of Corrections. The Parole Board shall grant parole with the condition that
14 the parolee complete the program in the community if the Department of Corrections
15 determines that participation in the program in the community is appropriate.

16 **(4) Intermediate Sanctions for Technical Parole Violators:** Notwithstanding
17 KRS 439.430, if a person released to supervision under KRS Chapter 439 signs a
18 statement admitting a violation of the terms of his or her supervision, the Parole Officer
19 may as a sanction for the violation confine the person in a county jail for not more than
20 ten days consecutively, and not more than 30 days within a 365 day period. The
21 Department of Corrections shall reimburse the county for the costs of incarcerating a
22 person under this subsection. A person is not eligible to earn good time credit on any
23 period of confinement under this subsection.

24 **(5) Parole Deferments:** Notwithstanding KRS 439.340(3)(b), if the parole board
25 does not grant parole, the maximum deferment or serve-out for an offender convicted of a
26 non-violent, non-sexual Class C or Class D felony shall be 24 months. No deferment or
27 serve-out shall exceed ten years following the offender's initial eligibility date, except for

1 life sentences. No deferment or serve-out greater than five years shall be ordered unless
2 by a vote of the full board.

3 **(6) Home Incarceration:** Notwithstanding KRS 532.260(1)(b), any person
4 convicted of a non-violent, non-sexual Class C or Class D felony who is serving a
5 sentence in a state-operated prison, contract facility, or county jail may, at the discretion
6 of the Commissioner of the Department of Corrections, be eligible to serve his or her
7 sentence outside the walls of the detention facility under the terms of home incarceration
8 using an approved monitoring device as defined in KRS 532.200, if the felon has 180
9 days or less to serve on his or her sentence or, at the discretion of the Commissioner and
10 the approval by the Secretary of the Justice and Public Safety Cabinet, if the felon has
11 more than 180 days to serve on his or her sentence. Any person serving a sentence on
12 home incarceration may, at the discretion of the Commissioner of the Department of
13 Corrections, be allowed to leave his or her premises for gainful employment, and a
14 reasonable and appropriate amount of the wages earned each pay period shall be used to
15 pay restitution or child support as required by the court.

16 **(7) Administration of Home Incarceration:** The Department of Corrections
17 may enter into agreements with private vendors, county jails, or other competent
18 providers to administer and monitor offenders placed under home incarceration.

19 The Department of Corrections shall ensure that the appropriate staff members have
20 up-to-date information concerning the latest global positioning systems technology and
21 other relevant technology available for monitoring prisoners placed in home
22 incarceration.

23 The Department shall review the file of each inmate eligible for home incarceration
24 that is within 200 days of release, and ascertain if that inmate is a reasonable candidate
25 for home incarceration with the use of electronic monitoring or global positioning system
26 monitoring during the last 180 days of his or her sentence.

27 The Department shall submit an annual report to the Interim Joint Committee on

1 Appropriations and Revenue and the Interim Joint Committee on Judiciary specifying the
 2 number of offenders placed on home incarceration, the number of days each person was
 3 incarcerated at home, and the number of persons that did not complete the home
 4 incarceration period successfully. The reports shall be submitted by July 30, 2011, and by
 5 July 30, 2012.

6 **(8) Probation and Parole Officers:** Included in the above General Fund
 7 appropriation is \$3,000,000 in fiscal year 2011-2012 for hiring and equipping 50
 8 additional probation and parole officers.

9 **(9) Community Corrections:** Included in the above General Fund appropriation
 10 is \$2,000,000 in fiscal year 2011-2012 for community corrections services to assist
 11 parolees in successfully reentering the community.

12 **d. Local Jail Support**

	2010-11	2011-12
13 General Fund	14,321,500	14,321,500

15 **(1) Inmate Medical Care Expenses:** Included in the above General Fund
 16 appropriation is \$931,100 in fiscal year 2010-2011 and \$931,100 in fiscal year 2011-2012
 17 for medical care contracts to be distributed, upon approval of the Department of
 18 Corrections, to counties by the formula codified in KRS 441.206, and \$295,900 in fiscal
 19 year 2010-2011 and \$295,900 in fiscal year 2011-2012, on a partial reimbursement basis,
 20 for medical claims in excess of the statutory threshold pursuant to KRS 441.045. The
 21 funding support for medical contracts and catastrophic medical expenses for indigents
 22 shall be maintained in discrete accounts. Any medical claim which exceeds the statutory
 23 threshold may be reimbursed for that amount in excess of the statutory threshold. In no
 24 event shall this apply to expenses of an elective, as opposed to emergency, basis, and
 25 expenses shall be paid according to the Kentucky Medical Assistance Schedule.

26 **(2) Life Safety or Closed Jails:** Included in the above General Fund
 27 appropriation is \$960,000 in each fiscal year of the biennium to provide a monthly

1 payment of an annual amount of \$20,000 to each county with a life safety jail or a closed
2 jail. The payment shall be in addition to the monthly payment required by KRS
3 441.206(2).

4 **TOTAL - CORRECTIONS**

	2010-11	2011-12
6 General Fund	426,747,200	439,666,400
7 Restricted Funds	23,399,000	23,681,500
8 Federal Funds	19,002,800	2,592,900
9 TOTAL	469,149,000	465,940,800

10 **6. PUBLIC ADVOCACY**

	2010-11	2011-12
12 General Fund	37,571,200	37,195,500
13 Restricted Funds	4,020,000	4,044,000
14 Federal Funds	2,196,000	1,798,500
15 TOTAL	43,787,200	43,038,000

16 **(1) Compensatory Leave Conversion to Sick Leave:** If the Department of
17 Public Advocacy determines that internal budgetary pressures warrant further austerity
18 measures, the Public Advocate may institute a policy to suspend payment of 50 hour
19 blocks of compensatory time for those attorneys who have accumulated 240 hours of
20 compensatory time and instead convert those hours to sick leave.

21 **TOTAL - JUSTICE AND PUBLIC SAFETY CABINET**

	2010-11	2011-12
23 General Fund (Tobacco)	1,923,400	1,923,400
24 General Fund	607,909,500	629,988,000
25 Restricted Funds	118,131,200	119,676,400
26 Federal Funds	89,301,500	52,762,000
27 Road Fund	79,799,500	83,251,500

1		2010-11	2011-12
2	Restricted Funds	106,134,700	107,315,700

3 **(1) Commission Funding:** Notwithstanding KRS 342.122(1)(c), no General
 4 Fund appropriation is provided to the Kentucky Workers' Compensation Funding
 5 Commission in fiscal year 2010-2011 and fiscal year 2011-2012.

6 **(2) Mine Safety Funding:** Notwithstanding KRS 342.1242, \$952,000 in each
 7 fiscal year of the biennium from the Coal Workers' Pneumoconiosis Fund shall support
 8 mine safety compliance, education, and training in the Office of Mine Safety and
 9 Licensing.

10 **TOTAL - LABOR CABINET**

11		2010-11	2011-12
12	General Fund	4,878,500	4,829,700
13	Restricted Funds	205,837,600	207,991,800
14	Federal Funds	3,273,600	3,246,900
15	TOTAL	213,989,700	216,068,400

16 **J. PERSONNEL CABINET**

17 **Budget Units**

18 **1. GENERAL OPERATIONS**

19		2010-11	2011-12
20	General Fund	2,879,000	2,879,000
21	Restricted Funds	20,806,500	20,293,400
22	TOTAL	23,685,500	23,172,400

23 **(1) Debt Service:** Included in the above General Fund appropriation is
 24 \$2,879,000 in fiscal year 2010-2011 and \$2,879,000 in fiscal year 2011-2012 for new
 25 debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this
 26 Act. The Personnel Cabinet shall collect a pro rata assessment from all state agencies and
 27 other organizations that are supported by the new personnel and payroll system being

1 developed. Those collections shall be deposited and retained in a separate Special Project
 2 Account within the Personnel Cabinet unless otherwise directed by this Act.

3 **2. PUBLIC EMPLOYEES DEFERRED COMPENSATION**

4 **AUTHORITY**

	2010-11	2011-12
6 Restricted Funds	8,574,500	8,988,300

7 **3. WORKERS' COMPENSATION BENEFITS AND RESERVE**

	2010-11	2011-12
9 Restricted Funds	25,367,100	27,364,400

10 **4. STATE SALARY AND COMPENSATION FUND**

	2010-11	2011-12
12 General Fund	35,000,000	58,000,000

13 **(1) Retirement Employer Contributions:** The above General Fund
 14 appropriation provides a pool of funds to be allocated and distributed to employers of
 15 members of the Kentucky Employees Retirement System in hazardous and nonhazardous
 16 positions and employers of members of the State Police Retirement System to provide the
 17 General Fund portion of the increased employer contribution rates in accordance with the
 18 procedures contained in Part IV, State Salary/Compensation, Benefit, and Employment
 19 Policy, of this Act.

20 **(2) Health Insurance Increased Costs:** The above General Fund appropriation
 21 provides a pool of funds to be allocated to Executive Branch agencies that participate in
 22 the Public Employees Self-Insured Health Insurance Program to provide the General
 23 Fund portion of the increased cost of health insurance in accordance with the procedures
 24 contained in Part IV, State Salary/Compensation, Benefit, and Employment Policy, of this
 25 Act.

26 **5. STATE GROUP HEALTH INSURANCE FUND**

	2010-11	2011-12
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1 not lapse and shall carry forward.

2 **(2) Interest Earnings Transfer from the Strategic Investment and Incentive**
 3 **Trust Fund Accounts:** Notwithstanding KRS 164.7911, 164.7913, 164.7915, 164.7917,
 4 164.7919, 164.7921, 164.7923, 164.7925, and 164.7927, any expenditures from the
 5 Strategic Investment and Incentive Trust Fund accounts in excess of appropriated
 6 amounts by the Council on Postsecondary Education shall be subject to KRS 48.630.

7 **(3) Ovarian Cancer:** Notwithstanding KRS 164.476(1), General Fund (Tobacco)
 8 moneys in the amount of \$775,000 in each fiscal year shall be allotted from the Lung
 9 Cancer Research Fund to the Ovarian Cancer Screening Outreach Program at the
 10 University of Kentucky.

11 **(4) Postsecondary Education Debt:** Notwithstanding KRS 45.750 to 45.810, in
 12 order to lower the cost of borrowing, any university that has issued or caused to be issued
 13 debt obligations through a not-for-profit corporation or a municipality or county
 14 government for which the rental or use payments of the university substantially meet the
 15 debt service requirements of those debt obligations is authorized to refinance those debt
 16 obligations if the principal amount of the debt obligations is not increased and the rental
 17 payments of the university are not increased. Any funds used by a university to meet debt
 18 obligations issued by a university pursuant to this subsection shall be subject to
 19 interception of state-appropriated funds pursuant to KRS 164A.608.

20 **(5) Washington, D.C. Internship Program:** Included in the above General Fund
 21 appropriation is \$86,700 in fiscal year 2010-2011 and \$85,800 in fiscal year 2011-2012
 22 for scholarships to the Washington Center for Internships and Academic Seminars.

23 **(6) Adult Education:** Included in the above General Fund appropriation is
 24 \$22,246,200 in fiscal year 2010-2011 and \$22,023,800 in fiscal year 2011-2012 for the
 25 Kentucky Adult Education Funding Program.

26 **(7) Contract Spaces:** Included in the above General Fund appropriation is
 27 \$4,713,300 in fiscal year 2010-2011 and \$4,886,700 in fiscal year 2011-2012 for the

1 Contract Spaces Program.

2 **(8) Veterinary Medicine:** If sufficient General Fund is not provided to fully fund
 3 164 veterinary slots, the Council on Postsecondary Education shall fully fund the 164
 4 slots out of the Council's base budget.

5 **(9) Optometry Slots:** If sufficient General Fund is not provided to fully fund 44
 6 optometry slots, the Council on Postsecondary Education shall fully fund the 44 slots out
 7 of the Council's base budget.

8 **2. KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY**

	2010-11	2011-12
9 General Fund (Tobacco)	1,000,000	1,000,000
10 General Fund	189,937,000	190,517,100
11 Restricted Funds	22,338,600	25,621,500
12 Federal Funds	2,470,600	2,477,300
13 TOTAL	215,746,200	219,615,900

14
 15 **(1) College Access Program:** Notwithstanding KRS 154A.130(4), included in
 16 the above General Fund appropriation is \$59,358,000 in fiscal year 2010-2011 and
 17 \$58,764,400 in fiscal year 2011-2012 for the College Access Program.

18 **(2) Kentucky Tuition Grant Program:** Notwithstanding KRS 154A.130(4),
 19 included in the above General Fund appropriation is \$31,989,000 in fiscal year 2010-
 20 2011 and \$31,669,100 in fiscal year 2011-2012 for the Kentucky Tuition Grant Program.

21 **(3) Teacher Scholarship Program:** Notwithstanding KRS 154A.130(4),
 22 included in the above General Fund appropriation is \$1,750,400 in fiscal year 2010-2011
 23 and \$1,732,800 in fiscal year 2011-2012 for the Teacher Scholarship Program.

24 **(4) Kentucky National Guard Tuition Assistance Program:** Notwithstanding
 25 KRS 154A.130(4), included in the above General Fund appropriation is \$4,947,600 in
 26 fiscal year 2010-2011 and \$4,898,100 in fiscal year 2011-2012 for the National Guard
 27 Tuition Assistance Program.

1 **(5) Kentucky Education Excellence Scholarships (KEES):** Included in the
 2 above General Fund appropriation is \$89,979,700 in fiscal year 2010-2011 and
 3 \$91,579,900 in fiscal year 2011-2012 for the Kentucky Educational Excellence
 4 Scholarships (KEES). Included in the above Restricted Funds appropriation is \$1,899,500
 5 in fiscal year 2010-2011 and \$2,307,600 in fiscal year 2011-2012 for KEES.

6 **(6) Work Study:** Included in the above General Fund appropriation is \$837,200
 7 in fiscal year 2010-2011 and \$828,800 in fiscal year 2011-2012 for the Work Study
 8 Program.

9 **(7) Excess Lottery Revenues:** Lottery revenues transferred to the Kentucky
 10 Higher Education Assistance Authority in excess of the sum of the General Fund amounts
 11 set forth in subsections (1), (2), (3), (4), and (5) of this section shall be allocated in
 12 accordance with KRS 154A.130(4)(b) and Part III, 28., of this Act. If the amount
 13 allocated to the KEES program exceeds the amount needed to fully fund KEES at the
 14 statutory individual award amounts, all excess funds shall be transferred to the KEES
 15 Reserve Trust Fund.

16 **3. EASTERN KENTUCKY UNIVERSITY**

	2010-11	2011-12
17 General Fund	68,864,600	72,221,000
18 Restricted Funds	143,921,700	147,939,800
19 Federal Funds	78,281,700	77,905,600
20 TOTAL	291,068,000	298,066,400

21 **(1) Community Operations Board:** Included in the above General Fund
 22 appropriation is \$200,000 in fiscal year 2010-2011 and \$200,000 in fiscal year 2011-2012
 23 to provide funds to the Community Operations Board for personnel and programmatic
 24 operations of the conferencing, meeting, and community areas, and the performing arts
 25 center located in Business/Technology Center, Phase II. The Business/Technology
 26 Center, Phase II shall be governed by the Community Operations Board. Members of the
 27

1 board shall serve without compensation and shall not be reimbursed for expenses incurred
 2 in performance of their duties. The board shall establish policies and procedures for board
 3 operations and for facility use. The board shall make all decisions regarding use of the
 4 Business/Technology Center, Phase II including the conferencing and community areas
 5 and the performing arts center and shall make all decisions regarding personnel and
 6 programmatic operations of the conferencing and community areas and the performing
 7 arts center. The board is attached to Eastern Kentucky University for administrative
 8 purposes, and the university shall provide all facility maintenance and operations costs.

9 **4. KENTUCKY STATE UNIVERSITY**

	2010-11	2011-12
11 General Fund	24,881,500	25,146,800
12 Restricted Funds	25,586,600	26,816,800
13 Federal Funds	20,085,000	18,405,600
14 TOTAL	70,553,100	70,369,200

15 **(1) Debt Service:** Included in the above General Fund appropriation is \$960,100
 16 in fiscal year 2010-2011 for debt service for previously issued bonds.

17 **5. MOREHEAD STATE UNIVERSITY**

	2010-11	2011-12
19 General Fund	42,761,100	44,363,000
20 Restricted Funds	82,494,900	87,081,600
21 Federal Funds	78,164,800	77,383,400
22 TOTAL	203,420,800	208,828,000

23 **(1) Debt Service:** Included in the above General Fund appropriation is
 24 \$1,039,600 in fiscal year 2010-2011 and \$542,100 in fiscal year 2011-2012 for debt
 25 service for previously issued bonds.

26 **6. MURRAY STATE UNIVERSITY**

	2010-11	2011-12
--	----------------	----------------

1	General Fund	48,919,900	51,288,200
2	Restricted Funds	95,280,700	102,592,100
3	Federal Funds	18,728,400	15,642,800
4	TOTAL	162,929,000	169,523,100

5 **(1) Breathitt Veterinary Center:** Included in the above General Fund
6 appropriation is \$392,000 in fiscal year 2010-2011 and \$392,000 in fiscal year 2011-2012
7 for the Breathitt Veterinary Center at Murray State University. The funds provided in this
8 subsection are in addition to existing appropriations for the center contained in Murray
9 State University's General Fund-supported operating budget. Notwithstanding KRS
10 48.130 and 48.600 and Part VI of this Act, the appropriation set forth in this subsection
11 shall not be reduced.

12 **7. NORTHERN KENTUCKY UNIVERSITY**

13		2010-11	2011-12
14	General Fund	50,301,100	50,713,000
15	Restricted Funds	164,928,500	174,298,700
16	Federal Funds	20,099,200	17,111,300
17	TOTAL	235,328,800	242,123,000

18 **(1) Debt Service:** Included in the above General Fund appropriation is
19 \$2,746,000 in fiscal year 2010-2011 and \$675,500 in fiscal year 2011-2012 for debt
20 service for previously issued bonds.

21 **8. UNIVERSITY OF KENTUCKY**

22		2010-11	2011-12
23	General Fund (Tobacco)	250,000	250,000
24	General Fund	290,414,700	303,199,200
25	Restricted Funds	1,924,530,000	1,997,699,000
26	Federal Funds	231,618,800	214,395,200
27	TOTAL	2,446,813,500	2,515,543,400

1 **(1) Debt Service:** Included in the above General Fund appropriation is
 2 \$1,370,600 in fiscal year 2010-2011 for debt service for previously issued bonds for the
 3 University of Kentucky and for Lexington Community College.

4 **(2) Mining Engineering Scholarship Program:** Notwithstanding KRS 45.4592,
 5 included in the above General Fund appropriation is \$300,000 in each fiscal year from the
 6 Local Government Economic Development Fund for mining engineering scholarships.

7 **(3) Robinson Scholars Program:** Notwithstanding KRS 45.4592, included in the
 8 above General Fund appropriation is \$1,000,000 in fiscal year 2010-2011 and \$1,000,000
 9 in fiscal year 2011-2012 from the Local Government Economic Development Fund for
 10 the Robinson Scholars Program.

11 **(4) University of Kentucky Diagnostic Laboratories:** Included in the above
 12 General Fund appropriation is \$392,000 in fiscal year 2010-2011 and \$392,000 in fiscal
 13 year 2011-2012 for the diagnostic laboratories at the University of Kentucky. The funds
 14 provided in this subsection are in addition to existing appropriations for the laboratories
 15 contained in the University of Kentucky's General Fund-supported operating budget.
 16 Notwithstanding KRS 48.130 and 48.600 and Part VI of this Act, the appropriation set
 17 forth in this subsection shall not be reduced.

18 **9. UNIVERSITY OF LOUISVILLE**

	2010-11	2011-12
19 General Fund	169,637,800	177,715,600
20 Restricted Funds	662,096,300	680,791,600
21 Federal Funds	134,458,800	124,381,800
22 TOTAL	966,192,900	982,889,000

24 **(1) Debt Service:** Included in the above General Fund appropriation is
 25 \$7,423,800 in fiscal year 2010-2011 and \$7,147,600 in fiscal year 2011-2012 for debt
 26 service for previously issued bonds.

27 **(2) Quality and Charity Care Trust Agreement:** Included in the above General

1 Fund appropriation is \$19,918,100 in fiscal year 2010-2011 and \$19,718,900 in fiscal
 2 year 2011-2012 to fulfill the Commonwealth's contractual obligation relating to indigent
 3 care furnished via the Quality and Charity Care Trust Agreement.

4 Notwithstanding KRS 45.229, the General Fund appropriation related to the Quality
 5 and Charity Trust Agreement in fiscal year 2010-2011 shall not lapse but shall carry
 6 forward.

7 **10. WESTERN KENTUCKY UNIVERSITY**

	2010-11	2011-12
8		
9	74,297,800	77,377,300
10	233,637,900	242,421,200
11	48,161,900	45,472,800
12	356,097,600	365,271,300

13 **(1) Debt Service:** Included in the above General Fund appropriation is \$549,800
 14 in fiscal year 2010-2011 for debt service for previously issued bonds.

15 **11. KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM**

	2010-11	2011-12
16		
17	195,194,200	204,706,700
18	345,583,100	365,098,500
19	204,404,900	213,068,200
20	745,182,200	782,873,400

21 **(1) Firefighters Foundation Program Fund:** Included in the above Restricted
 22 Funds appropriation is \$30,433,400 in fiscal year 2010-2011 and \$31,283,500 in fiscal
 23 year 2011-2012 for the Firefighters Foundation Program Fund. Notwithstanding KRS
 24 95A.250(1), supplemental payments for each qualified professional firefighter under the
 25 Firefighters Foundation Program Fund shall be \$3,100 in fiscal year 2010-2011 and
 26 \$3,100 in fiscal year 2011-2012.

27 **(2) Firefighters Training Center Fund:** Notwithstanding KRS 95A.262(3),

1 \$500,000 in Restricted Funds is provided in each fiscal year of the 2010-2012 fiscal
2 biennium for the Firefighters Training Center Fund.

3 **(3) Corrections Education:** The funding for education programs at the
4 Department of Corrections facilities, totaling \$5,348,100 in each fiscal year, is located in
5 the Adult Correctional Institutions budget unit. The faculty and staff employed by
6 Kentucky Community and Technical College System to provide educational services and
7 support to inmates shall be transferred to the Department of Corrections at the beginning
8 of fiscal year 2010-2011.

9 **(4) Conveyance of Property:** (a) Notwithstanding KRS Chapter 45A, 45.777,
10 and 164A.575(7), the Kentucky Community and Technical College System may convey
11 to the Hopkins County Board of Education fee simple title to certain of its real property
12 and improvements at the Madisonville Community College Technical Campus that have
13 become surplus to Madisonville Community College with the completion of construction
14 of the new Energy and Advanced Technology Center facility on the main campus of the
15 college. The conveyance shall be completed at a price that is acceptable to both parties.
16 Madisonville Community College shall use the proceeds from the conveyance of the real
17 property for scholarships to students attending Madisonville Community College.

18 (b) Notwithstanding KRS Chapter 45A, 45.777, and 164A.575(7), the Kentucky
19 Community and Technical College System may convey to Northern Kentucky University
20 fee simple title to certain of its real property and improvements located in Campbell
21 County that have become surplus to Gateway Community and Technical College with the
22 creation of the new Boone Campus of Gateway Community and Technical College. The
23 conveyance shall be completed at a price that is acceptable to both parties. Gateway
24 Community and Technical College shall use the proceeds from the conveyance of the real
25 property to support a capital project for Gateway Community and Technical College.

26 (c) Notwithstanding KRS Chapter 45A, 45.777, and 164A.575(7), the Kentucky
27 Community and Technical College System may dispose of certain real property and

1 improvements located in Covington, Kentucky that will become surplus to Gateway
2 Community and Technical College with the completion of the Advanced Manufacturing
3 Technology Facility at the Boone County Campus. Gateway Community and Technical
4 College shall use all proceeds and interest from the disposition of the real property to
5 support a capital project for Gateway Community and Technical College in the city limits
6 of Covington, Kentucky.

7 (d) Notwithstanding KRS Chapter 45A, 45.777, and 164A.575, the Tourism, Arts
8 and Heritage Cabinet's Department of Parks shall convey to the Kentucky Community
9 and Technical College System (KCTCS) fee simple title to certain of its real property and
10 improvements currently operating at General Butler State Resort Park in Carrollton,
11 Kentucky. This property is deemed to be surplus to the needs of the Cabinet upon the
12 cancellation of a lease between the Department of Parks and Cardinal Hill Hospital. The
13 conveyance shall be completed at a value of \$600,000 paid to Cardinal Hill Hospital for
14 the surrender of its lease. The \$600,000 is composed of \$300,000 of KCTCS Restricted
15 Funds and \$300,000 of Other Funds that have been raised for this purpose. KCTCS will
16 receive approximately 20 to 30 acres in this conveyance.

17 **(5) Salary Increases:** It is the intent of the 2010 General Assembly that
18 employees of the Kentucky Community and Technical College System (KCTCS) who are
19 in the University of Kentucky personnel system shall be treated the same, with respect to
20 compensation plans and salary increases implemented by KCTCS, as all other employees
21 of KCTCS. Specifically, KCTCS shall not utilize the practice of providing lower salary
22 increases to KCTCS employees who are in the University of Kentucky personnel system
23 in order to offset money paid to the University of Kentucky for the cost of providing
24 health insurance to these employees.

25 KCTCS shall make no distinction in compensation plans or salary increases among
26 its employees based upon the personnel system to which they belong, except that KCTCS
27 may make up the lower salary increases given in the past to those employees of KCTCS

1 in the University of Kentucky personnel system which were based upon reimbursing the
 2 University of Kentucky for the cost of providing health insurance.

3 **TOTAL - POSTSECONDARY EDUCATION**

4		2010-11	2011-12
5	General Fund (Tobacco)	6,417,100	5,987,600
6	General Fund	1,206,885,600	1,245,875,600
7	Restricted Funds	3,708,999,000	3,858,979,000
8	Federal Funds	853,826,100	824,596,000
9	TOTAL	5,776,127,800	5,935,438,200

10 **L. PUBLIC PROTECTION CABINET**

11 **Budget Units**

12 **1. SECRETARY**

13		2010-11	2011-12
14	General Fund	265,100	262,500
15	Restricted Funds	4,691,700	4,766,600
16	TOTAL	4,956,800	5,029,100

17 **2. BOXING AND WRESTLING AUTHORITY**

18		2010-11	2011-12
19	Restricted Funds	138,300	140,100

20 **3. ALCOHOLIC BEVERAGE CONTROL**

21		2010-11	2011-12
22	General Fund	803,000	795,000
23	Restricted Funds	4,896,800	5,024,100
24	TOTAL	5,699,800	5,819,100

25 **4. CHARITABLE GAMING**

26		2010-11	2011-12
27	Restricted Funds	3,080,900	3,154,300

1	5. BOARD OF CLAIMS/CRIME VICTIMS' COMPENSATION		
2	BOARD		
3		2010-11	2011-12
4	General Fund	620,800	614,600
5	Restricted Funds	1,758,600	1,785,800
6	Federal Funds	508,700	508,700
7	TOTAL	2,888,100	2,909,100
8	6. FINANCIAL INSTITUTIONS		
9		2010-11	2011-12
10	Restricted Funds	9,213,200	9,213,200
11	7. HORSE RACING COMMISSION		
12		2010-11	2011-12
13	General Fund	2,999,000	2,969,000
14	Restricted Funds	26,139,600	26,080,400
15	TOTAL	29,138,600	29,049,400
16	8. HOUSING, BUILDINGS AND CONSTRUCTION		
17		2010-11	2011-12
18	General Fund	2,182,400	2,160,600
19	Restricted Funds	14,041,100	14,711,300
20	Federal Funds	1,150,100	157,900
21	TOTAL	17,373,600	17,029,800

22 **(1) Funding Flexibility:** Notwithstanding KRS 198B.090(10), 198B.095(2),
 23 198B.676(2), 227.620(5), 227A.050(1) and (2), 236.130(3), and 318.136, the Department
 24 of Housing, Buildings and Construction may expend, with the approval of any affected
 25 boards, any Restricted Funds for programs administered by the Department. The
 26 Department shall return any funds transferred from a board back to the board within the
 27 fiscal biennium.

1 **9. INSURANCE**

	2010-11	2011-12
3 General Fund (Tobacco)	18,084,700	16,581,400
4 Restricted Funds	19,796,300	19,959,000
5 TOTAL	37,881,000	36,540,400

6 **(1) Tobacco Settlement Funds:** Included in the above General Fund (Tobacco)
 7 appropriation is \$18,084,700 in fiscal year 2010-2011 and \$16,581,400 in fiscal year
 8 2011-2012 for the Kentucky Access Program.

9 **(2) Insurance License Fee and Tax:** Notwithstanding any other statutory
 10 provision to the contrary, no license fee or tax imposed under KRS 91A.080 shall apply
 11 to premiums paid to insurance companies or surplus lines brokers by non-profit self-
 12 insurance groups whose membership consists of cities, counties, charter county
 13 governments, urban-county governments, consolidated local governments, school
 14 districts, or any other political subdivisions of the Commonwealth.

15 **10. TAX APPEALS**

	2010-11	2011-12
17 General Fund	384,000	380,200

18 **TOTAL - PUBLIC PROTECTION CABINET**

	2010-11	2011-12
20 General Fund (Tobacco)	18,084,700	16,581,400
21 General Fund	7,254,300	7,181,900
22 Restricted Funds	83,756,500	84,834,800
23 Federal Funds	1,658,800	666,600
24 TOTAL	110,754,300	109,264,700

25 **M. TOURISM, ARTS AND HERITAGE CABINET**

26 **Budget Units**

27 **1. SECRETARY**

	2010-11	2011-12
1		
2 General Fund	2,761,700	2,734,100
3 Restricted Funds	10,088,900	10,111,900
4 TOTAL	12,850,600	12,846,000

5 **(1) Outdoor Drama Grants:** Included in the above Restricted Funds
6 appropriation is \$405,000 in each fiscal year for the purpose of supporting the following
7 grants: Someday Outdoor Drama, \$20,000 in each fiscal year; Stephen Foster, \$81,000 in
8 each fiscal year; Pioneer School of Drama, \$28,500 in each fiscal year; Music Theater of
9 Louisville, \$9,000 in each fiscal year; Pine Knob Theater, \$29,500 in each fiscal year;
10 Kincaid Regional Theater, \$27,500 in each fiscal year; Twilight Cabaret, \$9,000 in each
11 fiscal year; Horse Cave Theater, \$60,000 in each fiscal year; Jenny Wiley, \$39,500 in
12 each fiscal year; Indian Fort Drama of Berea, \$25,000 in each fiscal year; Fort Harrod
13 Drama Productions, \$41,000 in each fiscal year; Greenbo Lake State Resort Park,
14 \$10,000 in each fiscal year; and Russell County Ruscotown Players Production, \$25,000
15 in each fiscal year. If the agency finds that an Outdoor Drama grant recipient no longer
16 exists, the appropriation for that grant shall lapse to the credit of the Tourism, Meeting,
17 and Convention Marketing Fund established under KRS 142.406.

18 **(2) International Mystery Writers' Festival Grant:** Included in the above
19 General Fund appropriation is \$150,000 in fiscal year 2010-2011 and \$150,000 in fiscal
20 year 2011-2012 for a grant to the RiverPark Center in Owensboro to be used for the
21 support of the International Mystery Writers' Festival. This grant is subject to a one-to-
22 one dollar match from other funds that shall be certified by the RiverPark Center to the
23 Office of the Secretary.

24 **(3) Unexpended Restricted Funds:** Notwithstanding KRS 45.229, included in
25 the above Restricted Funds appropriation is \$255,700 in fiscal year 2010-2011 and
26 \$255,700 in fiscal year 2011-2012 from unexpended coal severance funds from the Local
27 Government Economic Development Fund, Multi-County Fund, from prior fiscal years

1 for Tourism Marketing and Development on behalf of the coal-producing counties. ~~Not~~
 2 ~~less than \$200,000 in each fiscal year shall be allocated from Tourism Marketing and~~
 3 ~~Development on behalf of the coal-producing counties for fees for professional artists and~~
 4 ~~entertainers performing on the Kentucky Music Trail. The Cabinet shall promote this~~
 5 ~~assistance opportunity for professional artists and entertainers through its Web site and~~
 6 ~~other sources, and shall send notice to the organizations this opportunity may impact. Any~~
 7 ~~funds remaining after the allocation of funds for fees for professional artists and~~
 8 ~~entertainers may be used for other tourism and marketing programs on behalf of the coal-~~
 9 ~~producing counties.] (Veto Item #13)~~

10 **2. ARTISANS CENTER**

	2010-11	2011-12
11		
12	300,800	297,800
13	1,728,100	1,750,900
14	350,000	350,000
15	2,378,900	2,398,700

16 **3. TRAVEL**

	2010-11	2011-12
17		
18	3,292,600	3,259,700
19	100,000	100,000
20	3,392,600	3,359,700

21 **(1) Bluegrass State Games:** Included in the above General Fund appropriation is
 22 \$50,000 in each fiscal year for the Bluegrass State Games.

23 **4. PARKS**

	2010-11	2011-12
24		
25	29,901,400	30,133,100
26	53,296,200	54,187,300
27	83,197,600	84,320,400

1 **(1) Park Capital Maintenance and Renovation Fund:** Notwithstanding KRS
 2 148.810, no transfer to the Park Capital Maintenance and Renovation Fund shall be made.

3 **(2) Debt Service:** Included in the above General Fund appropriation is \$275,000
 4 in fiscal year 2010-2011 and \$803,000 in fiscal year 2011-2012 for new debt service to
 5 support new bonds as set forth in Part II, Capital Projects Budget, of this Act.

6 **5. HORSE PARK COMMISSION**

	2010-11	2011-12
7		
8 General Fund	3,328,200	2,344,600
9 Restricted Funds	7,492,000	7,608,600
10 TOTAL	10,820,200	9,953,200

11 **6. STATE FAIR BOARD**

	2010-11	2011-12
12		
13 Restricted Funds	44,342,600	45,251,500

14 **(1) Debt Service:** Included in the above Restricted Funds appropriation is
 15 \$4,423,600 in fiscal year 2010-2011 and \$4,422,300 in fiscal year 2011-2012 for
 16 previously issued bonds.

17 **7. FISH AND WILDLIFE RESOURCES**

	2010-11	2011-12
18		
19 Restricted Funds	30,693,400	31,226,600
20 Federal Funds	17,311,300	17,581,400
21 TOTAL	48,004,700	48,808,000

22 **8. HISTORICAL SOCIETY**

	2010-11	2011-12
23		
24 General Fund	6,099,600	6,038,600
25 Restricted Funds	702,700	724,900
26 Federal Funds	444,700	45,200
27 TOTAL	7,247,000	6,808,700

1 **9. ARTS COUNCIL**

	2010-11	2011-12
2		
3 General Fund	3,075,800	3,045,100
4 Restricted Funds	153,900	153,900
5 Federal Funds	805,700	805,700
6 TOTAL	4,035,400	4,004,700

7 **(1) Open Meetings:** Any entity involved in producing or financing arts on a local
8 or statewide basis, since the inception of fiscal year 2004-2005, which received a total of
9 \$25,000 or less as a result of appropriations or grants from state or local governmental
10 units, shall be exempt from the requirements of KRS 61.800 to 61.850.

11 **(2) Open Records:** Any entity involved in producing or financing arts on a local
12 or statewide basis, since the inception of fiscal year 2004-2005, which received a total of
13 \$25,000 or less as a result of appropriations or grants from state or local governmental
14 units shall be exempt from the requirements of KRS 61.870 to 61.884.

15 **10. HERITAGE COUNCIL**

	2010-11	2011-12
16		
17 General Fund	768,600	761,000
18 Restricted Funds	273,700	278,100
19 Federal Funds	764,700	781,900
20 TOTAL	1,807,000	1,821,000

21 **11. KENTUCKY CENTER FOR THE ARTS**

	2010-11	2011-12
22		
23 General Fund	916,900	907,700

24 **TOTAL - TOURISM, ARTS AND HERITAGE CABINET**

	2010-11	2011-12
25		
26 General Fund	50,445,600	49,521,700
27 Restricted Funds	148,871,500	151,393,700

1	Federal Funds	19,326,400	19,214,200
2	Road Fund	350,000	350,000
3	TOTAL	218,993,500	220,479,600

4 **PART II**

5 **CAPITAL PROJECTS BUDGET**

6 **(1) Capital Construction Fund Appropriations and Reauthorizations:**

7 Moneys in the Capital Construction Fund are appropriated for the following capital
8 projects subject to the conditions and procedures in this Act. Items listed without
9 appropriated amounts are previously authorized for which no additional amount is
10 required. These items are listed in order to continue their current authorization into the
11 2010-2012 fiscal biennium. Unless otherwise specified, reauthorized projects shall
12 conform to the original authorization enacted by the General Assembly.

13 **(2) Expiration of Existing Line-Item Capital Construction Projects:** All

14 appropriations to existing line-item capital construction projects expire on June 30, 2010,
15 unless reauthorized in this Act with the following exceptions: (a) A construction or
16 purchase contract for the project shall have been awarded by June 30, 2010; (b)
17 Permanent financing or a short-term line of credit sufficient to cover the total authorized
18 project scope shall have been obtained in the case of projects authorized for bonds,
19 provided that the authorized project completes an initial draw on the line of credit within
20 the fiscal biennium immediately subsequent to the original authorization; and (c) Grant or
21 loan agreements, if applicable, shall have been finalized and properly signed by all
22 necessary parties by June 30, 2010. Notwithstanding the criteria set forth in this
23 subsection, the disposition of 2008-2010 fiscal biennium nonstatutory appropriated
24 maintenance pools funded from Capital Construction Investment Income shall remain
25 subject to the provisions of KRS 45.770(5)(c).

26 **(3) Bond Proceeds Investment Income:** Investment income earned from bond

27 proceeds beyond that which is required to satisfy Internal Revenue Service arbitrage

1 rebates and penalties and excess bond proceeds upon the completion of a bond-financed
 2 capital project shall be used to pay debt service according to the Internal Revenue Service
 3 Code and accompanying regulations.

4 **(4) Appropriations for Projects Not Line-Itemized:** Inasmuch as the
 5 identification of specific projects in a variety of areas of the state government cannot be
 6 ascertained with absolute certainty at this time, amounts are appropriated for specific
 7 purposes to projects which are not individually identified in this Act in the following
 8 areas: Kentucky Infrastructure Authority Water and Sewer Grant Projects, and Broadband
 9 Grant Projects; Kentucky River Authority Locks and Dams Renovation and Maintenance
 10 Pool; Repair of State-Owned Dams; Land Acquisition; Property Demolition; Guaranteed
 11 Energy Savings Performance Contract projects; Wetland and Stream Mitigation;
 12 Economic Development projects, which shall include authorization for the High-Tech
 13 Construction Pool and the High-Tech Investment Pool; Infrastructure projects; Capital
 14 Renewal and Maintenance Pool; Research Capital Match Program Pool; Heritage Land
 15 Conservation projects; Flood Control projects; Parks Renovation Pool; Parks
 16 Development Pool; Kentucky Center for the Arts Major Maintenance Renovation Pool;
 17 Bond-funded maintenance pools; Parking Garage Maintenance Pool; the Postsecondary
 18 Education Institutions Technology and Equipment Pool; the Postsecondary Education
 19 Institutions Research Support - Lab Renovation and Equipment Pool; and University
 20 Major Items of Equipment Pools. Any projects estimated to cost over \$600,000 and
 21 equipment estimated to cost over \$200,000 shall be reported to the Capital Projects and
 22 Bond Oversight Committee.

23 **(5) Bond Issues for Tobacco and Non-Coal Producing Counties:** Any
 24 authorized bond project from the Infrastructure for Economic Development Fund for
 25 Tobacco Counties, Water and Sewer Resource Development Fund for Tobacco Counties,
 26 and Infrastructure for Economic Development Fund for Non-Coal Producing Counties
 27 may be financed from any associated bond issue for the Infrastructure for Economic

1 Development Fund for Tobacco Counties, Water and Sewer Resource Development Fund
2 for Tobacco Counties, and Infrastructure for Economic Development Fund for Non-Coal
3 Producing Counties.

4 **(6) Capital Construction and Equipment Purchase Contingency Account:** If
5 funds in the Capital Construction and Equipment Purchase Contingency Account are not
6 sufficient, then expenditures of the fund are to be paid first from the General Fund
7 Surplus Account (KRS 48.700), if available, or from the Budget Reserve Trust Fund
8 Account (KRS 48.705), subject to the conditions and procedures provided in this Act.

9 **(7) Emergency Repair, Maintenance, and Replacement Account:** If funds in
10 the Emergency Repair, Maintenance, and Replacement Account are not sufficient, then
11 expenditures of the fund are to be paid first from the General Fund Surplus Account
12 (KRS 48.700), if available, or from the Budget Reserve Trust Fund Account (KRS
13 48.705), subject to the conditions and procedures provided in this Act.

14 **A. GENERAL GOVERNMENT**

15 Budget Units	2010-11	2011-12
16 1. DEPARTMENT OF VETERANS' AFFAIRS		
17 001. Western Kentucky Veterans' Center - Alzheimer's/General		
18 Care Unit - Additional		
19 Federal Funds	-0-	2,587,000
20 Bond Funds	-0-	1,393,000
21 TOTAL	-0-	3,980,000
22 002. Maintenance Pool - 2010-2012		
23 Investment Income	100,000	100,000
24 003. Construct Fourth State Veterans' Nursing Home Reauthorization		
25 (\$10,500,000 Bond Funds, \$19,500,000 Federal Funds)		
26 004. Construct State Veterans' Cemetery - Southeast Kentucky		
27 (Leslie County) Reauthorization (\$200,000 General Fund,		

1 \$6,000,000 Federal Funds)

2 **2. KENTUCKY INFRASTRUCTURE AUTHORITY**

3 **(1) Project Revision Authorization:** Any governmental agency who has
4 received an appropriation from the General Assembly for an infrastructure project, in the
5 current budget or any prior year budget, may certify to the Executive Director of the
6 Kentucky Infrastructure Authority that a specified infrastructure project is no longer an
7 active infrastructure project or has been completed and may request reallocation of the
8 remaining infrastructure project funds to another infrastructure project.

9 **001. KIA Fund A - Federally Assisted Wastewater Program -**

10 2010-2012

11	Federal Funds	60,000,000	30,000,000
12	Bond Funds	10,000,000	10,000,000
13	Agency Bonds	100,000,000	-0-
14	TOTAL	170,000,000	40,000,000

15 **(1) Permitted Use of Funds:** The Bond Funds shall be used to meet the
16 state match requirement for Federal Funds for the Federally Assisted Wastewater
17 Revolving Loan Fund Program.

18 **002. KIA Fund F - Drinking Water Revolving Loan Program**

19 - 2010-2012

20	Federal Funds	40,000,000	20,000,000
21	Bond Funds	6,000,000	6,000,000
22	Agency Bonds	25,000,000	-0-
23	TOTAL	71,000,000	26,000,000

24 **(1) Permitted Use of Funds:** The Bond Funds shall be used to meet the
25 state match requirement for Federal Funds for the Safe Drinking Water State Revolving
26 Loan Fund Program.

27 **003. KIA Fund A - Federally Assisted Wastewater Program Reauthorization**

1 (\$200,000,000 Agency Bonds)

2 **004.** KIA Fund F - Drinking Water Revolving Loan Program

3 Reauthorization (\$30,000,000 Agency Bonds)

4 **005.** Infrastructure for Economic Development Fund for Coal-Producing

5 Counties - 2006-2008 - Additional

6 Bond Funds 955,100 -0-

7 **(1) Additional Support for Previously Overprogrammed Water and**

8 **Wastewater Infrastructure Pools:** The above project provides additional bond support
9 for the bond pool authorized in 2006 Ky. Acts ch. 252, Part II, A., 2., 004. and line-item
10 projects set out in 2006 Ky. Acts ch. 252, Part II, N..

11 **006.** Infrastructure for Economic Development Fund for Non-Coal

12 Producing Counties - 2006-2008 - Additional

13 Bond Funds 1,250,000 -0-

14 **(1) Additional Support for Previously Overprogrammed Water and**

15 **Wastewater Infrastructure Pools:** The above project provides additional bond support
16 for the bond pool authorized in 2006 Ky. Acts ch. 252, Part II, A., 2., 003. and line-item
17 projects set out in 2006 Ky. Acts ch. 252, Part II, O..

18 **007.** Infrastructure for Economic Development Fund for Coal-Producing

19 Counties - 2008-2010 - Additional

20 Bond Funds 4,240,000 -0-

21 **(1) Additional Support for Previously Overprogrammed Water and**

22 **Wastewater Infrastructure Pools:** The above project provides additional bond support
23 for the bond pool authorized in 2008 Ky. Acts ch. 123, Section 3, 004. on page 422 as
24 amended by 2008 Ky. Acts ch. 174, Section 2 on page 797 and line-item projects set out
25 in 2008 Ky. Acts ch. 191, Section 1 and in 2009 Ky. Acts ch. 50, Section 1.

26 **008.** Infrastructure for Economic Development Fund for Non-Coal

27 Producing Counties - 2008-2010 - Additional

1 project as set forth in 2006 Ky. Acts ch. 252, Part II, O., Allen County, 002. and the City
 2 of Scottsville - SX21003003 - Old Gallatin Road Sewer System Improvements project as
 3 set forth in 2006 Ky. Acts ch. 252, Part II, O., Allen County, 005..

4 **012.** Southeastern Water Association - Waterline Extensions 2010
 5 (WX21199103) Reauthorization and Reallocation (\$329,000
 6 Bond Funds)

7 **(1) Reauthorization and Reallocation:** The above project is authorized
 8 from a reallocation of the Southeastern Water Association - Sand Gap Road
 9 (WX21199069) project as set forth in 2008 Ky. Acts ch. 191, Section 2, Pulaski County,
 10 008. and in 2009 Ky. Acts ch. 50, Section 2, Pulaski County, 008., the Southeastern
 11 Water Association - Little Rock Road/Big Rock Road Waterline Extensions project as set
 12 forth in 2008 Ky. Acts ch. 191, Section 2, Pulaski County, 010. and in 2009 Ky. Acts ch.
 13 50, Section 2, Pulaski County, 010., and the Southeastern Water Association - Pee Ridge
 14 Road Waterline Extensions project as set forth in 2008 Ky. Acts ch. 191, Section 2,
 15 Pulaski County, 011. and in 2009 Ky. Acts ch. 50, Section 2, Pulaski County, 011..

16 **013.** Mayfield Electric and Water System - Ridgeway - Dunbar
 17 Sewer Rehabilitation (SX21083034) Reauthorization and
 18 Reallocation (\$96,000 Bond Funds)

19 **(1) Reauthorization and Reallocation:** The above project is authorized
 20 from a reallocation of Mayfield Electric and Water System - SX21083022 - 9th and
 21 Gardner project as set forth in 2006 Ky. Acts ch. 252, Part II, O., Graves County, 006..

22 **014.** Jessamine South Elkhorn Water District - Southeast Rural
 23 Jessamine Unserved Areas II Reauthorization and Reallocation
 24 (\$243,000 Bond Funds)

25 **(1) Reauthorization and Reallocation:** The above project is authorized
 26 from a reallocation of the Jessamine South Elkhorn Water District - Southeast Rural
 27 Jessamine Unserved Areas (WX21113004) project as set forth in 2005 Ky. Acts ch. 170,

1 Volume Ia, Part II, Infrastructure for Economic Development Fund for Tobacco Counties,
 2 Jessamine and the Jessamine South Elkhorn Water District - Tankersley Lane Water
 3 Lines Extension project as set forth in 2006 Ky. Acts ch. 252, Part II, P., Jessamine
 4 County, 009..

5 **015.** City of Salyersville - The Salyersville Water Security - Connect on Rt 40
 6 (WX21153516) Reauthorization and Reallocation (\$400,000 Bond Funds)

7 **(1) Reauthorization and Reallocation:** The above project is authorized from a
 8 reallocation of Magoffin County Water District - Magoffin Water/Paintsville Utilities
 9 Emergency Water Connect (WX21153022) as set forth in 2008 Ky. Acts ch. 191, Section
 10 1, Magoffin County, 002..

11 **016.** Vanceburg Electric Plant Board - Vanceburg CSO Renovate (SX21135014)
 12 Reauthorization and Reallocation (\$100,000 Bond Funds)

13 **(1) Reauthorization and Reallocation:** The above project is authorized from a
 14 reallocation of Vanceburg Electric Plant Board - AA Collector (SX21135012) as set forth
 15 in 2008 Ky. Acts ch. 191, Section 2, Lewis County, 004..

16 **017.** Hancock County Fiscal Court - Boling Chapel Community Fire Hydrant
 17 Extension (WX21091072) Reauthorization and Reallocation (\$75,000 Bond
 18 Funds)

19 **(1) Reauthorization and Reallocation:** The above project is authorized from a
 20 reallocation of Hancock County Fiscal Court - East Daviess County/Lewisport Area -
 21 Water Tower as set forth in 2006 Ky. Acts ch. 252, Part II, N., Hancock County, 002. and
 22 Hancock County Fiscal Court - Highway 60 East Water Tower Expansion as set forth in
 23 2006 Ky. Acts ch. 252, Part II, N., Hancock County, 005..

24 **018.** Hancock County Fiscal Court - Dukes Water Tower (WX21091025)
 25 Reauthorization and Reallocation (\$75,000 Bond Funds)

26 **(1) Reauthorization and Reallocation:** The above project is authorized from a
 27 reallocation of Hancock County Fiscal Court - East Daviess County/Lewisport Area -

1 Water Tower as set forth in 2006 Ky. Acts ch. 252, Part II, N., Hancock County, 002. and
 2 Hancock County Fiscal Court - Highway 60 East Water Tower Expansion as set forth in
 3 2006 Ky. Acts ch. 252, Part II, N., Hancock County, 005..

4 **019.** Hancock County Fiscal Court - (WX21091079) Reauthorization and
 5 Reallocation (\$100,000 Bond Funds)

6 **(1) Reauthorization and Reallocation:** The above project is authorized from a
 7 reallocation of Hancock County Fiscal Court - East Daviess County/Lewisport Area -
 8 Water Tower as set forth in 2006 Ky. Acts ch. 252, Part II, N., Hancock County, 002. and
 9 Hancock County Fiscal Court - Highway 60 East Water Tower Expansion as set forth in
 10 2006 Ky. Acts ch. 252, Part II, N., Hancock County, 005..

11 **3. MILITARY AFFAIRS**

12 **001.** Construct Armory Readiness Center - Burlington

13 Federal Funds 25,000,000 -0-

14 **002.** Construct Armory Readiness Center - Owensboro

15 Restricted Funds 3,750,000 -0-

16 Federal Funds 11,250,000 -0-

17 TOTAL 15,000,000 -0-

18 **003.** Construct Multi-Purpose Building - Bluegrass Station

19 Other Funds 15,000,000 -0-

20 **(1) Authorization:** The above authorization is approved pursuant to KRS
 21 45.763.

22 **004.** Construct Field Maintenance Shop - Northern Kentucky

23 Federal Funds 12,000,000 -0-

24 **005.** Construct Unheated Training and Equipment Site - WHFRTC

25 Federal Funds 12,000,000 -0-

26 **006.** Construct Field Maintenance Shop 6 - Jackson

27 Federal Funds 10,000,000 -0-

1	007. Construct Field Maintenance Shop 2 - London		
2	Federal Funds	10,000,000	-0-
3	008. Construct Joint Forces Readiness Center Phase I - Frankfort		
4	Federal Funds	9,500,000	-0-
5	009. Install Power Generators		
6	Federal Funds	4,800,000	-0-
7	010. Expand State Emergency Operations Center - Frankfort		
8	Federal Funds	4,000,000	-0-
9	011. Construct General Warehouse Building - Bluegrass Station		
10	Other Funds	3,700,000	-0-
11	(1) Authorization: The above authorization is approved pursuant to KRS		
12	45.763.		
13	012. Roof Replacement and Repair - Bluegrass Station		
14	Restricted Funds	2,500,000	-0-
15	013. Construct Administration Building - Disney Training Center		
16	Federal Funds	2,420,000	-0-
17	014. Extend Utility Lines - Bluegrass Station		
18	Restricted Funds	2,300,000	-0-
19	015. Parking Improvements - Bluegrass Station		
20	Restricted Funds	2,200,000	-0-
21	016. Maintenance Pool - 2010-2012		
22	Investment Income	1,000,000	1,000,000
23	017. Construct Joint Support Operations Center Phase IV		
24	Federal Funds	1,806,000	-0-
25	018. Construct Parts Warehouse - Bluegrass Station		
26	Restricted Funds	1,800,000	-0-
27	019. Construct Fire Rescue Training Center - WHFRTC		

1	Restricted Funds	1,500,000	-0-
2	020. Construct Vault - Bluegrass Station		
3	Restricted Funds	700,000	-0-
4	021. Construct Roadway and Sewage Plant - Bluegrass Station		
5	Restricted Funds	1,700,000	-0-
6	022. Install Backup Generators - Bluegrass Station		
7	Restricted Funds	1,000,000	-0-
8	023. Install Digital Fiber - Bluegrass Station		
9	Restricted Funds	1,500,000	-0-
10	024. Kenton County - Lease		
11	025. Fayette County - Lease		
12	026. Fayette/Clark County - Lease		
13	027. Fayette/Clark County - Lease		
14	028. Fayette/Clark County - Lease		
15	029. Construct Pole Barns at Bluegrass Station Reauthorization		
16	(\$2,200,000 Restricted Funds)		
17	030. Construct Field Maintenance Shop 1 Conversion Reauthorization		
18	(\$1,200,000 Federal Funds)		
19	031. Construct Field Maintenance Shop 8 Conversion Reauthorization		
20	(\$1,200,000 Federal Funds)		
21	032. Construct Multi-Purpose Machine Gun Range Wendell H.		
22	Ford Regional Training Center Reauthorization (\$850,000		
23	Federal Funds)		
24	4. DEPARTMENT FOR LOCAL GOVERNMENT		
25	001. Flood Control Matching Fund - 2010-2012		
26	Bond Funds	-0-	3,000,000
27	002. Franklin County - Lease		

1 **003.** Garrard County Fiscal Court - Renovation of Grand Theater
 2 and Improvements to Lancaster Public Square Reauthorization
 3 and Reallocation (\$1,500,000 Bond Funds)

4 **(1) Reauthorization, Reallocation, and Purpose of Funds:** The above
 5 project is authorized from a reallocation of the Herrington Lake State Park and Lodge -
 6 Design and Land Acquisition project as set forth in 2005 Ky. Acts ch. 173, Part II, B., 1.,
 7 003. The funds appropriated for the above project may be used for the renovation of the
 8 Grand Theater, the repayment of any line of credit used for the renovation, and for
 9 improvements to the public square in the city of Lancaster.

10 **004.** Bell County Fiscal Court - Projects and/or Equipment Reauthorization
 11 (\$1,100,000 Restricted Funds)

12 **(1) Reauthorization and Purpose of Funds:** Notwithstanding any
 13 statutory provision or agreement between a state agency and a local government to the
 14 contrary, any fund balance remaining for grants to the Bell County Fiscal Court for
 15 projects and/or equipment as appropriated in 2008 Ky. Acts ch. 123, Section 3, L., Bell
 16 County, 022., shall be reauthorized. The funds appropriated for the aforementioned
 17 project may also be used for operations.

18 **005.** City of Covington - Times Star Commons - Planning Reauthorization
 19 (\$750,000 Bond Funds and \$250,000 General Fund)

20 **(1) Reauthorization:** The above project from 2006 Ky. Acts ch. 252, Part
 21 II, P., Kenton County, 002. and 2006 Ky. Acts ch. 252, Part II, P., Kenton County, 001.
 22 shall be reauthorized for the 2010-2012 fiscal biennium.

23 **006.** City of Covington - West Covington Fire Station - Property
 24 Acquisition Reauthorization (\$300,000 Bond Funds)

25 **(1) Reauthorization:** The above project from 2006 Ky. Acts ch. 252, Part
 26 II, P., Kenton County, 003. shall be reauthorized for the 2010-2012 fiscal biennium.

27 **5. ATTORNEY GENERAL**

1	004. Urgent Needs School Trust Fund - 2010-2012		
2	Bond Funds	65,494,000	-0-

3 **13. TEACHERS' RETIREMENT SYSTEM**

4	001. KTRS Pension Management System II		
5	Restricted Funds	19,650,000	-0-

6	002. KTRS Pension Management System Reauthorization (\$1,200,000		
7	Restricted Funds)		

8 **B. ECONOMIC DEVELOPMENT CABINET**

9 **(1) Economic Development Bond Issues:** Before any economic development
10 bonds are issued, the proposed bond issue shall be approved by the Secretary of the
11 Finance and Administration Cabinet and the State Property and Buildings Commission
12 under KRS 56.440 to 56.590. In addition to the terms and conditions of KRS 154.12-100,
13 administration of the Economic Development Bond Program by the Secretary of the
14 Cabinet for Economic Development is subject to the following guideline: project
15 selection shall be documented when presented to the Secretary of the Finance and
16 Administration Cabinet. Included in the documentation shall be the rationale for selection
17 and expected economic development impact.

18 **(2) Use of New Economy Funds:** Notwithstanding 2006 Ky. Acts ch. 252, Part
19 II, C., the \$20,000,000 in the New Economy High-Tech Construction/Investment Pool is
20 available for projects and loans approved by the Kentucky Economic Development
21 Finance Authority under the terms and conditions of its existing loan programs as well as
22 for projects in the high-tech construction pool and the high-tech investment pool in KRS
23 154.12-278.

24	Budget Units	2010-11	2011-12
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25 **1. SECRETARY**

26	001. High Tech Construction/Investment Pool		
27	Bond Funds	5,000,000	-0-

1	002. Parking Garage Maintenance Pool		
2	Capital Construction Surplus	1,000,000	-0-
3	2. FINANCIAL INCENTIVES		
4	001. Economic Development Bonds BRAC		
5	Bond Funds	38,495,000	-0-
6	002. Kentucky Economic Development Finance Authority Loan		
7	Pool		
8	Bond Funds	25,000,000	-0-
9	003. Economic Development Bond Pool - 2010-2012		
10	Bond Funds	7,500,000	-0-

C. DEPARTMENT OF EDUCATION

12	Budget Units	2010-11	2011-12
13	1. OPERATIONS AND SUPPORT SERVICES		
14	001. Maintenance Pool - 2010-2012		
15	Investment Income	675,000	675,000

D. EDUCATION AND WORKFORCE DEVELOPMENT CABINET

17	Budget Units	2010-11	2011-12
18	1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT		
19	001. Maintenance Pool - 2010-2012		
20	Investment Income	300,000	300,000
21	2. KENTUCKY EDUCATIONAL TELEVISION		
22	001. Maintenance Pool - 2010-2012		
23	Investment Income	100,000	100,000
24	3. LIBRARIES AND ARCHIVES		
25	a. General Operations		
26	001. Franklin County - Lease		
27	4. VOCATIONAL REHABILITATION		

1 **004.** Guaranteed Energy Savings Performance Contracts

2 **2. COMMONWEALTH OFFICE OF TECHNOLOGY**

3 **(1) Transfer of Restricted Funds from Operating Budget:** For the major
 4 equipment purchases displayed in this section funded from Restricted Funds, it is
 5 anticipated that these funds shall be transferred from the Operating Budget as funds are
 6 available and needed.

7 **001.** Enterprise Cyber Security and Identity Management

8 Restricted Funds	-0-	2,250,000	2,250,000
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9 **002.** Equipment Leases

10 Restricted Funds	1,500,000	2,000,000	-0-
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11 **003.** Enterprise GIS Software and Imaging Upgrade

12 Restricted Funds	-0-	500,000	500,000
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13 Federal Funds	-0-	1,142,000	1,142,000
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14 TOTAL	-0-	1,642,000	1,642,000
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15 **004.** Enterprise Data Center Upgrade - 2010-2012

16 Restricted Funds	-0-	1,000,000	1,000,000
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17 **005.** Enterprise Application Infrastructure - 2010-2012

18 Restricted Funds	-0-	400,000	400,000
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19 **006.** Franklin County - Lease

20 **3. REVENUE**

21 **001.** Comprehensive Tax System - Additional

22 Bond Funds	-0-	4,500,000	-0-
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23 **002.** Cigarette Excise Tax Filing and Reporting System

24 Restricted Funds	-0-	1,200,000	-0-
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25 **003.** Franklin County - Lease

26 **4. KENTUCKY LOTTERY CORPORATION**

27 **001.** Potential Buyout of On-Line Gaming System

1	Other Funds	-0-	20,000,000	-0-
2	002. Contingency on Property Adjacent to New Headquarters			
3	Other Funds	-0-	4,500,000	-0-
4	003. Data Processing, Telecommunications, and Related Equipment			
5	Other Funds	-0-	3,000,000	-0-
6	004. Instant Ticket Vending Machines			
7	Other Funds	-0-	2,000,000	-0-
8	005. Integration with New Online System			
9	Other Funds	-0-	1,000,000	-0-

G. HEALTH AND FAMILY SERVICES CABINET

11	Budget Units		2010-11	2011-12
12	1. GENERAL ADMINISTRATION AND PROGRAM SUPPORT			
13	001. Maintenance Pool - 2010-2012			
14	Bond Funds		1,750,000	850,000
15	2. COMMISSION FOR CHILDREN WITH SPECIAL HEALTH			
16	CARE NEEDS			
17	001. Jefferson County - Lease			
18	3. BEHAVIORAL HEALTH, DEVELOPMENTAL AND INTELLECTUAL			
19	DISABILITIES			
20	001. Eastern State Hospital Replacement			
21	Other Funds		129,005,000	-0-

22 **(1) Property Lease:** The Finance and Administration Cabinet and the
 23 Cabinet for Health and Family Services are authorized to execute a long-term lease with
 24 the University of Kentucky for property at the University of Kentucky's Coldstream
 25 Research Campus on Newtown Pike in Lexington, Kentucky for the sum of one dollar per
 26 year for 99 years, on which to locate a new mental health facility to replace Eastern State
 27 Hospital.

1 **(2) Financing, Design and Construction, and Lease-Rental Payments:**

2 The Finance and Administration Cabinet is authorized to enter into an agreement with the
3 Lexington-Fayette Urban-County Government, or its public properties corporation, to
4 provide the financing for a new mental health facility to replace Eastern State Hospital.
5 The Finance and Administration Cabinet, on behalf of the Cabinet for Health and Family
6 Services, shall procure the design and construction of a new mental health facility to
7 replace Eastern State Hospital. The Cabinet for Health and Family Services is authorized
8 to make lease-rental payments to the Lexington-Fayette Urban-County Government, or its
9 public properties corporation, upon the cabinet's occupancy of the new mental health
10 facility.

11 **(3) Agreement Approval:** Subsections (1) and (2) above are contingent
12 upon the execution and approval by the University of Kentucky Board of Trustees, the
13 Secretary of the Finance and Administration Cabinet on behalf of the Cabinet for Health
14 and Family Services, and the Lexington-Fayette Urban-County Government, or its public
15 properties corporation, of all contractual agreements required by subsections (1) and (2)
16 above. The executed agreements shall be reported to the Interim Joint Committee on
17 Appropriations and Revenue and the Capital Projects and Bond Oversight Committee.

18 **(4) Vacate Facilities:** The Kentucky Community and Technical College
19 System is authorized to vacate the property on the current Bluegrass Community and
20 Technical College, Cooper Drive Campus, located in Lexington, Kentucky, as determined
21 and agreed to by the University of Kentucky and the Kentucky Community and Technical
22 College System.

23 **(5) Transfer of Existing Property:** The Finance and Administration
24 Cabinet is authorized to transfer the state property known as Eastern State Hospital,
25 occupied by the Cabinet for Health and Family Services on West Fourth Street in
26 Lexington, Kentucky, to the Kentucky Community and Technical College System at an
27 appropriate time consistent with the relocation of the Cabinet for Health and Family

1 Services' programs from that property to the new mental health facility, as determined by
 2 the Secretary of the Finance and Administration Cabinet.

3 (6) **Project Status Report:** The Finance and Administration Cabinet shall
 4 continue to report the status of the Replacement of Eastern State Hospital project to the
 5 Interim Joint Committee on Appropriations and Revenue. Project status reports to the
 6 Interim Joint Committee on Appropriations and Revenue shall be required every six
 7 months until project completion.

8	002. Replacement of Glasgow State Nursing Facility		
9	Bond Funds	18,000,000	-0-
10	003. Oakwood Specialty Clinic		
11	Bond Funds	-0-	2,164,000

12 **004.** Franklin County - Lease

13 **4. INCOME SUPPORT**

14 **001.** Franklin County - Lease

15 **002.** Jefferson County - Lease

16 **5. COMMUNITY BASED SERVICES**

17 **001.** Boone County - Lease

18 **002.** Boyd County - Lease

19 **003.** Campbell County - Lease

20 **004.** Daviess County - Lease

21 **005.** Fayette County - Lease - Centre Parkway

22 **006.** Fayette County - Lease

23 **007.** Hardin County - Lease

24 **008.** Johnson County - Lease

25 **009.** Kenton County - Lease - Madison Avenue

26 **010.** Kenton County - Lease

27 **011.** Shelby County - Lease

1 receiving General Fund moneys for the operations and maintenance of that facility in
2 future bienniums.

3	Budget Units	2009-10	2010-11	2011-12
4	1. COUNCIL ON POSTSECONDARY EDUCATION			
5	001. KYVL Upgrade/Replace Integrated Library System			
6	Restricted Funds	-0-	7,500,000	-0-
7	002. KYVC/KYVL Statewide Licenses Pool Phase I			
8	Restricted Funds	-0-	4,000,000	-0-
9	003. Create Infrastructure Integrate Internet 2 Phase I			
10	Restricted Funds	-0-	3,250,000	-0-
11	004. Purchase P-20 Seamless Data Warehouse Phase I			
12	Restricted Funds	-0-	3,000,000	-0-
13	005. KYVL Federated Search Portal Consortium Phase 2			
14	Restricted Funds	-0-	1,400,000	1,400,000
15	006. Purchase eLearning Developmental Delivery and Management			
16	System Phase I			
17	Restricted Funds	-0-	2,800,000	-0-
18	007. Statewide Transfer Technology System			
19	Restricted Funds	-0-	1,000,000	1,000,000
20	008. Purchase P-20 Learning Object Repository Phase I - Additional			
21	Reauthorization (\$2,000,000 Restricted Funds)			
22	Restricted Funds	-0-	2,000,000	-0-
23	009. KYVL Kentuckiana Digital Library Expansion Phase I			
24	Restricted Funds	-0-	1,250,000	-0-
25	010. Course Redesign Initiative Phase I			
26	Restricted Funds	-0-	500,000	500,000
27	011. Purchase Asset Management System Phase I			

1	Restricted Funds	-0-	500,000	-0-
2	012. Expand GoHigher Portal - Additional Reauthorization (\$500,000			
3	Restricted Funds)			
4	Restricted Funds	-0-	200,000	-0-
5	013. Purchase KYVL Research Data Bases Phase I Reauthorization			
6	(\$3,500,000 Restricted Funds)			
7	014. Purchase KYVL Interlibrary Loan System - Additional Reauthorization			
8	(\$1,250,000 Restricted Funds)			
9	015. Purchase Multi-Media Streaming System Phase I Reauthorization			
10	(\$1,000,000 Restricted Funds)			
11	016. Purchase KYVL Interactive Library Tools Reauthorization			
12	(\$300,000 Restricted Funds)			
13	017. Purchase Statewide Lifelong Learning Portal Phase I Reauthorization			
14	(\$500,000 Restricted Funds)			
15	018. Upgrade Council on Postsecondary Education Technology			
16	Infrastructure Phase I Reauthorization (\$500,000 Restricted			
17	Funds)			
18	019. Purchase Mobile Learning Infrastructure Phase I Reauthorization			
19	(\$1,000,000 Restricted Funds)			
20	020. Purchase Longitudinal Postsecondary Education Data Warehouse			
21	Phase I Reauthorization (\$2,000,000 Restricted Funds)			
22	021. Purchase Portable Training Labs Reauthorization (\$300,000			
23	Restricted Funds)			
24	022. Purchase Interactive Television (ITV) System - Additional			
25	Reauthorization (\$1,000,000 Restricted Funds)			
26	023. Install Scholarly and Electronic Comm Repos Phase I Reauthorization			
27	(\$750,000 Restricted Funds)			

1	024. Franklin County - Lease			
2	2. KENTUCKY HIGHER EDUCATION ASSISTANCE AUTHORITY			
3	001. Kentucky Higher Education Student Loan Corporation -			
4	Jefferson County - Lease			
5	3. EASTERN KENTUCKY UNIVERSITY			
6	001. Construct New Student Housing - Additional Reauthorization			
7	(\$21,000,000 Agency Bonds)			
8	Agency Bonds	-0-	15,000,000	-0-
9	002. Construct Regional Health Facility			
10	Federal Funds	-0-	12,500,000	-0-
11	003. Renovate Residence Hall			
12	Agency Bonds	-0-	12,000,000	-0-
13	004. Construct Bio-Fuels Research Facility			
14	Federal Funds	-0-	12,000,000	-0-
15	005. Construct Student Athlete Support Facility			
16	Restricted Funds	-0-	5,850,000	-0-
17	006. Renovate HVAC Systems			
18	Restricted Funds	-0-	5,000,000	-0-
19	007. Construct EKV Early Childhood Center			
20	Restricted Funds	-0-	3,284,000	-0-
21	008. Purchase Minor Projects Equipment - Additional Reauthorization			
22	(\$500,000 Restricted Funds)			
23	Restricted Funds	-0-	2,500,000	-0-
24	009. Construct North Residential District Retail Unit			
25	Agency Bonds	-0-	2,250,000	-0-
26	010. Alumni Coliseum Addition/Field House Shell			
27	Restricted Funds	-0-	2,000,000	-0-

1	011. Renovate Blanton House			
2	Restricted Funds	-0-	1,100,000	-0-
3	012. Expand/Upgrade Campus Data Network			
4	Restricted Funds	-0-	1,000,000	-0-
5	013. Upgrade Academic Computing System			
6	Restricted Funds	-0-	1,000,000	-0-
7	014. Purchase of Adjacent Property Reauthorization (\$3,000,000			
8	Restricted Funds)			
9	015. Renovate Property Reauthorization (\$2,000,000 Restricted			
10	Funds)			
11	016. Renovate Women's Softball Complex Reauthorization (\$1,500,000			
12	Other Funds)			
13	017. Miscellaneous Maintenance Pool Reauthorization (\$5,000,000			
14	Restricted Funds)			
15	018. Guaranteed Energy Savings Performance Contracts			
16	019. Construct Eastern Kentucky University Hotel/Learning Center			
17	Other Funds	-0-	40,000,000	-0-

18 **(1) Authorization:** The above authorization is approved pursuant to KRS
19 45.763.

20	020. Construct Energy Research Building			
21	Restricted Funds	-0-	1,000,000	-0-

22 **4. KENTUCKY STATE UNIVERSITY**

23	001. Construct New Residence Hall Phase III			
24	Other Funds	-0-	46,080,000	-0-

25 **(1) Authorization:** The above authorization is approved pursuant to KRS
26 45.763.

27 **002. Renovate Old Federal Building - Additional**

1	Federal Funds	-0-	3,000,000	-0-
2	003. Construct Aquaculture Academic Research Facility - Additional			
3	Reauthorization (\$4,300,000 Federal Funds)			
4	Federal Funds	-0-	2,500,000	-0-
5	004. Acquire Land/Campus Master Plan 2010			
6	Restricted Funds	-0-	1,000,000	-0-
7	Federal Funds	-0-	1,000,000	-0-
8	TOTAL	-0-	2,000,000	-0-
9	005. Athletics Project Pool - Additional Reauthorization (\$1,025,000			
10	Restricted Funds)			
11	Restricted Funds	-0-	1,443,000	-0-
12	006. Guaranteed Energy Savings Performance Contracts			
13	5. MOREHEAD STATE UNIVERSITY			
14	001. Construct Athletic Administration and Sports Performance			
15	Building			
16	Restricted Funds	-0-	19,072,000	-0-
17	Other Funds	-0-	6,357,000	-0-
18	TOTAL	-0-	25,429,000	-0-
19	002. Construct Food Service/Retail and Parking Structure			
20	Agency Bonds	-0-	14,786,000	-0-
21	003. Construct Plant Facilities			
22	Restricted Funds	-0-	7,155,000	-0-
23	004. Capital Renewal and Maintenance Pool - E&G			
24	Restricted Funds	-0-	6,795,000	-0-
25	005. Construct Classroom to the Community Facility			
26	Restricted Funds	-0-	4,160,000	-0-
27	Other Funds	-0-	2,000,000	-0-

1	TOTAL	-0-	6,160,000	-0-
2	006. Enhance Network/Infrastructure Resources			
3	Restricted Funds	-0-	5,650,000	-0-
4	007. Upgrade Instructional PCs/LANS/Peripherals			
5	Restricted Funds	-0-	5,000,000	-0-
6	008. Renovate West Mignon Residence Hall			
7	Agency Bonds	-0-	4,948,000	-0-
8	009. Renovate East Mignon Residence Hall			
9	Agency Bonds	-0-	4,948,000	-0-
10	010. Renovate Academic Center and Tennis Team Facilities			
11	Restricted Funds	-0-	4,848,000	-0-
12	011. Acquire Land Related to Master Plan			
13	Restricted Funds	-0-	4,000,000	-0-
14	012. Purchase Equipment for Center for Health, Education, and			
15	Research			
16	Restricted Funds	-0-	3,813,000	-0-
17	013. Comply with ADA - E&G			
18	Restricted Funds	-0-	3,449,000	-0-
19	014. Comply with ADA - Auxiliary			
20	Agency Bonds	-0-	3,065,000	-0-
21	015. Upgrade Administrative Office Systems			
22	Restricted Funds	-0-	3,000,000	-0-
23	016. Retube Coal Fired Boilers			
24	Restricted Funds	-0-	3,000,000	-0-
25	017. Replace Exterior Precast Panels - Nunn Hall			
26	Agency Bonds	-0-	3,000,000	-0-
27	018. Construct Residential Facility - University Farm			

1	Agency Bonds	-0-	2,524,000	-0-
2	019. Reconstruct Central Campus			
3	Restricted Funds	-0-	2,500,000	-0-
4	020. Capital Renewal and Maintenance Pool - Auxiliary			
5	Agency Bonds	-0-	2,284,000	-0-
6	021. Purchase Instructional Technology Initiatives			
7	Restricted Funds	-0-	2,045,000	-0-
8	022. Construct Honors College Facility			
9	Restricted Funds	-0-	1,802,000	-0-
10	023. Construct Classroom/Lab Building - Browning Orchard			
11	Restricted Funds	-0-	1,452,000	-0-
12	024. Plan and Design Library Facility			
13	Restricted Funds	-0-	1,350,000	-0-
14	025. Upgrade Fire Alarms			
15	Restricted Funds	-0-	1,344,000	-0-
16	026. Upgrade and Expand Distance Learning			
17	Restricted Funds	-0-	1,150,000	-0-
18	027. Capital Renewal and Maintenance Pool - University Farm			
19	Restricted Funds	-0-	1,076,000	-0-
20	028. Enhance Library Automation Resources			
21	Restricted Funds	-0-	1,040,000	-0-
22	029. Expand Life Safety - Claypool-Young Building			
23	Restricted Funds	-0-	1,040,000	-0-
24	030. Purchase Equipment for Biochemistry Lab			
25	Restricted Funds	-0-	400,000	-0-
26	031. Guaranteed Energy Savings Performance Contracts			
27	032. Renovate Mignon Tower Residence Hall Reauthorization			

1 (\$5,682,000 Agency Bonds)

2 **6. MURRAY STATE UNIVERSITY**

3 **001. Construct New Breathitt Veterinary Center**

4 Restricted Funds -0- 30,000,000 -0-

5 **002. Renovate Blackburn Science**

6 Restricted Funds -0- 28,903,000 -0-

7 **003. Renovate Lovett Auditorium**

8 Restricted Funds -0- 21,967,000 -0-

9 **004. Construct Paducah Regional Campus Facility**

10 Other Funds -0- 17,646,000 -0-

11 **(1) Authorization:** The above authorization is approved pursuant to KRS
 12 45.763.

13 **005. Complete Capital Renewal - E&G Pool < \$600,000**

14 Restricted Funds -0- 14,783,000 -0-

15 **006. Upgrade Campus Electrical Distribution System**

16 Restricted Funds -0- 11,079,000 -0-

17 **007. Renovate College Courts**

18 Agency Bonds -0- 10,000,000 -0-

19 **008. Renovate Elizabeth Hall**

20 Agency Bonds -0- 8,896,000 -0-

21 **009. Complete ADA Compliance - E&G Pool < \$600,000**

22 Restricted Funds -0- 4,604,000 -0-

23 **010. Construct Multipurpose Practice Facility**

24 Restricted Funds -0- 4,000,000 -0-

25 **011. Chemistry Instructional and Research Instruments**

26 Restricted Funds -0- 2,450,000 -0-

27 **012. Acquire Farm Laboratory Land**

1	Restricted Funds	-0-	2,000,000	-0-
2	013. College of Science Instructional/Research Equipment			
3	Restricted Funds	-0-	2,000,000	-0-
4	014. Complete Business and Research Center Tenant Space			
5	Restricted Funds	-0-	1,948,000	-0-
6	015. Replace Breathitt Veterinary Center Heating and Cooling			
7	System			
8	Restricted Funds	-0-	1,860,000	-0-
9	016. Campus Desktop Virtualization			
10	Restricted Funds	-0-	1,725,000	-0-
11	017. Construct Livestock Instructional Laboratory			
12	Restricted Funds	-0-	1,700,000	-0-
13	018. ITV Upgrades to Murray State University System			
14	Restricted Funds	-0-	1,453,000	-0-
15	019. Demolish Ordway Hall			
16	Restricted Funds	-0-	1,158,000	-0-
17	020. Student Desktop Virtualization			
18	Restricted Funds	-0-	1,150,000	-0-
19	021. Complete Life Safety Projects - E&G Pool < \$600,000			
20	Restricted Funds	-0-	1,042,000	-0-
21	022. Upgrade Applied Science Electrical System			
22	Restricted Funds	-0-	1,029,000	-0-
23	023. Renovate Curris Center T'Room and Food Service Equipment			
24	Agency Bonds	-0-	1,008,000	-0-
25	024. Install Sprinkler System - Blackburn Science Building			
26	Restricted Funds	-0-	1,000,000	-0-
27	025. Acquire Land			

1	Restricted Funds	-0-	1,000,000	-0-
2	026. Construct Open-Sided Stall Barn at Expo Center			
3	Restricted Funds	-0-	992,000	-0-
4	027. Renovate Pogue Library Electric and HVAC			
5	Restricted Funds	-0-	978,000	-0-
6	028. Replace Central Plant Boilers			
7	Restricted Funds	-0-	820,000	-0-
8	029. Renovate A. Carman Pavilion - Completion			
9	Restricted Funds	-0-	605,000	-0-
10	030. Scanning Electron Microscope - Hancock Biological Station			
11	Restricted Funds	-0-	25,000	-0-
12	Federal Funds	-0-	425,000	-0-
13	TOTAL	-0-	450,000	-0-
14	031. Construct Electrical Generation Plant Reauthorization (\$6,050,000			
15	Other Funds)			
16	(1) Reauthorization: The above reauthorization is approved pursuant to			
17	KRS 45.763.			
18	032. Construct College Courts Housing Reauthorization (\$17,900,000			
19	Other Funds)			
20	(1) Authorization: The above authorization is approved pursuant to KRS			
21	45.763.			
22	033. Guaranteed Energy Savings Performance Contracts			
23	7. NORTHERN KENTUCKY UNIVERSITY			
24	001. Acquire Land/Master Plan 2010-2012			
25	Agency Bonds	20,000,000	-0-	-0-
26	002. Reconstruct Central Plaza Phase II			
27	Other Funds	-0-	17,500,000	-0-

1 **003. Renew/Renovate University Center Phase II**
 2 Other Funds -0- 12,000,000 -0-

3 **(1) Authorization:** The above authorization is approved pursuant to KRS
 4 45.763.

5 **004. Construct Center for Informatics - Additional Reauthorization**
 6 (\$35,500,000 Bond Funds, \$5,500,000 Federal Funds, \$10,000,000
 7 Other Funds)

8 Restricted Funds -0- 4,000,000 -0-
 9 Federal Funds -0- 2,000,000 -0-
 10 Other Funds -0- 6,000,000 -0-
 11 TOTAL -0- 12,000,000 -0-

12 **(1) Authorization:** The above authorization is approved pursuant to KRS
 13 45.763.

14 **005. Construct Alumni Center**
 15 Other Funds -0- 10,500,000 -0-

16 **006. Acquire Radio Communications**
 17 Agency Bonds 10,000,000 -0- -0-

18 **007. Acquire/Renovate Gateway/Highland Heights Campus**
 19 Agency Bonds -0- 7,500,000 -0-

20 **008. Enhance Softball and Tennis Complex**
 21 Other Funds -0- 5,500,000 -0-

22 **(1) Authorization:** The above authorization is approved pursuant to KRS
 23 45.763.

24 **009. Relocate Early Childcare Center**
 25 Other Funds -0- 5,200,000 -0-

26 **(1) Authorization:** The above authorization is approved pursuant to KRS
 27 45.763.

1	010. Enhance Instructional Technology			
2	Restricted Funds	-0-	5,090,000	-0-
3	011. Renew/Renovate Fine Arts Center			
4	Restricted Funds	-0-	5,000,000	-0-
5	012. Renew/Renovate Regents Hall			
6	Restricted Funds	-0-	4,000,000	-0-
7	013. Renovate Old Civic Center Building			
8	Agency Bonds	-0-	3,700,000	-0-
9	014. Repair Structural Heaving Landrum and Fine Arts			
10	Restricted Funds	-0-	3,500,000	-0-
11	015. Initiate Phase II of Master Plan			
12	Restricted Funds	-0-	3,500,000	-0-
13	016. Renovate Applied Science and Technology First Floor			
14	Restricted Funds	-0-	3,300,000	-0-
15	017. E&G Minor Projects Pool 2010-2012			
16	Restricted Funds	-0-	3,200,000	-0-
17	018. Renovate/Expand Baseball Field			
18	Other Funds	-0-	3,000,000	-0-
19	(1) Authorization: The above authorization is approved pursuant to KRS			
20	45.763.			
21	019. Design Center for Legal Education			
22	Other Funds	-0-	3,000,000	-0-
23	(1) Authorization: The above authorization is approved pursuant to KRS			
24	45.763.			
25	020. Design Renovation/Expansion of Albright Health Center			
26	Other Funds	-0-	3,000,000	-0-
27	(1) Authorization: The above authorization is approved pursuant to KRS			

1	45.763.			
2	021.	Renew E&G Fire Alarm Systems		
3		Restricted Funds	-0-	2,875,000
				-0-
4	022.	Housing/Minor Projects Pool 2010-2012		
5		Restricted Funds	-0-	2,750,000
				-0-
6	023.	Upgrade Communication and Network Infrastructure		
7		Restricted Funds	-0-	2,500,000
				-0-
8	024.	Construct Intramural Fields		
9		Restricted Funds	-0-	2,500,000
				-0-
10	025.	Repair University Drive Parking Garage		
11		Agency Bonds	-0-	2,000,000
				-0-
12	026.	Enhance Information Technology Infrastructure		
13		Restricted Funds	-0-	1,850,000
				-0-
14	027.	Renew E&G Elevators 2010-2012		
15		Restricted Funds	-0-	1,400,000
				-0-
16	028.	Design Chiller Plant		
17		Restricted Funds	-0-	1,000,000
				-0-
18	029.	Implement Web 2.0 and Mobile Applications		
19		Restricted Funds	-0-	1,000,000
				-0-
20	030.	Restore Albright Health Center Roof		
21		Restricted Funds	-0-	995,000
				-0-
22	031.	Lease-Purchase Coach Bus		
23		Restricted Funds	-0-	690,000
				-0-
24	032.	Replace Mobile TV Production Unit		
25		Restricted Funds	-0-	650,000
				-0-
26	033.	Improve Customer Service Systems and Technology		
27		Restricted Funds	-0-	600,000
				-0-

1	034. Purchase FT - IR and Raman Microscope			
2	Restricted Funds	-0-	395,000	-0-
3	035. Purchase DNA Analyzer System			
4	Restricted Funds	-0-	390,000	-0-
5	036. Purchase Field Emission Microscope			
6	Restricted Funds	-0-	380,000	-0-
7	037. Purchase Materials Strength Testing Equipment			
8	Restricted Funds	-0-	325,000	-0-
9	038. Lease-Purchase Large Format Color Press			
10	Other Funds	-0-	325,000	-0-
11	(1) Authorization: The above authorization is approved pursuant to KRS			
12	45.763.			
13	039. Purchase Mobile Science Lab			
14	Restricted Funds	-0-	320,000	-0-
15	040. Purchase ICP - Mass Spectrometer			
16	Restricted Funds	-0-	300,000	-0-
17	041. Purchase Optical Paragetic Oscillator			
18	Restricted Funds	-0-	295,000	-0-
19	042. Purchase DART Mass Spectrometer			
20	Restricted Funds	-0-	295,000	-0-
21	043. Purchase Fluorescence Life-Time Apparatus			
22	Restricted Funds	-0-	295,000	-0-
23	044. Purchase Calorimetry Instrumentation			
24	Restricted Funds	-0-	295,000	-0-
25	045. Purchase Ion Beam System			
26	Restricted Funds	-0-	270,000	-0-
27	046. Purchase Concrete Testing Equipment			

1	Restricted Funds	-0-	250,000	-0-
2	047. Campbell County - Gateway Building - Lease			
3	048. Kenton County - METS Lease			
4	049. Lease - Academic Space Highland Heights			
5	050. Guaranteed Energy Savings Performance Contracts			
6	051. Acquire and Renovate Residence Halls			
7	Other Funds	-0-	3,000,000	-0-
8	(1) Authorization: The above authorization is approved pursuant to KRS			
9	45.763.			
10	052. Lease-Purchase Administrative Application System Phase			
11	IV			
12	Restricted Funds	-0-	15,000,000	-0-
13	053. Design Parking Garage Expansion			
14	Restricted Funds	-0-	1,000,000	-0-
15	054. Design College of Business Building			
16	Other Funds	-0-	600,000	-0-
17	(1) Authorization: The above authorization is approved pursuant to KRS			
18	45.763.			
19	8. UNIVERSITY OF KENTUCKY			
20	001. Expand Patient Care Facility - Hospital Phase 4			
21	Restricted Funds	-0-	100,000,000	-0-
22	002. Lease-Purchase Office Tower			
23	Other Funds	-0-	66,341,000	-0-
24	(1) Authorization: The above authorization is approved pursuant to KRS			
25	45.763.			
26	003. Lease-Purchase New Housing			
27	Other Funds	-0-	52,500,000	-0-

1 **(1) Authorization:** The above authorization is approved pursuant to KRS
 2 45.763.

3	004. Acquire Land			
4	Restricted Funds	-0-	50,000,000	-0-
5	005. Lease-Purchase Parking Structure 9			
6	Other Funds	-0-	44,100,000	-0-

7 **(1) Authorization:** The above authorization is approved pursuant to KRS
 8 45.763.

9	006. Renovate Old Pharmacy Building for Biology			
10	Restricted Funds	-0-	40,165,000	-0-
11	007. Expand Pence Hall			
12	Restricted Funds	-0-	35,000,000	-0-
13	008. Capital Renewal Maintenance Pool			
14	Restricted Funds	-0-	33,750,000	-0-
15	009. Upgrade, Renovate, Improve, or Expand Research Labs			
16	Restricted Funds	-0-	33,500,000	-0-
17	010. Research Equipment Program			
18	Restricted Funds	-0-	30,000,000	-0-
19	011. Construct Second New Housing			
20	Agency Bonds	-0-	30,000,000	-0-
21	012. Fit-Up Pharmacy Building Lab Space			
22	Restricted Funds	-0-	28,600,000	-0-
23	013. Repair, Upgrade, Improve Electrical Infrastructure			
24	Restricted Funds	-0-	28,000,000	-0-
25	014. Repair, Upgrade, Improve Mechanical Infrastructure			
26	Restricted Funds	-0-	26,000,000	-0-
27	015. Expand CRMS and Raymond Civil Engineering Building			

1	Restricted Funds	-0-	25,770,000	-0-
2	016. Construct Gatton Building Complex			
3	Other Funds	-0-	25,000,000	-0-
4	017. Repair, Upgrade, Improve Building Mechanical Systems			
5	Restricted Funds	-0-	25,000,000	-0-
6	018. Guaranteed Energy Savings Performance Contracts			
7	Agency Bonds	-0-	25,000,000	-0-
8	019. Lease-Purchase Construct Good Samaritan Medical Office			
9	Building			
10	Other Funds	-0-	23,700,000	-0-
11	(1) Authorization: The above authorization is approved pursuant to KRS			
12	45.763.			
13	020. Construct/Renovate Lab Facilities			
14	Restricted Funds	-0-	21,000,000	-0-
15	021. Expand Coldstream Research Campus			
16	Restricted Funds	-0-	20,000,000	-0-
17	022. Repair, Upgrade, Improve Building Systems - Hospital			
18	Restricted Funds	-0-	20,000,000	-0-
19	023. Implement Land Use Plan - Hospital			
20	Restricted Funds	-0-	20,000,000	-0-
21	024. Lease-Purchase Upgrade Enterprise Information Systems			
22	Restricted Funds	-0-	20,000,000	-0-
23	025. Expand/Renovate Ambulatory Care Facility - Hospital			
24	Restricted Funds	-0-	20,000,000	-0-
25	026. Upgrade Student Center Infrastructure			
26	Agency Bonds	-0-	17,805,000	-0-
27	027. Upgrade Reynolds Building			

1	038. Lease-Purchase Clinical Enterprise Data Center Hardware			
2	Restricted Funds	-0-	10,000,000	-0-
3	039. Lease-Purchase Telemedicine/Virtual ICU			
4	Restricted Funds	-0-	10,000,000	-0-
5	040. Upgrade/Fit-Up Hospital Facilities			
6	Restricted Funds	-0-	10,000,000	-0-
7	041. Lease-Purchase/Upgrade Hospital IT Systems			
8	Restricted Funds	-0-	10,000,000	-0-
9	042. Lease-Purchase PCF Data Center Hardware Pool			
10	Restricted Funds	-0-	10,000,000	-0-
11	043. Renovate/Upgrade Hospital Facility - Good Samaritan			
12	Restricted Funds	-0-	10,000,000	-0-
13	044. Lease-Purchase Implement Revenue Management System			
14	Restricted Funds	-0-	10,000,000	-0-
15	045. Upgrade/Expand Cancer Treatment Facility - Hospital			
16	Restricted Funds	-0-	10,000,000	-0-
17	046. Expand and Renovate West Kentucky Robinson Station			
18	Restricted Funds	-0-	9,835,000	-0-
19	047. Relocate Greenhouses			
20	Restricted Funds	-0-	9,310,000	-0-
21	048. Upgrade the Vivarium in Sanders Brown Building			
22	Restricted Funds	-0-	8,742,000	-0-
23	049. Construct Library Depository Facility			
24	Restricted Funds	-0-	7,625,000	-0-
25	050. Renovate Dentistry Clinic in Kentucky Clinic			
26	Agency Bonds	-0-	7,615,000	-0-
27	051. Lease-Purchase/Construct Hospital Dining Facilities and			

1	Equipment			
2	Other Funds	-0-	7,350,000	-0-

3 (1) **Authorization:** The above authorization is approved pursuant to KRS
4 45.763.

5	052. Construct Student Athlete Residence Hall			
6	Other Funds	-0-	7,000,000	-0-

7	053. Design Student Center Expansion/Renovation			
8	Restricted Funds	-0-	6,535,000	-0-

9	054. Lease-Purchase High Performance Research Computers			
10	Restricted Funds	-0-	6,500,000	-0-

11	055. Expand Boone Tennis Center			
12	Other Funds	-0-	6,500,000	-0-

13	056. Renovate Sections of Funkhouser Building Phase I			
14	Restricted Funds	-0-	6,426,000	-0-

15	057. Construct Facilities Storage Building			
16	Restricted Funds	-0-	6,120,000	-0-

17	058. Renovate Nursing Units - Hospital			
18	Restricted Funds	-0-	6,000,000	-0-

19	059. Convert Taylor Education Space to Offices and Classrooms			
20	Restricted Funds	-0-	5,875,000	-0-

21	060. Renovate Whalen Building			
22	Restricted Funds	-0-	5,760,000	-0-

23	061. Expand and Renovate CAER Laboratories			
24	Restricted Funds	-0-	5,445,000	-0-

25	062. Renovate Sloan Building Phase I			
26	Restricted Funds	-0-	5,445,000	-0-

27	063. Expand KGS Well Sample and Core Repository			
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1	Restricted Funds	-0-	5,280,000	-0-
2	064. Repair, Upgrade, and Improve Building Shell Systems			
3	Restricted Funds	-0-	5,000,000	-0-
4	065. Lease-Purchase/Renovate Central Computing Facility			
5	Other Funds	-0-	5,000,000	-0-
6	(1) Authorization: The above authorization is approved pursuant to KRS			
7	45.763.			
8	066. Lease-Purchase ERP Phase IV			
9	Restricted Funds	-0-	5,000,000	-0-
10	067. Repair, Upgrade, and Improve Building Electrical Systems			
11	Restricted Funds	-0-	5,000,000	-0-
12	068. Lease-Purchase PACS System			
13	Restricted Funds	-0-	5,000,000	-0-
14	069. Upgrade Critical Care Facility - Hospital			
15	Restricted Funds	-0-	5,000,000	-0-
16	070. Renovate Mineral Industries Building			
17	Restricted Funds	-0-	4,900,000	-0-
18	071. Renovate Space in McVey Hall			
19	Restricted Funds	-0-	4,900,000	-0-
20	072. Lease-Purchase Digital Medical Record Expansion			
21	Restricted Funds	-0-	4,640,000	-0-
22	073. Upgrade Clinic Enterprise Network - Hospital Pool			
23	Restricted Funds	-0-	4,250,000	-0-
24	074. Renovate Memorial Coliseum Seating Area			
25	Other Funds	-0-	4,000,000	-0-
26	075. Renovate/Expand DLAR Quarantine Facility Spindletop			
27	Restricted Funds	-0-	3,750,000	-0-

1	076. Lease-Purchase/Construct Retail Space			
2	Other Funds	-0-	3,660,000	-0-
3	(1) Authorization: The above authorization is approved pursuant to KRS			
4	45.763.			
5	077. Renovate King Library South - 1962 Section Phase II			
6	Restricted Funds	-0-	3,600,000	-0-
7	078. Renovate Old Northside Library Building			
8	Restricted Funds	-0-	3,500,000	-0-
9	079. Lease-Purchase Large Scale Computing			
10	Restricted Funds	-0-	3,500,000	-0-
11	080. Lease-Purchase PKS2 Frame Room Emergency Generators			
12	Restricted Funds	-0-	3,500,000	-0-
13	081. Renovate Chemistry/Physics Building			
14	Restricted Funds	-0-	3,500,000	-0-
15	082. Lease-Purchase Campus Infrastructure Upgrade			
16	Restricted Funds	-0-	3,500,000	-0-
17	083. Lease-Purchase/Upgrade Support Services - Hospital			
18	Restricted Funds	-0-	3,500,000	-0-
19	084. Renovate Parking Structure 3 - Hospital			
20	Restricted Funds	-0-	3,500,000	-0-
21	085. Renovate Nursing Building			
22	Restricted Funds	-0-	1,505,000	-0-
23	Federal Funds	-0-	1,900,000	-0-
24	TOTAL	-0-	3,405,000	-0-
25	086. Relocate and Expand Dentistry Faculty Practice			
26	Agency Bonds	-0-	3,375,000	-0-
27	087. Renovate Reynolds Building Phase I			

1	Restricted Funds	-0-	3,270,000	-0-
2	088. Renovate Dentistry Class Lab			
3	Restricted Funds	-0-	3,265,000	-0-
4	089. Lease-Purchase Soccer/Softball Facilities			
5	Other Funds	-0-	3,000,000	-0-
6	(1) Authorization: The above authorization is approved pursuant to KRS			
7	45.763.			
8	090. Lease-Purchase Wireless/Cellular Infrastructure			
9	Restricted Funds	-0-	3,000,000	-0-
10	091. Lease-Purchase Replace Perioperative Information System			
11	Restricted Funds	-0-	3,000,000	-0-
12	092. Lease-Purchase Implement Medication Bar Coding System			
13	Restricted Funds	-0-	3,000,000	-0-
14	093. Lease-Purchase Telephone System Replacement			
15	Restricted Funds	-0-	2,700,000	-0-
16	094. Renovate Central DLAR Facility			
17	Restricted Funds	-0-	2,680,000	-0-
18	095. Repair Stadium Structure			
19	Other Funds	-0-	2,500,000	-0-
20	096. Renovate Diagnostic Treatment Services - Hospital			
21	Restricted Funds	-0-	2,500,000	-0-
22	097. Lease-Purchase Data Repository System			
23	Restricted Funds	-0-	2,500,000	-0-
24	098. Lease-Purchase Enterprise Storage System			
25	Restricted Funds	-0-	2,200,000	-0-
26	099. Lease-Purchase Remote Site Fiber			
27	Restricted Funds	-0-	2,000,000	-0-

1	100. Upgrade Surgical Services - Hospital			
2	Restricted Funds	-0-	2,000,000	-0-
3	101. Construct Physicians Services Facilities - Hospital			
4	Restricted Funds	-0-	2,000,000	-0-
5	102. Replace Radiology Information System			
6	Restricted Funds	-0-	2,000,000	-0-
7	103. Lease-Purchase Identity Management System			
8	Restricted Funds	-0-	1,750,000	-0-
9	104. Lease-Purchase Network Security Hardware			
10	Restricted Funds	-0-	1,500,000	-0-
11	105. Renovate Schmidt Vocal Arts Center			
12	Restricted Funds	-0-	1,500,000	-0-
13	106. Expand/Renovate Sturgill Development Building			
14	Other Funds	-0-	1,500,000	-0-
15	107. Renovate Memorial Hall			
16	Restricted Funds	-0-	1,500,000	-0-
17	108. Lease-Purchase Radiofrequency Identification System			
18	Restricted Funds	-0-	1,500,000	-0-
19	109. Purchase Managed Care Enterprise			
20	Restricted Funds	-0-	1,160,000	-0-
21	110. Purchase Upgraded Communication Infrastructure			
22	Restricted Funds	-0-	1,015,000	-0-
23	111. Handicapped Access Pool			
24	Restricted Funds	-0-	1,000,000	-0-
25	112. Lease-Purchase Exchange Replacement			
26	Restricted Funds	-0-	1,000,000	-0-
27	113. Renovate Third Floor Little Library			

1	Restricted Funds	-0-	1,000,000	-0-
2	114. Expand Clinical Enterprise Data Center Network Pool			
3	Restricted Funds	-0-	1,000,000	-0-
4	115. Lease-Purchase Implement Patient Communication System			
5	Restricted Funds	-0-	1,000,000	-0-
6	116. Lease-Purchase Mainframe Computer - Hospital			
7	Restricted Funds	-0-	1,000,000	-0-
8	117. Lease-Purchase Data Archiving (ASG)			
9	Restricted Funds	-0-	900,000	-0-
10	118. Lease-Purchase Document Imaging (ASG)			
11	Restricted Funds	-0-	775,000	-0-
12	119. Purchase Raman Spectrometer			
13	Restricted Funds	-0-	750,000	-0-
14	120. Lease-Purchase Campus Call Center System			
15	Restricted Funds	-0-	750,000	-0-
16	121. Purchase Staff Scheduling System - Hospital			
17	Restricted Funds	-0-	750,000	-0-
18	122. Purchase Paging Software - Hospital			
19	Restricted Funds	-0-	700,000	-0-
20	123. Lease-Purchase Document Scanning System			
21	Restricted Funds	-0-	700,000	-0-
22	124. Lease-Purchase Police Communications Equipment			
23	Restricted Funds	-0-	675,000	-0-
24	125. Purchase High Resolution Vacuum Ultra Photo Spectrometer			
25	Restricted Funds	-0-	590,000	-0-
26	126. Purchase Shelving for Storage Facility			
27	Restricted Funds	-0-	525,000	-0-

1	127. Purchase Compact Shelving - Fine Arts Library			
2	Restricted Funds	-0-	500,000	-0-
3	128. Purchase Electrospray LC Tandem Mass Spectrometer			
4	Restricted Funds	-0-	325,000	-0-
5	129. Purchase Precision Machining System			
6	Restricted Funds	-0-	250,000	-0-
7	130. Purchase Matrix Assisted Laser Mass Spectrometer			
8	Restricted Funds	-0-	250,000	-0-
9	131. Purchase Automatic Window Shades for W.T. Young			
10	Restricted Funds	-0-	250,000	-0-
11	132. Purchase Physical Chemistry Teaching Laboratory			
12	Restricted Funds	-0-	240,000	-0-
13	133. Purchase Circular Dichroism Spectrometer			
14	Restricted Funds	-0-	210,000	-0-
15	134. Upgrade Audio/Visual Equipment Guignol Theatre			
16	Restricted Funds	-0-	210,000	-0-
17	135. Purchase Metabolic Instructional System			
18	Restricted Funds	-0-	205,000	-0-
19	136. Purchase Upgraded Integrated Library System Reauthorization			
20	(\$1,000,000 Restricted Funds)			
21	137. Lease-Purchase Data Warehouse/Infrastructure Reauthorization			
22	(\$1,800,000 Restricted Funds)			
23	138. Renovate and Upgrade Commonwealth Stadium Reauthorization			
24	(\$180,000,000 Other Funds)			

25 **(1) Financial Obligation:** All costs associated with the financing of this
26 project shall be at the offeror's risk, and the University of Kentucky and the
27 Commonwealth of Kentucky shall not assume any subordinate or contingent financial

1 obligation or responsibility.

2 **139.** Construct Baseball Stadium Reauthorization (\$37,500,000
3 Other Funds)

4 **(1) Financial Obligation:** All costs associated with the financing of this
5 project shall be at the offeror's risk, and the University of Kentucky and the
6 Commonwealth of Kentucky shall not assume any subordinate or contingent financial
7 obligation or responsibility.

8 **140.** Lease - Rural Health Expansion - Hazard Perry County

9 **141.** Lease - Off Campus 1 - Fayette County

10 **142.** Lease - Off Campus 2 - Fayette County

11 **143.** Lease - Off Campus 3 - Fayette County

12 **144.** Lease - Off Campus 4 - Fayette County

13 **145.** Lease - Off Campus 5 - Fayette County

14 **146.** Lease - Off Campus 6 - Fayette County

15 **147.** Lease - Off Campus 7 - Fayette County

16 **148.** Lease - Grant Project 1 - Fayette County

17 **149.** Lease - Grant Project 2 - Fayette County

18 **150.** Lease - Health Affairs Office - Fayette County

19 **151.** Lease - Health Affairs Office 3 - Fayette County

20 **152.** Lease - Health Affairs Office 4 - Fayette County

21 **153.** Lease - Health Affairs Office 5 - Fayette County

22 **154.** Lease - Health Affairs Office 6 - Fayette County

23 **155.** Lease - Health Affairs Office 7 - Fayette County

24 **156.** Lease - Med Center Grant Project 1 - Fayette County

25 **157.** Lease - Med Center Grant Project 2 - Fayette County

26 **158.** Lease - Med Center Off-Campus Facility 1 - Fayette County

27 **159.** Lease - Off Campus Housing 1 - Fayette County

- 1 **160.** Lease - Off Campus Housing 2 - Fayette County
- 2 **161.** Lease - Blazer Parkway - Fayette County
- 3 **162.** Lease - Administrative Office - Fayette County
- 4 **163.** Lease - Kentucky Utilities Building - Fayette County
- 5 **164.** Lease - Health Affairs Office 2 - Fayette County
- 6 **165.** Lease - Med College Off Campus Clinic - Fayette County
- 7 **166.** Lease - Good Samaritan Hospital - Fayette County
- 8 **167.** Construct Data Center

9 Agency Bonds	-0-	40,000,000	-0-
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10 **(1) Agency Bond Project Reporting Requirement:** Notwithstanding Part
 11 II, K., (1) of this Act, the governing board of the University of Kentucky shall certify in
 12 writing prior to issuance of Agency Bonds for the above project that the project will not
 13 result in an increase in tuition or fees. The governing board shall submit a copy of the
 14 certification to the President of the Council on Postsecondary Education, the Secretary of
 15 the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight
 16 Committee.

17 **168.** Purchase Pollution Controls

18 Agency Bonds	-0-	22,600,000	-0-
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19 **(1) Agency Bond Project Reporting Requirement:** Notwithstanding Part
 20 II, K., (1) of this Act, the governing board of the University of Kentucky shall certify in
 21 writing prior to issuance of Agency Bonds for the above project that the project will not
 22 result in an increase in tuition or fees. The governing board shall submit a copy of the
 23 certification to the President of the Council on Postsecondary Education, the Secretary of
 24 the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight
 25 Committee.

26 **169.** Construct Building Elevator Systems

27 Agency Bonds	-0-	5,000,000	-0-
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1	Restricted Funds	-0-	38,000,000	-0-
2	009. Construct Student Recreation Center			
3	Agency Bonds	-0-	37,500,000	-0-
4	010. Purchase Land Near Health Sciences Campus - Parcel I			
5	Restricted Funds	-0-	34,246,000	-0-
6	011. Construct Health Sciences Campus Steam/Chilled Water			
7	Plant II			
8	Other Funds	-0-	33,250,000	-0-
9	012. Renovate Law School			
10	Restricted Funds	-0-	28,925,000	-0-
11	013. Expand and Renovate Life Sciences Building - Additional			
12	Reauthorization (\$30,024,000 Restricted Funds)			
13	Restricted Funds	-0-	27,766,000	-0-
14	014. Construct Soccer Stadium			
15	Other Funds	-0-	26,533,000	-0-
16	(1) Authorization: The above authorization is approved pursuant to KRS			
17	45.763.			
18	015. Construct Instructional Facility in HSC Quad - Additional			
19	Reauthorization (\$16,900,000 Restricted Funds)			
20	Restricted Funds	-0-	25,520,000	-0-
21	016. Construct Executive MBA/Business Program			
22	Other Funds	-0-	23,500,000	-0-
23	(1) Authorization: The above authorization is approved pursuant to KRS			
24	45.763.			
25	017. Construct HSC Research Facility V - Additional Reauthorization			
26	(\$154,000,000 Restricted Funds)			
27	Restricted Funds	-0-	19,270,000	-0-

1	018. Expand and Renovate Founders Union Building Phase II			
2	Restricted Funds	-0-	18,414,000	-0-
3	019. Expand Sackett Hall			
4	Restricted Funds	-0-	16,590,000	-0-
5	020. Purchase Equipment Replacement Research and Instruments			
6	Restricted Funds	-0-	15,000,000	-0-
7	021. Renovate Research Resource Center			
8	Restricted Funds	-0-	13,823,000	-0-
9	022. Construct Athletic Academic Support Facility			
10	Other Funds	-0-	13,266,000	-0-
11	(1) Authorization: The above authorization is approved pursuant to KRS			
12	45.763.			
13	023. Construct Diversity Center for Excellence			
14	Other Funds	-0-	12,580,000	-0-
15	(1) Authorization: The above authorization is approved pursuant to KRS			
16	45.763.			
17	024. Expand Chilled Water and Electrical Service Upgrade			
18	Restricted Funds	-0-	12,000,000	-0-
19	025. Renovate Stevenson Hall			
20	Restricted Funds	-0-	10,898,000	-0-
21	026. Renovate W.S. Speed Building			
22	Restricted Funds	-0-	10,759,000	-0-
23	027. Expand Regional Biocontainment Laboratory			
24	Restricted Funds	-0-	112,000	-0-
25	Federal Funds	-0-	10,000,000	-0-
26	TOTAL	-0-	10,112,000	-0-
27	028. Construct Athletics Office Building			

1	Restricted Funds	-0-	8,398,000	-0-
2	029. Purchase Land Near Belknap Campus North			
3	Other Funds	-0-	8,000,000	-0-
4	(1) Authorization: The above authorization is approved pursuant to KRS			
5	45.763.			
6	030. Renovate Research Imaging Facility			
7	Federal Funds	-0-	7,164,000	-0-
8	031. Purchase Fiber Infrastructure			
9	Federal Funds	-0-	7,000,000	-0-
10	032. Construct Intramural Field Complex			
11	Restricted Funds	-0-	6,980,000	-0-
12	033. Construct Utilities, Remove Overhead Lines - Additional			
13	Reauthorization (\$3,673,000 Restricted Funds)			
14	Restricted Funds	-0-	6,327,000	-0-
15	034. Purchase Land Near Health Sciences Campus Parcel II			
16	Restricted Funds	-0-	6,034,000	-0-
17	035. Purchase Magnetic Resonance Imaging Equipment			
18	Restricted Funds	-0-	3,000,000	3,000,000
19	036. Purchase Land Near Belknap Campus South			
20	Other Funds	-0-	6,000,000	-0-
21	(1) Authorization: The above authorization is approved pursuant to KRS			
22	45.763.			
23	037. Renovate Kentucky Lions Eye Research Institute - Additional			
24	Reauthorization (\$13,230,000 Restricted Funds)			
25	Restricted Funds	-0-	5,984,000	-0-
26	038. Construct 500 Bed Residence Hall			
27	Other Funds	-0-	5,220,000	-0-

1	039. Expand Patterson Baseball Stadium			
2	Other Funds	-0-	4,573,000	-0-
3	(1) Authorization: The above authorization is approved pursuant to KRS			
4	45.763.			
5	040. Purchase Networking System			
6	Restricted Funds	-0-	4,000,000	-0-
7	041. Purchase Computer Processing System			
8	Restricted Funds	-0-	4,000,000	-0-
9	042. Purchase Research Computing Infrastructure			
10	Restricted Funds	-0-	3,500,000	-0-
11	043. Expand Rauch Planetarium			
12	Federal Funds	-0-	3,220,000	-0-
13	044. Renovate College of Education Building - Additional Reauthorization			
14	(\$24,200,000 Restricted Funds)			
15	Restricted Funds	-0-	3,026,000	-0-
16	045. Purchase Magnetic Resonance Imaging System			
17	Federal Funds	-0-	3,000,000	-0-
18	046. Purchase Storage System			
19	Restricted Funds	-0-	3,000,000	-0-
20	047. Renovate/Install Baghouse Dust Collectors			
21	Restricted Funds	-0-	3,000,000	-0-
22	048. Purchase Land Near Health Sciences Campus - Parcel III			
23	Restricted Funds	-0-	3,000,000	-0-
24	049. Purchase Digital Communications System			
25	Restricted Funds	-0-	3,000,000	-0-
26	050. Purchase Enterprise Application System			
27	Restricted Funds	-0-	3,000,000	-0-

1	051. Renovate Capital Renewal Pool - Additional Reauthorization			
2	(\$28,265,000 Restricted Funds)			
3	Restricted Funds	-0-	2,578,000	-0-
4	052. Purchase Positron Emission Tomography System			
5	Federal Funds	-0-	2,500,000	-0-
6	053. Purchase 18.8T Nuclear Magnetic Resonance System			
7	Restricted Funds	-0-	500,000	-0-
8	Federal Funds	-0-	2,000,000	-0-
9	TOTAL	-0-	2,500,000	-0-
10	054. Purchase Small Animal MRI Scanner			
11	Federal Funds	-0-	2,500,000	-0-
12	055. Construct Belknap Campus Welcome Center East			
13	Restricted Funds	-0-	2,499,000	-0-
14	056. Purchase Electronic Research Information System			
15	Restricted Funds	-0-	1,210,000	1,210,000
16	057. Purchase Computational Cluster System			
17	Restricted Funds	-0-	1,200,000	1,200,000
18	058. Renovate Natural Science Building - Additional Reauthorization			
19	(\$18,090,000 Restricted Funds)			
20	Restricted Funds	-0-	2,355,000	-0-
21	059. Purchase Robotic Cranes (2) for Automated Book			
22	Restricted Funds	-0-	2,200,000	-0-
23	060. Expand and Renovate Oppenheimer Hall - Additional Reauthorization			
24	(\$2,725,000 Restricted Funds)			
25	Restricted Funds	-0-	2,067,000	-0-
26	061. Renovate/Replace Gas Boiler in Steam Plant			
27	Restricted Funds	-0-	2,000,000	-0-

1	062. Purchase Visualization System Planetarium			
2	Federal Funds	-0-	2,000,000	-0-
3	063. Construct Boathouse for Women's Rowing Program			
4	Restricted Funds	-0-	1,855,000	-0-
5	064. Renovate Chemistry Fume Hood Redesign Phase II - Additional			
6	Reauthorization (\$13,320,000 Restricted Funds)			
7	Restricted Funds	-0-	1,775,000	-0-
8	065. Renovate Belknap Campus North Entrance			
9	Federal Funds	-0-	1,700,000	-0-
10	066. Renovate Kornhauser Library - Additional Reauthorization			
11	(\$14,217,000 Restricted Funds)			
12	Restricted Funds	-0-	1,673,000	-0-
13	067. Construct Fitness and Health Institute - Additional Reauthorization			
14	(\$14,707,000 Restricted Funds)			
15	Restricted Funds	-0-	1,543,000	-0-
16	068. Purchase High Resolution Tandem Mass Spectrometer			
17	Federal Funds	-0-	1,500,000	-0-
18	069. Renovate College of Business Faculty Offices			
19	Restricted Funds	-0-	1,500,000	-0-
20	070. Purchase Transmission Electron Microscope			
21	Federal Funds	-0-	1,500,000	-0-
22	071. Construct Flexner Way Mall - Hancock to Clay			
23	Restricted Funds	-0-	750,000	-0-
24	Other Funds	-0-	750,000	-0-
25	TOTAL	-0-	1,500,000	-0-
26	072. Renovate Burhans Hall - Additional Reauthorization (\$14,140,000			
27	Restricted Funds)			

1	Restricted Funds	-0-	1,397,000	-0-
2	073. Renovate J.B. Speed Building - Additional Reauthorization			
3	(\$9,892,000 Restricted Funds)			
4	Restricted Funds	-0-	1,248,000	-0-
5	074. Utility Distribution - South Belknap Campus - Additional			
6	Reauthorization (\$10,370,000 Restricted Funds)			
7	Restricted Funds	-0-	1,178,000	-0-
8	075. Purchase Artificial Turf for Field Hockey			
9	Restricted Funds	-0-	1,000,000	-0-
10	076. Lease Digital Output System			
11	Restricted Funds	-0-	1,000,000	-0-
12	077. Purchase Land Downtown for MBA Program			
13	Other Funds	-0-	1,000,000	-0-
14	(1) Authorization: The above authorization is approved pursuant to KRS			
15	45.763.			
16	078. Construct Student Health Facility - Additional Reauthorization			
17	(\$7,640,000 Restricted Funds)			
18	Restricted Funds	-0-	950,000	-0-
19	079. Purchase Plasma Mass Spectrometry System			
20	Federal Funds	-0-	900,000	-0-
21	080. Construct Chestnut Street Garage Speed Ramp			
22	Restricted Funds	-0-	875,000	-0-
23	081. Construct Flexner Way Mall - Preston to Jackson			
24	Restricted Funds	-0-	420,000	-0-
25	Other Funds	-0-	420,000	-0-
26	TOTAL	-0-	840,000	-0-
27	082. Construct Flexner Way Mall - Floyd to Preston			

1	Restricted Funds	-0-	830,000	-0-
2	083. Purchase Plastic Deposition Machine			
3	Federal Funds	-0-	800,000	-0-
4	084. Purchase Focused Ion Beam Microscope			
5	Federal Funds	-0-	800,000	-0-
6	085. Renovate Gross Anatomy Lab - Additional Reauthorization			
7	(\$4,570,000 Restricted Funds)			
8	Restricted Funds	-0-	734,000	-0-
9	086. Purchase Olympus FV1000 Multiphoton Microscope			
10	Restricted Funds	-0-	715,000	-0-
11	087. Purchase Orbitrap Ion Trap Mass Spectrometer			
12	Federal Funds	-0-	712,000	-0-
13	088. Purchase Artificial Turf for Intramural Field			
14	Restricted Funds	-0-	693,000	-0-
15	089. Purchase Computer Systems for College of Education			
16	Restricted Funds	-0-	600,000	-0-
17	090. Renovate Code Improvement Pool - Additional Reauthorization			
18	(\$3,670,000 Restricted Funds)			
19	Restricted Funds	-0-	509,000	-0-
20	091. Purchase Ultra Fast Spectroscopy Facility			
21	Federal Funds	-0-	500,000	-0-
22	092. Purchase Magnetron Sputtering System			
23	Federal Funds	-0-	500,000	-0-
24	093. Purchase Ion Milling System			
25	Federal Funds	-0-	500,000	-0-
26	094. Purchase TeraHertz Spectroscopy			
27	Federal Funds	-0-	500,000	-0-

1	095. Purchase SQUID Magnetometer			
2	Restricted Funds	-0-	500,000	-0-
3	096. Purchase Two - Photon Laser Scanning Microscope			
4	Federal Funds	-0-	500,000	-0-
5	097. Purchase Resonance Raman Spectrometer			
6	Federal Funds	-0-	500,000	-0-
7	098. Purchase Technology Enhanced Classroom			
8	Restricted Funds	-0-	500,000	-0-
9	099. Purchase MoFlo Cell Sorter			
10	Federal Funds	-0-	500,000	-0-
11	100. Purchase Nanomaterial Equipment			
12	Restricted Funds	-0-	500,000	-0-
13	101. Purchase Human Patient Simulators (4)			
14	Restricted Funds	-0-	500,000	-0-
15	102. Purchase MALDI-TOF Mass Spectrometer			
16	Federal Funds	-0-	500,000	-0-
17	103. Renovate Housing Capital Renewal Pool - Additional Reauthorization			
18	(\$3,920,000 Restricted Funds)			
19	Restricted Funds	-0-	480,000	-0-
20	104. Purchase BD FACSAria II Cell Sorter			
21	Federal Funds	-0-	450,000	-0-
22	105. Purchase Spectral Confocal Microscope			
23	Federal Funds	-0-	440,000	-0-
24	106. Purchase Ultraview ERS 6FO Confocal Microscope			
25	Restricted Funds	-0-	420,000	-0-
26	107. Purchase ION Mobility Mass Spectrometry System			
27	Federal Funds	-0-	410,000	-0-

1	108. Purchase Additive Microdeposition Machine			
2	Federal Funds	-0-	400,000	-0-
3	109. Purchase Live Cell Intracellular Nanoprobe Station			
4	Federal Funds	-0-	400,000	-0-
5	110. Purchase Nikon A1 Confocal Microscope			
6	Federal Funds	-0-	400,000	-0-
7	111. Purchase Multi-Head Sputtering System			
8	Federal Funds	-0-	400,000	-0-
9	112. Purchase Multispectral Imaging Flow Cytometer			
10	Restricted Funds	-0-	390,000	-0-
11	113. Purchase VEVO 2100 Micro-Ultrasound System			
12	Federal Funds	-0-	350,000	-0-
13	114. Purchase Temperature and Humidity Control System (5)			
14	Restricted Funds	-0-	325,000	-0-
15	115. Purchase PCs, Printers, and Scanners for Libraries			
16	Restricted Funds	-0-	318,000	-0-
17	116. Purchase Visual Sonics High Resolution In-Vivo Imaging			
18	System			
19	Federal Funds	-0-	304,000	-0-
20	117. Purchase Laser Jet Cutting System			
21	Federal Funds	-0-	300,000	-0-
22	118. Purchase Spray Develop/Etching System			
23	Federal Funds	-0-	300,000	-0-
24	119. Purchase Cathodoluminescence System			
25	Federal Funds	-0-	300,000	-0-
26	120. Purchase Gene Chip Scanner			
27	Federal Funds	-0-	300,000	-0-

1	121. Purchase VisEn FMT-2500 Imaging System			
2	Restricted Funds	-0-	300,000	-0-
3	122. Purchase 9.4T Nuclear Magnetic Resonance System			
4	Restricted Funds	-0-	100,000	-0-
5	Federal Funds	-0-	200,000	-0-
6	TOTAL	-0-	300,000	-0-
7	123. Purchase Transmission Electron Microscope			
8	Federal Funds	-0-	300,000	-0-
9	124. Purchase Reactive Ion Etching System			
10	Federal Funds	-0-	300,000	-0-
11	125. Purchase Library Chairs and Tables			
12	Restricted Funds	-0-	275,000	-0-
13	126. Purchase BioRad XPR36 Protein Interaction Array System			
14	Restricted Funds	-0-	254,000	-0-
15	127. Purchase Confocal Microscope			
16	Federal Funds	-0-	250,000	-0-
17	128. Purchase Hysitron Nanoindenter			
18	Federal Funds	-0-	225,000	-0-
19	129. Purchase Arcturus XT Laser Capture Microdissection Instruments			
20	Federal Funds	-0-	215,000	-0-
21	130. Purchase Atomic Force Microscope			
22	Federal Funds	-0-	200,000	-0-
23	131. Purchase Biological Material Deposition Machine			
24	Federal Funds	-0-	200,000	-0-
25	132. Purchase Liquid Chromatography Mass Spectrometer			
26	Federal Funds	-0-	200,000	-0-
27	133. Purchase Optogenetics System			

1	Federal Funds	-0-	200,000	-0-
2	134. Purchase Fluorescence Imaging System			
3	Federal Funds	-0-	200,000	-0-
4	135. Purchase Shared Memory Computer			
5	Restricted Funds	-0-	200,000	-0-
6	136. Construct Physical Plant Space in Health Sciences Campus			
7	Garage - Additional Reauthorization (\$2,027,000 Restricted			
8	Funds)			
9	Restricted Funds	-0-	164,000	-0-
10	137. Purchase Artificial Turf Practice Field Facility Reauthorization			
11	(\$865,000 Restricted Funds)			
12	138. Med Center One - Lease			
13	139. Student Health Facility - Lease			
14	140. Master of Fine Arts - Lease			
15	141. Jefferson County Housing - Lease			
16	142. College of Business/Executive MBA Program - Lease			
17	143. West Louisville Center for Community Health, Education			
18	Outreach - Lease			
19	144. Ambulatory Care Building - Lease			
20	145. HSC Communication Sciences - Lease			
21	146. HSC Off Campus Office Space - Lease			
22	10. WESTERN KENTUCKY UNIVERSITY			
23	001. Renovate Downing University Center Phase III			
24	Restricted Funds	-0-	4,000,000	-0-
25	Agency Bonds	-0-	33,500,000	-0-
26	TOTAL	-0-	37,500,000	-0-
27	002. Underground Infrastructure Repair and Replacement			

1	Restricted Funds	-0-	35,000,000	-0-
2	003. Construct Agriculture Research Services Lab			
3	Federal Funds	-0-	22,825,000	-0-
4	004. Construct Next Generation UI-LO Emission Coal - Fired			
5	Heat Plant			
6	Federal Funds	-0-	20,000,000	-0-
7	005. Construct Honors College Facility			
8	Restricted Funds	-0-	2,000,000	-0-
9	Other Funds	-0-	12,000,000	-0-
10	TOTAL	-0-	14,000,000	-0-
11	006. Center for Research and Development Infrastructure and			
12	Renovations			
13	Federal Funds	-0-	10,500,000	-0-
14	007. Renovate Elizabethtown Research Center			
15	Federal Funds	-0-	10,000,000	-0-
16	008. Capital Renewal Pool			
17	Restricted Funds	-0-	10,000,000	-0-
18	009. Construct Alumni Facility			
19	Other Funds	-0-	7,000,000	-0-
20	010. Renovate Tate Page Hall			
21	Restricted Funds	-0-	6,000,000	-0-
22	011. Construct Mesonet Computer Center			
23	Restricted Funds	-0-	800,000	-0-
24	Federal Funds	-0-	5,000,000	-0-
25	TOTAL	-0-	5,800,000	-0-
26	012. Construct Center for Dairy Education and Innovation			
27	Federal Funds	-0-	5,000,000	-0-

1	013. Construct SKyTeach Program Facility			
2	Federal Funds	-0-	5,000,000	-0-
3	014. Construct Fit-Out of Leased Space			
4	Restricted Funds	-0-	4,175,000	-0-
5	015. Purchase Property for Campus Expansion			
6	Restricted Funds	-0-	3,000,000	-0-
7	016. Research Equipment for Ogden Campus			
8	Federal Funds	-0-	3,000,000	-0-
9	017. Renovate Downing University Center			
10	Restricted Funds	-0-	3,000,000	-0-
11	018. Renovate and Expand Knicely Center Phase III			
12	Restricted Funds	-0-	2,500,000	-0-
13	019. Environmental Science and Technology Hall Design			
14	Restricted Funds	-0-	2,500,000	-0-
15	020. Equipment Pool			
16	Restricted Funds	-0-	2,500,000	-0-
17	021. Construct Track Facilities			
18	Restricted Funds	-0-	2,500,000	-0-
19	022. Upgrade IT Infrastructure			
20	Restricted Funds	-0-	2,300,000	-0-
21	023. Renovate Radcliff Business Incubator			
22	Federal Funds	-0-	2,000,000	-0-
23	024. Purchase Shuttle Buses			
24	Federal Funds	-0-	2,000,000	-0-
25	025. Renovate Underground Electrical Infrastructure Phased			
26	Restricted Funds	-0-	2,000,000	-0-
27	026. Convert WKYU-NPR and WKYU-PBS to Digital/HD			

1	Restricted Funds	-0-	2,000,000	-0-
2	027. Repair Parking Structure 1 Phase I			
3	Restricted Funds	-0-	1,750,000	-0-
4	028. Construct Agriculture Research Services Greenhouse/Headhouse			
5	Federal Funds	-0-	1,745,000	-0-
6	029. Renovate Property for International Program			
7	Restricted Funds	-0-	3,800,000	-0-
8	030. Construct Scale-Up Compost Heat Greenhouse			
9	Federal Funds	-0-	1,500,000	-0-
10	031. Improve University Drive Intersection			
11	Restricted Funds	-0-	240,000	-0-
12	Federal Funds	-0-	960,000	-0-
13	TOTAL	-0-	1,200,000	-0-
14	032. Central Regional Postsecondary Education Center Design			
15	- BRAC			
16	Restricted Funds	-0-	1,200,000	-0-
17	033. Interior Renovation Jones Jagers			
18	Restricted Funds	-0-	1,000,000	-0-
19	034. TIF Parking Garage			
20	035. Guaranteed Energy Savings Performance Contracts			

21 **11. KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM**

22 **(1) Lexington Community College Classroom/Lab Building:** The Kentucky
23 Community and Technical College System is authorized to construct the LCC
24 Classroom/Lab Building appropriated in 2005 Ky. Acts ch. 173, Part II, K., 12., 019., on
25 state property currently known as the main campus of Eastern State Hospital.

26 **(2) Conveyance of Property:** The Kentucky Community and Technical College
27 System may undertake a capital construction project under the provisions of Part I, K.,

1	11., (4), of this Act.			
2	001. Capital Renewal and Deferred Maintenance Pool			
3	Restricted Funds	-0-	19,000,000	19,000,000
4	002. Renovate Downtown Campus Phase II - JCTC - Additional			
5	Restricted Funds	-0-	28,612,000	-0-
6	003. KCTCS Equipment Pool			
7	Restricted Funds	-0-	20,000,000	-0-
8	004. Renovate Academic/LRC Building - Ashland CTC			
9	Restricted Funds	-0-	20,000,000	-0-
10	005. KCTCS Information Technology Infrastructure Upgrade			
11	Restricted Funds	-0-	12,000,000	-0-
12	006. Renovate Classroom Facility Phase I Urban Campus - Gateway			
13	CTC			
14	Restricted Funds	-0-	11,850,000	-0-
15	007. Construct Transportation Tech Building, Boone Campus			
16	- Gateway CTC			
17	Restricted Funds	-0-	9,704,000	-0-
18	008. KCTCS Property Acquisition Pool			
19	Restricted Funds	-0-	5,500,000	-0-
20	009. Reroof and Enclose Concourses Gray Building - Madisonville			
21	CC			
22	Restricted Funds	-0-	3,600,000	-0-
23	010. Construct Child Development Center - Henderson CC			
24	Restricted Funds	-0-	3,484,000	-0-
25	011. Design Newtown Campus Phase II			
26	Restricted Funds	-0-	3,300,000	-0-
27	012. Construct Child Care Facility - Ashland CTC			

1	Restricted Funds	-0-	1,676,000	-0-
2	013. Renovate Telford Hall, Lees Campus - Hazard CTC			
3	Restricted Funds	-0-	1,500,000	-0-
4	014. Acquisition of Park Hills Property - Gateway CTC			
5	Restricted Funds	-0-	1,500,000	-0-
6	015. Construct CPAT Center, State Fire and Rescue Training			
7	Restricted Funds	-0-	1,500,000	-0-
8	016. Purchase Virtual Classroom 3D Simulator - Hazard CTC			
9	Restricted Funds	-0-	950,000	-0-
10	Federal Funds	-0-	500,000	-0-
11	TOTAL	-0-	1,450,000	-0-
12	017. Construct Licking Valley Center Phase II - Maysville CTC			
13	- Additional Reauthorization (\$3,459,000 Restricted Funds,			
14	\$1,500,000 Other Funds)			
15	Restricted Funds	-0-	1,000,000	-0-
16	018. Construct Cosmetology Building - Ashland CTC			
17	Restricted Funds	-0-	980,000	-0-
18	019. Master Plan Development and Upgrade Pool			
19	Restricted Funds	-0-	850,000	-0-
20	020. Construct Parking Lots and Drives - Henderson CC			
21	Restricted Funds	900,000	-0-	-0-
22	021. Renovate Building for Skilled Crafts Training Center - WKCTC			
23	Restricted Funds	-0-	1,200,000	-0-
24	022. Purchase Defensive Driving Trainers			
25	Restricted Funds	-0-	600,000	-0-
26	023. Purchase Combine for Agriculture Program - Hopkinsville			
27	CC			

1	Restricted Funds	-0-	290,000	-0-
2	024. Purchase Articulated Haul Truck - Hazard CTC			
3	Restricted Funds	-0-	125,000	-0-
4	Federal Funds	-0-	125,000	-0-
5	TOTAL	-0-	250,000	-0-
6	025. Purchase Front End Loader - Hazard CTC			
7	Restricted Funds	-0-	166,000	-0-
8	Federal Funds	-0-	84,000	-0-
9	TOTAL	-0-	250,000	-0-
10	026. Purchase Horizontal Milling Machine - Hopkinsville CC			
11	Restricted Funds	-0-	250,000	-0-
12	027. Purchase and Improve Real Property - Downtown Jefferson			
13	CTC Reauthorization (\$10,500,000 Restricted Funds)			
14	(1) Use of Funds: The funds reauthorized for the Purchase and Improve			
15	Real Property - Downtown Jefferson CTC project may be used to purchase any			
16	appropriate property near or adjacent to the downtown campus of the Jefferson			
17	Community and Technical College.			
18	028. KCTCS System Office Lease-Purchase			
19	029. Jefferson CTC - Jefferson Education Center - Lease			
20	030. Advanced Manufacturing Training Center - Lease			
21	031. Bullitt County Campus Jefferson CTC - Lease			
22	032. South Campus, Bluegrass Community and Technical College - Lease			
23	033. Maysville CTC Montgomery County Center - Lease			
24	034. Guaranteed Energy Savings Performance Contracts			
25	035. Acquire Land - Carroll County			
26	Restricted Funds	-0-	300,000	-0-
27	Other Funds	-0-	300,000	-0-

1 TOTAL -0- 600,000 -0-

2 (1) **Authorization:** The above authorization is approved pursuant to KRS
 3 45.763.

4 **L. PUBLIC PROTECTION CABINET**

5	Budget Units		2010-11	2011-12
6	1. HOUSING, BUILDINGS AND CONSTRUCTION			
7	001. Franklin County - Lease			
8	2. INSURANCE			
9	001. Franklin County - Lease			

10 **M. TOURISM, ARTS AND HERITAGE CABINET**

11	Budget Units	2009-10	2010-11	2011-12
12	1. PARKS			
13	001. Maintenance Pool - 2010-2012			
14	Bond Funds	-0-	3,500,000	1,725,000
15	2. HORSE PARK COMMISSION			
16	001. Maintenance Pool - 2010-2012			
17	Investment Income	-0-	575,000	575,000
18	3. STATE FAIR BOARD			
19	001. Maintenance Pool - 2010-2012			
20	Restricted Funds	-0-	2,000,000	2,000,000
21	002. Access Control System			
22	Restricted Funds	3,096,700	-0-	-0-
23	003. Cowger Parking Garage Repair			
24	Capital Construction Surplus	-0-	400,000	-0-
25	4. FISH AND WILDLIFE RESOURCES			
26	001. Fees-in-Lieu-of Stream Mitigation Projects Pool			
27	Restricted Funds	-0-	10,000,000	10,000,000

1	002. Land Acquisition Pool			
2	Restricted Funds	-0-	5,000,000	5,000,000
3	003. Pfeiffer Hatchery Renovation			
4	Restricted Funds	-0-	625,000	-0-
5	Federal Funds	-0-	1,875,000	-0-
6	TOTAL	-0-	2,500,000	-0-
7	004. Minor Clark Hatchery Renovation			
8	Restricted Funds	-0-	625,000	-0-
9	Federal Funds	-0-	1,875,000	-0-
10	TOTAL	-0-	2,500,000	-0-
11	005. Maintenance Pool - 2010-2012			
12	Restricted Funds	-0-	1,000,000	1,000,000
13	006. Boating and Fishing Access Pool			
14	Federal Funds	-0-	600,000	600,000
15	5. HISTORICAL SOCIETY			
16	001. Kentucky History Center - Purchase Casework Reauthorization			
17	(\$250,000 Capital Construction Surplus)			
18	6. KENTUCKY CENTER FOR THE ARTS			
19	001. Maintenance Pool - 2010-2012			
20	Investment Income	-0-	160,000	160,000

N. COAL SEVERANCE TAX PROJECTS

22 **(1) Projects Authorization and Appropriation:** Notwithstanding KRS
 23 42.4588(2) and (4), the following projects are authorized and appropriated from Local
 24 Government Economic Development Fund moneys from the respective single county
 25 fund pursuant to KRS 42.4592 for public purposes in the following coal-producing
 26 counties in the manner and amounts enumerated. These projects are determined by the
 27 General Assembly to be important to the furtherance of the public policy objectives and

1 economic development purposes for which the Local Government Economic
 2 Development Program was established. The amounts appropriated are estimates. Actual
 3 expenditures and encumbrances shall be limited to the actual receipts realized and
 4 available in the respective single county fund. These amounts are composed of estimated
 5 receipts for fiscal year 2009-2010, fiscal year 2010-2011, and fiscal year 2011-2012 in
 6 combination with prior unobligated balances in the respective single county funds. To the
 7 extent that a county that is authorized to proceed with a project enumerated below
 8 receives more single county Local Government Economic Development Fund moneys
 9 than are appropriated in this Act, the county may direct those funds to offset a cost
 10 overrun on any of the projects enumerated below upon approval of the Commissioner of
 11 the Department for Local Government.

12 **(2) Projects Not To Be Duplicated:** Notwithstanding KRS 42.4588(2) and (4),
 13 to avoid duplication of appropriations for the line-item coal severance tax projects
 14 authorized in this section, the following projects are authorized and appropriated for the
 15 amounts enumerated below under the condition that the project has not received, or
 16 already been authorized by the Department for Local Development to receive, funding
 17 prior to the effective date of this Act.

18 **(3) Authorization for Current Year Coal Severance Tax Projects:** The
 19 following projects authorized for fiscal year 2009-2010 shall remain authorized for the
 20 2010-2012 fiscal biennium.

21 **(4) Project Prioritization:** Notwithstanding KRS 42.4588, the following projects
 22 shall have priority over projects that have been authorized prior to the effective date of
 23 this Act by the Department for Local Government to receive funding.

24 **(5) Water and Sewer Projects:** The following projects that are related to water
 25 and sewer shall be administered by the Kentucky Infrastructure Authority.

26 Budget Units	2009-10	2010-11	2011-12
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27 **1. GENERAL GOVERNMENT**

1 a. Department for Local Government

2 **Bell County**

3	001.	Bell County Board of Education - Board Project - Operations			
4		Restricted Funds	-0-	25,000	-0-
5	002.	Bell County Board of Education - Cops in School - Operations			
6		Restricted Funds	-0-	30,000	30,000
7	003.	Bell County Board of Education - K-6 Little League Football - Equipment			
8		Restricted Funds	-0-	3,000	3,000
9	004.	Bell County Fiscal Court - Bell County Senior Citizens Center - Supplies -			
10		Operations			
11		Restricted Funds	-0-	10,000	10,000
12	005.	Bell County Fiscal Court - Bell - Whitley CAA - Operations - Supplies			
13		Restricted Funds	-0-	15,000	15,000
14	006.	Bell County Fiscal Court - Bell County Agi Council - Equipment			
15		Restricted Funds	-0-	10,000	10,000
16	007.	Bell County Fiscal Court - Bell County Cemetery Board - Equipment -			
17		Operations			
18		Restricted Funds	-0-	10,000	10,000
19	008.	Bell County Fiscal Court - Bell County Conservation District - Operations -			
20		Supplies			
21		Restricted Funds	-0-	7,500	7,500
22	009.	Bell County Fiscal Court - Bell County Health Department - Supplies -			
23		Equipment			
24		Restricted Funds	-0-	5,000	5,000
25	010.	Bell County Fiscal Court - Bell County Historical Society - Operations			
26		Restricted Funds	-0-	5,000	5,000
27	011.	Bell County Fiscal Court - Bell County Homeless Shelter - Operations -			

1	Supplies			
2	Restricted Funds	-0-	5,000	5,000
3	012. Bell County Fiscal Court - Bell County Industrial Foundation - Operations -			
4	Project			
5	Restricted Funds	-0-	50,000	50,000
6	013. Bell County Fiscal Court - Bell County Literacy Council - Operations -			
7	Supplies			
8	Restricted Funds	-0-	3,000	3,000
9	014. Bell County Fiscal Court - Bell County Little League Baseball - Equipment			
10	Restricted Funds	-0-	2,000	2,000
11	015. Bell County Fiscal Court - Bell County Middlesboro Airport - Operations			
12	Restricted Funds	-0-	5,000	5,000
13	016. Bell County Fiscal Court - Bell County Sheriff's Department - Vehicles -			
14	Equipment			
15	Restricted Funds	-0-	75,000	75,000
16	017. Bell County Fiscal Court - Bell County Solid Waste - Operations - Equipment			
17	Restricted Funds	-0-	20,000	20,000
18	018. Bell County Fiscal Court - Bell County Veterans Park - Improvements			
19	Restricted Funds	-0-	5,000	5,000
20	019. Bell County Fiscal Court - Browinis Creek Park - Improvements			
21	Restricted Funds	-0-	25,000	-0-
22	020. Bell County Fiscal Court - County Clerk - Equipment			
23	Restricted Funds	-0-	2,000	2,000
24	021. Bell County Fiscal Court - Frakes Senior Citizens Center - Operations -			
25	Supplies			
26	Restricted Funds	-0-	5,000	5,000
27	022. Bell County Fiscal Court - Friends of the Shelter - Spay and Neuter Clinics			

1	Restricted Funds	-0-	5,000	5,000
2	023. Bell County Fiscal Court - Hospice of the Bluegrass - Bell County Chapter -			
3	Operations			
4	Restricted Funds	-0-	5,000	5,000
5	024. Bell County Fiscal Court - Light House Mission - Operations - Equipment			
6	Restricted Funds	-0-	15,000	15,000
7	025. Bell County Fiscal Court - Middlesboro ARH Hospital - Medicaid Match			
8	Restricted Funds	-0-	50,000	50,000
9	026. Bell County Fiscal Court - Middlesboro Public Library - Supplies			
10	Restricted Funds	-0-	5,000	5,000
11	027. Bell County Fiscal Court - Operations - Equipment - Projects			
12	Restricted Funds	-0-	186,307	345,697
13	028. Bell County Fiscal Court - Pine Mountain First Tee - Operations			
14	Restricted Funds	-0-	5,000	5,000
15	029. Bell County Fiscal Court - Pineville Public Library - Supplies			
16	Restricted Funds	-0-	5,000	5,000
17	030. Bell County Fiscal Court - PVA - Operations and Equipment			
18	Restricted Funds	-0-	2,000	2,000
19	031. Bell County Fiscal Court - Red Bird Senior Citizens Center - Operations -			
20	Supplies			
21	Restricted Funds	-0-	5,000	5,000
22	032. City of Middlesboro - City Projects			
23	Restricted Funds	-0-	50,000	50,000
24	033. City of Middlesboro - Fire Department - Cascade System			
25	Restricted Funds	-0-	25,000	-0-
26	034. City of Middlesboro - Little League Baseball and T Ball - Equipment			
27	Restricted Funds	-0-	2,000	2,000

1	035. City of Middlesboro - Main Street Project - Supplies - Operations			
2	Restricted Funds	-0-	20,000	-0-
3	036. City of Pineville - City Projects			
4	Restricted Funds	-0-	40,000	40,000
5	037. City of Pineville - Fire Department - Equipment			
6	Restricted Funds	-0-	10,000	-0-
7	038. City of Pineville - Main Street Project - Supplies - Operations			
8	Restricted Funds	-0-	20,000	-0-
9	039. City of Pineville - Police Department - Equipment			
10	Restricted Funds	-0-	10,000	-0-
11	040. Middlesboro Independent Board of Education - Board Projects			
12	Restricted Funds	-0-	25,000	-0-
13	041. Middlesboro Independent Board of Education - K-6 Little League Football -			
14	Equipment			
15	Restricted Funds	-0-	3,000	3,000
16	042. Pineville Independent Board of Education - Board Projects			
17	Restricted Funds	-0-	25,000	-0-
18	043. Pineville Independent Board of Education - K-6 Little League Football -			
19	Equipment			
20	Restricted Funds	-0-	3,000	3,000
21	Boyd County			
22	001. Ashland Independent Board of Education - Building and Ground			
23	Improvements and other Initiatives			
24	Restricted Funds	-0-	50,000	-0-
25	002. Boyd County Board of Education - Building and Ground Improvements and			
26	other Initiatives			
27	Restricted Funds	-0-	50,000	-0-

1	003. Boyd County Fiscal Court - Boyd County Fair - Additions - Improvements			
2	Restricted Funds	-0-	15,000	-0-
3	004. Boyd County Fiscal Court - Economic and Recreational Development			
4	Initiatives			
5	Restricted Funds	-0-	-0-	50,000
6	005. Boyd County Fiscal Court - Safe Harbor - Construction - Renovations -			
7	Improvements and other Initiatives			
8	Restricted Funds	-0-	25,000	-0-
9	006. City of Ashland - Economic Development - Tourism Incentives			
10	Restricted Funds	-0-	10,000	-0-
11	007. City of Ashland - Highlands Museum - Education - Tourism and other			
12	Improvements - Initiatives			
13	Restricted Funds	-0-	-0-	25,000
14	008. City of Catlettsburg - City Beautification and other Improvements			
15	Restricted Funds	-0-	-0-	25,000
16	009. Fairview Independent Board of Education - HVAC System Upgrades and			
17	Energy Efficiency Improvements			
18	Restricted Funds	-0-	75,000	-0-
19	Breathitt County			
20	001. Breathitt County Board of Education - Blacktop and Ground Improvements at			
21	Various Breathitt County Schools			
22	Restricted Funds	-0-	200,000	-0-
23	002. Breathitt County Board of Education - Site Preparation for Landfill Relating			
24	to Lakeside Road Project - Tile - Equipment			
25	Restricted Funds	-0-	-0-	200,000
26	003. Breathitt County Fiscal Court - Breathitt County Attorney's Office -			
27	Technology Upgrades - Equipment - Computers - Office Furnishings			

1	Restricted Funds	-0-	25,000	-0-
2	004. Breathitt County Fiscal Court - Breathitt County Early Childhood Center -			
3	Equipment, Supplies, Materials, Grounds and Staff Assistance			
4	Restricted Funds	-0-	100,000	-0-
5	005. Breathitt County Fiscal Court - Breathitt County Museum and Welcome			
6	Center - Building and Improvements			
7	Restricted Funds	-0-	-0-	250,000
8	006. Breathitt County Fiscal Court - Breathitt County PVA - Technology Upgrades			
9	- Remodeling - Equipment			
10	Restricted Funds	-0-	25,000	-0-
11	007. Breathitt County Fiscal Court - Canoe Volunteer Fire Department -			
12	Equipment - Building - Road Improvements			
13	Restricted Funds	-0-	-0-	25,000
14	008. Breathitt County Fiscal Court - Huston Water - Water Line Extension to			
15	Walter Combs Home			
16	Restricted Funds	-0-	-0-	275,000
17	009. Breathitt County Fiscal Court - Malone - Miller Skate Park			
18	Restricted Funds	-0-	50,000	-0-
19	010. Breathitt County Fiscal Court - Nim Henson Geriatric Center - Generator -			
20	Equipment - Roof Repair and Replacement			
21	Restricted Funds	-0-	150,000	-0-
22	011. Breathitt County Fiscal Court - Panbow Hollow/Panbow Hill - Water Line			
23	Extensions			
24	Restricted Funds	-0-	247,067	-0-
25	012. Breathitt County Fiscal Court - Payment of Water Line Debt			
26	Restricted Funds	-0-	250,000	-0-
27	013. City of Jackson - Jackson City Fire Department - Equipment - Improvements			

1	Restricted Funds	-0-	-0-	50,000
2	014. City of Jackson - Jackson City Police Department - Equipment and			
3	Operations			
4	Restricted Funds	-0-	25,000	-0-
5	015. City of Jackson - Lost Creek Water Tank			
6	Restricted Funds	-0-	150,000	-0-
7	016. City of Jackson - Purchase Two New Work Trucks			
8	Restricted Funds	-0-	-0-	49,342
9	017. Jackson Independent Board of Education - Jackson City School - Equipment -			
10	Supplies - Improvements			
11	Restricted Funds	-0-	-0-	100,000
12	Clay County			
13	001. City of Manchester - Purchase of City Hall			
14	Restricted Funds	-0-	125,000	125,000
15	002. Clay County Fiscal Court - General Government - EMS General Fund			
16	Construction Recovery			
17	Restricted Funds	-0-	400,000	-0-
18	003. Clay County Fiscal Court - Ten Volunteer Fire Departments - Equipment -			
19	Operations			
20	Restricted Funds	-0-	-0-	80,000
21	004. Clay County Fiscal Court - Transportation - Equipment - Maintenance			
22	Restricted Funds	-0-	47,000	79,000
23	Crittenden County			
24	001. Crittenden County Fiscal Court - Detention Center - Debt Reduction			
25	Restricted Funds	-0-	173,178	97,642
26	Daviess County			
27	001. Daviess County Fiscal Court - Economic Development - Incentives			

1	Restricted Funds	-0-	43,488	41,752
2	Elliott County			
3	001. Elliott County Fiscal Court - Elliott County Ambulance Services - Upgrades -			
4	Improvements			
5	Restricted Funds	-0-	40,000	40,000
6	002. Elliott County Fiscal Court - Elliott County Public Library - Improvements -			
7	Operations and other Initiatives			
8	Restricted Funds	-0-	20,000	20,000
9	003. Elliott County Fiscal Court - Laurel Gorge Center - Improvements -			
10	Operations and other Initiatives			
11	Restricted Funds	-0-	20,000	20,000
12	Floyd County			
13	001. City of Allen - Allen Park - General Maintenance			
14	Restricted Funds	-0-	40,000	40,000
15	002. City of Allen - Allen Park Recreation Building			
16	Restricted Funds	200,000	5,000	5,000
17	003. City of Allen - Ball Park Improvements			
18	Restricted Funds	-0-	10,000	10,000
19	004. City of Martin - Martin Fire Department - Equipment			
20	Restricted Funds	-0-	2,600	2,600
21	005. City of Martin - Martin Senior Citizens - Operating			
22	Restricted Funds	-0-	10,000	10,000
23	006. City of Prestonsburg - Floyd County Rescue Squad - Equipment, Operations,			
24	and Repairs			
25	Restricted Funds	-0-	25,000	25,000
26	007. City of Prestonsburg - Mountain Arts Center			
27	Restricted Funds	-0-	75,000	75,000

1	008. City of Prestonsburg - Mountain Comp. Care - Layne House Education			
2	Restricted Funds	-0-	30,000	30,000
3	009. City of Prestonsburg - Mountain Top Recreational - Repairs, Maintenance,			
4	and Renovations to Stonecrest			
5	Restricted Funds	-0-	150,000	200,000
6	010. City of Prestonsburg - Parks and Recreation			
7	Restricted Funds	-0-	20,000	-0-
8	011. City of Prestonsburg - Prestonsburg Fire Department #1 - Equipment			
9	Restricted Funds	-0-	2,600	2,600
10	012. City of Prestonsburg - Prestonsburg Fire Department #2 - Equipment			
11	Restricted Funds	-0-	2,600	2,600
12	013. City of Prestonsburg - Prestonsburg Senior Citizens - Operating			
13	Restricted Funds	-0-	10,000	10,000
14	014. City of Prestonsburg - VFW Post 5839 - Equipment and Improvements			
15	Restricted Funds	-0-	1,500	1,500
16	015. City of Wayland - Wayland Fire Department			
17	Restricted Funds	-0-	2,600	2,600
18	016. City of Wayland - Wayland Park			
19	Restricted Funds	-0-	2,500	2,500
20	017. City of Wayland - Wayland Senior Citizens - Operating			
21	Restricted Funds	-0-	10,000	10,000
22	018. City of Wheelwright - Senior Citizens - Main Operating Building - Repairs			
23	and Renovations			
24	Restricted Funds	18,900	-0-	-0-
25	019. City of Wheelwright - Wheelwright Fire Department - Equipment			
26	Restricted Funds	-0-	2,600	2,600
27	020. City of Wheelwright - Wheelwright Rt 306 - Repairs			

1	Restricted Funds	325,000	-0-	-0-
2	021. City of Wheelwright - Wheelwright Senior Citizens - Operating			
3	Restricted Funds	-0-	10,000	10,000
4	022. City of Wheelwright - Wheelwright Swimming Pool			
5	Restricted Funds	20,000	25,000	25,000
6	023. Floyd County Board of Education - Academics and Athletics - High Schools			
7	Restricted Funds	-0-	100,000	100,000
8	024. Floyd County Board of Education - Drift Ball Park Lighting			
9	Restricted Funds	-0-	75,000	-0-
10	025. Floyd County Board of Education - Wheelwright Gym Repair			
11	Restricted Funds	-0-	100,000	-0-
12	026. Floyd County Fiscal Court - American Legion Post 283 - Equipment and			
13	Improvements			
14	Restricted Funds	-0-	1,500	1,500
15	027. Floyd County Fiscal Court - Big Sandy Regional Airport - Terminal Repairs			
16	and Rehabilitation			
17	Restricted Funds	-0-	50,000	-0-
18	028. Floyd County Fiscal Court - County Fire Departments - Distributed Equally -			
19	Equipment			
20	Restricted Funds	-0-	41,600	41,600
21	029. Floyd County Fiscal Court - Courthouse - Renovation and HVAC			
22	Restricted Funds	-0-	50,000	-0-
23	030. Floyd County Fiscal Court - DAV Post #128 - Equipment and Operations			
24	Restricted Funds	65,000	5,000	5,000
25	031. Floyd County Fiscal Court - DAV Post #169 - Equipment and Operations			
26	Restricted Funds	-0-	5,000	5,000
27	032. Floyd County Fiscal Court - DAV Post #18 - Equipment and Operations			

1	Restricted Funds	-0-	5,000	5,000
2	033. Floyd County Fiscal Court - Elkhorn Park - Maintenance and Repairs			
3	Restricted Funds	-0-	12,500	12,500
4	034. Floyd County Fiscal Court - Floyd County Drug Court			
5	Restricted Funds	-0-	50,000	50,000
6	035. Floyd County Fiscal Court - Floyd County Health Department - Colon Cancer			
7	Screening/Care			
8	Restricted Funds	-0-	50,000	-0-
9	036. Floyd County Fiscal Court - Highland Autistic School - Autism Scholarships			
10	Restricted Funds	-0-	75,000	75,000
11	037. Floyd County Fiscal Court - Left Beaver Rescue Squad - Equipment and			
12	Repairs			
13	Restricted Funds	-0-	10,000	10,000
14	038. Floyd County Fiscal Court - Martin American Veterans - Equipment and			
15	Improvements			
16	Restricted Funds	-0-	1,500	1,500
17	039. Floyd County Fiscal Court - Martin Community Center - Floor and other			
18	Repairs			
19	Restricted Funds	-0-	100,000	-0-
20	040. Floyd County Fiscal Court - Minnie Park - Restrooms and Sewer and Various			
21	Improvements			
22	Restricted Funds	-0-	100,000	25,000
23	041. Floyd County Fiscal Court - Mud Creek Park - Development and Site			
24	Acquisition			
25	Restricted Funds	-0-	25,000	25,000
26	042. Floyd County Fiscal Court - Purchase Dump Truck			
27	Restricted Funds	-0-	-0-	80,000

1	043. Floyd County Fiscal Court - Renovations and Improvements - German			
2	Bridge Camping Area			
3	Restricted Funds	-0-	25,000	25,000
4	044. Floyd County Fiscal Court - Senior Citizens - Mud Creek, McDowell, Betsy			
5	Layne - Equally - Operating			
6	Restricted Funds	-0-	30,000	30,000
7	045. Floyd County Fiscal Court - Veterans Cemetery			
8	Restricted Funds	-0-	50,000	50,000
9	046. Floyd County Fiscal Court - Wayland Historical Society - Renovation,			
10	Planning, Development and Construction - Mountain Sports Hall of Fame			
11	Restricted Funds	-0-	74,400	-0-
12	047. Prestonsburg City Utilities - PCUC - Lakeview Water and Sewer Systems			
13	Extension			
14	Restricted Funds	-0-	100,000	-0-
15	Greenup County			
16	001. City of Flatwoods - Russell/Flatwoods Meals on Wheels			
17	Restricted Funds	1,000	-0-	-0-
18	002. City of Greenup - Meals on Wheels			
19	Restricted Funds	1,000	-0-	-0-
20	003. City of Greenup - Park and Downtown Improvements			
21	Restricted Funds	5,000	-0-	-0-
22	004. City of South Shore - Fullerton/South Portsmouth Welcome Area			
23	Restricted Funds	25,000	-0-	-0-
24	005. City of South Shore - Meals on Wheels			
25	Restricted Funds	1,000	-0-	-0-
26	006. City of Worthington - Raceland/Worthington Meals on Wheels			
27	Restricted Funds	1,000	-0-	-0-

1	007. Greenup County Board of Education - Wurtland Walking/Running Track			
2	Restricted Funds	6,000	-0-	-0-
3	Hancock County			
4	001. Hancock County Fiscal Court - Owensboro Community and Technical			
5	College - Hancock Branch			
6	Restricted Funds	-0-	31,228	29,981
7	Harlan County			
8	001. Harlan County Fiscal Court - Cawood Ledford Boys and Girls Club -			
9	Operations, Maintenance and Equipment			
10	Restricted Funds	-0-	40,000	40,000
11	002. Harlan County Fiscal Court - Challenge Academy - Operations			
12	Restricted Funds	-0-	420,000	240,000
13	003. Harlan County Fiscal Court - County Road Department - Equipment and/or			
14	Building			
15	Restricted Funds	-0-	100,000	100,000
16	004. Harlan County Fiscal Court - Debt Service			
17	Restricted Funds	-0-	877,881	1,229,721
18	005. Harlan County Fiscal Court - District Projects			
19	Restricted Funds	-0-	220,000	220,000
20	006. Harlan County Fiscal Court - Fire Departments - Equally Divided -			
21	Equipment			
22	Restricted Funds	-0-	75,000	-0-
23	007. Harlan County Fiscal Court - Harlan County Senior Citizens Center -			
24	Operations, Maintenance and Equipment			
25	Restricted Funds	-0-	50,000	50,000
26	008. Harlan County Fiscal Court - Jail - Construction			
27	Restricted Funds	-0-	150,000	-0-

1	009. Harlan County Fiscal Court - Old Courthouse - Repairs			
2	Restricted Funds	-0-	100,000	100,000
3	010. Harlan County Fiscal Court - Rescue Squad - Equally Divided			
4	Restricted Funds	-0-	30,000	-0-
5	011. Harlan County Fiscal Court - Tri-City Senior Citizens Center - Operations,			
6	Maintenance and Equipment			
7	Restricted Funds	-0-	10,000	10,000
8	012. Harlan County Fiscal Court - Wallins Creek Fellowship Center - Operations,			
9	Maintenance and Equipment			
10	Restricted Funds	-0-	10,000	10,000
11	Henderson County			
12	001. Henderson County Fiscal Court - AED's Defibrillators for Each of the			
13	Volunteer Fire Departments in Henderson County and Henderson County			
14	Courthouse, Gross Clay Lindsey Judicial Center and Road Department (Total			
15	14 AED's)			
16	Restricted Funds	-0-	35,000	-0-
17	002. Henderson County Fiscal Court - Audubon State Park Garden - Retaining			
18	Wall			
19	Restricted Funds	-0-	25,000	-0-
20	003. Henderson County Fiscal Court - Audubon State Park Theater -			
21	Improvements			
22	Restricted Funds	-0-	100,000	-0-
23	004. Henderson County Fiscal Court - Boat Ramp Located on Green River			
24	between Spottsville and Sebree - Construction			
25	Restricted Funds	-0-	20,000	-0-
26	005. Henderson County Fiscal Court - Boat Ramp Located on Ohio River between			
27	Second Street and Diamon Island - Construction			

1	Restricted Funds	-0-	20,000	-0-
2	006. Henderson County Fiscal Court - City/County Bike Path - Improvements			
3	Restricted Funds	-0-	75,000	-0-
4	007. Henderson County Fiscal Court - Community Service at Road Department -			
5	Break and Locker Room - Improvements			
6	Restricted Funds	-0-	40,000	-0-
7	008. Henderson County Fiscal Court - County Park - Bridge			
8	Restricted Funds	-0-	75,000	-0-
9	009. Henderson County Fiscal Court - Four Star Industrial Park - Improvements			
10	Restricted Funds	-0-	45,000	-0-
11	010. Henderson County Fiscal Court - Johnny Mathias Outdoor Arena - Extension			
12	at Fairgrounds			
13	Restricted Funds	-0-	60,000	-0-
14	011. Henderson County Fiscal Court - North West Kentucky Energy Initiative			
15	Restricted Funds	-0-	10,000	-0-
16	012. Henderson County Fiscal Court - Promote Tourism - Festivals - Handy -			
17	Bluegrass			
18	Restricted Funds	-0-	20,000	-0-
19	013. Henderson County Fiscal Court - Reconstruct - Recycled Building from			
20	College on New County Park Property - Maintenance Shop			
21	Restricted Funds	-0-	25,000	-0-
22	014. Henderson County Fiscal Court - Samuel Hopkins Historical Cemetery -			
23	Improvements			
24	Restricted Funds	-0-	75,000	-0-
25	015. Henderson County Fiscal Court - Smithmills and Spottsville - Upgrade for			
26	Boat Ramps - Lighting			
27	Restricted Funds	-0-	10,000	-0-

1	016. Henderson County Water District - Larue Road Water Line Extension			
2	(WX21101102)			
3	Restricted Funds	-0-	42,000	-0-
4	017. Henderson County Water District - Rucker Road #2 Water Line			
5	Replacement/Relocation (WX21101101)			
6	Restricted Funds	-0-	36,000	-0-
7	018. Henderson County Water District - Tillman Bethel Road - Water Line			
8	Extension			
9	Restricted Funds	-0-	25,000	-0-
10	019. Henderson County Water District - Walter Road Line Extension			
11	(WX21101103)			
12	Restricted Funds	-0-	33,000	-0-
13	Hopkins County			
14	001. City of Dawson Springs - City Hall			
15	Restricted Funds	-0-	50,000	50,000
16	002. City of Earlington - City Hall			
17	Restricted Funds	-0-	50,000	50,000
18	003. City of Mortons Gap - City Building			
19	Restricted Funds	-0-	100,000	100,000
20	004. City of Nebo - Community Center Renovations			
21	Restricted Funds	-0-	50,000	50,000
22	005. City of White Plains - Purchase Generators			
23	Restricted Funds	-0-	50,000	-0-
24	006. Hopkins County Fiscal Court - Road Projects and Equipment			
25	Restricted Funds	-0-	200,000	200,000
26	007. Hopkins County Fiscal Court - Sports Complex			
27	Restricted Funds	-0-	500,000	500,000

1	008. Hopkins County Fiscal Court - Unallocated Projects			
2	Restricted Funds	-0-	83,000	123,000
3	009. Hopkins County Fiscal Court - Volunteer Fire Departments - Equipment and			
4	Projects			
5	Restricted Funds	-0-	70,000	70,000
6	010. Madisonville Community College - Brown Badgett Advanced Energy and			
7	Technology Center - Training Units			
8	Restricted Funds	-0-	141,000	-0-
9	011. Madisonville Community College - Mechatronics Unit			
10	Restricted Funds	-0-	-0-	151,000
11	012. Madisonville Community College - School Counts Project			
12	Restricted Funds	-0-	10,000	10,000
13	Jackson County			
14	001. Jackson County Fiscal Court - Appalachian Food Center - Annville - Serves			
15	Jackson, Laurel, and Clay Counties - Mobile Processing - Kitchen Equipment			
16	- One Full-Time Job and Five Part-Time Jobs			
17	Restricted Funds	-0-	150,000	-0-
18	002. Jackson County Fiscal Court - Farmer's Market - Equipment - Tables - Work			
19	Area			
20	Restricted Funds	-0-	50,000	-0-
21	003. Jackson County Fiscal Court - Gray Hawk Fire Department - Equipment			
22	Restricted Funds	-0-	-0-	17,000
23	004. Jackson County Fiscal Court - McKee Fire Department - Equipment			
24	Restricted Funds	-0-	-0-	17,000
25	005. Jackson County Fiscal Court - Pond Creek Fire Department - Equipment			
26	Restricted Funds	-0-	-0-	17,000
27	006. Jackson County Fiscal Court - Pond Creek Fire Department - Upgrade			

1	Building			
2	Restricted Funds	-0-	197,441	-0-
3	007. Jackson County Fiscal Court - Sand Gap Fire Department - Equipment			
4	Restricted Funds	-0-	-0-	17,000
5	008. Jackson County Fiscal Court - Senior Citizens Center - Equipment			
6	Restricted Funds	-0-	40,000	40,000
7	Johnson County			
8	001. Johnson County Fiscal Court - Fire Departments - Equipment - Supplies			
9	Restricted Funds	-0-	35,000	35,000
10	002. Johnson County Fiscal Court - Pharmacy School Infrastructure/Scholarships			
11	Restricted Funds	-0-	100,000	100,000
12	003. Johnson County Fiscal Court - Recreation - Equipment - Supplies - Upgrades			
13	Restricted Funds	-0-	25,000	25,000
14	004. Johnson County Fiscal Court - Senior Citizens - Supplies			
15	Restricted Funds	-0-	25,000	25,000
16	005. Johnson County Fiscal Court - Water Projects - Upgrades			
17	Restricted Funds	-0-	50,000	50,000
18	Knott County			
19	001. City of Hindman - Water and Sewer - Loan Payoff			
20	Restricted Funds	-0-	500,000	-0-
21	002. Knott County Fiscal Court - Hospice of the Bluegrass			
22	Restricted Funds	-0-	-0-	50,000
23	003. Knott County Fiscal Court - Human Services and Senior Citizen Center -			
24	Building Improvements			
25	Restricted Funds	-0-	75,000	-0-
26	004. Knott County Fiscal Court - Kentucky School of Craft			
27	Restricted Funds	-0-	-0-	100,000

1	005. Knott County Fiscal Court - Knott County Clerk's Office - Equipment			
2	Restricted Funds	-0-	-0-	10,000
3	006. Knott County Fiscal Court - Knott County Fire Departments - (\$7500 each			
4	Department)			
5	Restricted Funds	-0-	75,000	75,000
6	007. Knott County Fiscal Court - Knott County Parks and Community Centers			
7	Restricted Funds	-0-	10,000	10,000
8	008. Knott County Fiscal Court - Knott County Sportsplex - Bond Payment,			
9	Equipment and Improvements			
10	Restricted Funds	-0-	790,000	790,000
11	009. Knott County Fiscal Court - Knott County Vocational School - Renovation			
12	Project			
13	Restricted Funds	-0-	10,000	-0-
14	010. Knott County Fiscal Court - Troublesome Creek Environmental Authority			
15	Bond Payment			
16	Restricted Funds	-0-	375,000	350,000
17	011. Knott County Fiscal Court - Various Adventure Tourism Projects			
18	Restricted Funds	-0-	250,000	200,000
19	012. Knott County Fiscal Court - Water and Sewer Projects			
20	Restricted Funds	-0-	1,900,000	1,900,000
21	Laurel County			
22	001. Laurel County Fiscal Court - Baldrock Fire Department - Equipment			
23	Restricted Funds	-0-	7,000	7,400
24	002. Laurel County Fiscal Court - Bush Fire Department - Equipment			
25	Restricted Funds	-0-	7,000	7,400
26	003. Laurel County Fiscal Court - Campground Fire Department - Equipment			
27	Restricted Funds	-0-	7,000	7,400

1	004. Laurel County Fiscal Court - Colony Fire Department - Equipment			
2	Restricted Funds	-0-	7,000	7,400
3	005. Laurel County Fiscal Court - Crossroads Fire Department - Equipment			
4	Restricted Funds	-0-	7,000	7,400
5	006. Laurel County Fiscal Court - East Bernstadt Fire Department - Equipment			
6	Restricted Funds	-0-	7,000	7,400
7	007. Laurel County Fiscal Court - Keavy Fire Department - Equipment			
8	Restricted Funds	-0-	7,000	7,400
9	008. Laurel County Fiscal Court - Laurel County Fire Department - Equipment			
10	Restricted Funds	-0-	7,000	7,400
11	009. Laurel County Fiscal Court - Laurel County Rescue Squad			
12	Restricted Funds	-0-	7,000	7,400
13	010. Laurel County Fiscal Court - Lily Fire Department - Equipment			
14	Restricted Funds	-0-	7,000	7,400
15	011. Laurel County Fiscal Court - London Fire Department - Equipment			
16	Restricted Funds	-0-	7,000	7,400
17	012. Laurel County Fiscal Court - McWhorter Fire Department - Equipment			
18	Restricted Funds	-0-	7,000	7,400
19	013. Laurel County Fiscal Court - Tourist Commission for History and Genealogy			
20	Center			
21	Restricted Funds	-0-	10,000	-0-

22 **Lawrence County**

23	001. City of Blaine - City Beautification and other Improvements			
24	Restricted Funds	-0-	15,000	-0-
25	002. City of Louisa - City Beautification and other Improvements			
26	Restricted Funds	-0-	25,000	-0-
27	003. Lawrence County Board of Education - Equally Divided Among the			

1	Elementary Schools, Middle School, and High School - Technology -			
2	Curriculum and Educational Improvements and other Initiatives			
3	Restricted Funds	-0-	-0-	50,000
4	004. Lawrence County Board of Education - HVAC System Upgrades and Energy			
5	Efficiency Improvements			
6	Restricted Funds	-0-	-0-	125,000
7	005. Lawrence County Fiscal Court - County Parks and Recreation - Improvements			
8	- Additions			
9	Restricted Funds	-0-	40,000	40,000
10	006. Lawrence County Fiscal Court - Fallsburg Community Center - Building and			
11	Ground Improvements			
12	Restricted Funds	-0-	10,000	-0-
13	007. Lawrence County Fiscal Court - Lawrence County Economic Development			
14	Center - Renovations - Improvements and Energy Efficiency Efforts			
15	Restricted Funds	-0-	125,000	15,000
16	008. Lawrence County Fiscal Court - Lawrence County Industrial Park -			
17	Improvements - Additions			
18	Restricted Funds	-0-	40,000	40,000
19	009. Lawrence County Fiscal Court - Seven Fire Departments and Lawrence			
20	County Emergency Management - Equally Divided			
21	Restricted Funds	-0-	40,000	40,000
22	010. Lawrence County Fiscal Court - Sewer Line Extensions - Improvements			
23	Restricted Funds	-0-	75,000	-0-
24	011. Lawrence County Fiscal Court - Water Line Extensions			
25	Restricted Funds	-0-	35,000	35,000

26 **Lee County**

27 **001.** Lee County Fiscal Court - Bear Track Park - Improvements

1	Restricted Funds	-0-	-0-	10,000
2	002. Lee County Fiscal Court - Design, Planning and Land Acquisition for Health			
3	Department			
4	Restricted Funds	-0-	200,000	125,000
5	003. Lee County Fiscal Court - Happy Top Park - Equipment			
6	Restricted Funds	-0-	9,296	-0-
7	004. Lee County Fiscal Court - Heidelberg Park - Improvements			
8	Restricted Funds	-0-	-0-	10,000
9	005. Lee County Fiscal Court - Lee County Ambulance Service - Two Used			
10	Ambulances			
11	Restricted Funds	-0-	25,000	25,000
12	006. Lee County Fiscal Court - Lee County Courthouse - Improvements			
13	Restricted Funds	-0-	-0-	40,000
14	007. Lee County Fiscal Court - Lee County Fire Departments - Equipment -			
15	Materials			
16	Restricted Funds	-0-	-0-	30,000
17	008. Lee County Fiscal Court - Lee County Jailer - Purchase Vehicle			
18	Restricted Funds	-0-	25,000	-0-
19	009. Lee County Fiscal Court - Lee County Rescue Squad - Equipment			
20	Restricted Funds	-0-	-0-	10,000
21	010. Lee County Fiscal Court - Lee County Road Department - Equipment and			
22	Vehicles			
23	Restricted Funds	-0-	100,000	26,947
24	011. Lee County Fiscal Court - Lee County Youth - Sports - Equipment - Supplies			
25	Restricted Funds	-0-	-0-	20,000
26	012. Lee County Fiscal Court - Skate Park - Improvements			
27	Restricted Funds	-0-	50,000	-0-

1	013. Lee County Fiscal Court - Spray Park - Phase Two Water Project			
2	Restricted Funds	-0-	100,000	-0-
3	Leslie County			
4	001. City of Hyden - Project 7 - Wellness Center - City Park - Pedway Project -			
5	Equipment - Operations - Construction			
6	Restricted Funds	-0-	200,000	-0-
7	002. Leslie County Board of Education - Project 8 - High School Breezeway			
8	Project - Construction			
9	Restricted Funds	-0-	100,000	-0-
10	003. Leslie County Fiscal Court - Project 1 - Six Volunteer Fire Departments -			
11	Equipment - Operations - Construction			
12	Restricted Funds	-0-	60,000	60,000
13	004. Leslie County Fiscal Court - Project 10 - HCTCS Leslie County Campus -			
14	Maintenance - Operations			
15	Restricted Funds	-0-	75,000	-0-
16	005. Leslie County Fiscal Court - Project 11 - Leslie County High School -			
17	Technology Enhancements			
18	Restricted Funds	-0-	80,000	-0-
19	006. Leslie County Fiscal Court - Project 12 - Transportation - Equipment -			
20	Resurfacing			
21	Restricted Funds	-0-	75,000	30,000
22	007. Leslie County Fiscal Court - Project 13 - Leslie County Drug Awareness			
23	Program - School Programs			
24	Restricted Funds	-0-	-0-	25,000
25	008. Leslie County Fiscal Court - Project 14 - Hurricane Creek Mine Disaster			
26	Memorial - Construction			
27	Restricted Funds	-0-	50,000	-0-

1	009. Leslie County Fiscal Court - Project 2 - 911 Equipment - Operations -			
2	Construction			
3	Restricted Funds	-0-	300,000	300,000
4	010. Leslie County Fiscal Court - Project 3 - Beechfork - Cutsbin - Hyden -			
5	Stinnett Community Centers - Equipment - Operations - Divided Equally			
6	Restricted Funds	-0-	400,000	400,000
7	011. Leslie County Fiscal Court - Project 4 - Stinnett Community Center - Senior			
8	Citizens Food Services Program			
9	Restricted Funds	-0-	50,000	50,000
10	012. Leslie County Fiscal Court - Project 5 - Leslie County Detention Center -			
11	Equipment - Operations - Construction			
12	Restricted Funds	-0-	415,000	440,000
13	013. Leslie County Fiscal Court - Project 6 - Mary Breckinridge Hospital - ICU -			
14	Surgery Expansion			
15	Restricted Funds	-0-	125,000	-0-
16	014. Leslie County Fiscal Court - Project 9 - Leslie County Firefighters			
17	Association - Firefighters Memorial			
18	Restricted Funds	-0-	25,000	-0-
19	Letcher County			
20	001. City of Fleming-Neon - Improvements - Maintenance			
21	Restricted Funds	-0-	50,000	100,000
22	002. City of Jenkins - Improvements - Maintenance			
23	Restricted Funds	-0-	50,000	100,000
24	003. City of Whitesburg - Improvements - Maintenance			
25	Restricted Funds	-0-	50,000	100,000
26	004. Letcher County Fiscal Court - Appalachian Child Care Center - Debt Service			
27	Restricted Funds	-0-	12,000	-0-

1	005. Letcher County Fiscal Court - ARH/ Uncompensated Care Grant			
2	Restricted Funds	-0-	50,000	50,000
3	006. Letcher County Fiscal Court - Community Centers - Maintenance - Repairs			
4	Restricted Funds	-0-	50,000	50,000
5	007. Letcher County Fiscal Court - County Clerk - Equipment			
6	Restricted Funds	-0-	25,000	25,000
7	008. Letcher County Fiscal Court - Domestic Violence Shelter - Operational			
8	Improvements			
9	Restricted Funds	-0-	50,000	50,000
10	009. Letcher County Fiscal Court - Fire Departments - Equipment - Supplies			
11	Restricted Funds	-0-	200,000	-0-
12	010. Letcher County Fiscal Court - Fire Training Center at Neon - Upgrades -			
13	Maintenance			
14	Restricted Funds	-0-	100,000	-0-
15	011. Letcher County Fiscal Court - Fleming/Neon Senior Citizens Center -			
16	Building and Repairs			
17	Restricted Funds	-0-	100,000	-0-
18	012. Letcher County Fiscal Court - Kids Day Committee			
19	Restricted Funds	-0-	10,000	10,000
20	013. Letcher County Fiscal Court - Letcher County Health Department - Colon			
21	Cancer Screening Care			
22	Restricted Funds	-0-	50,000	-0-
23	014. Letcher County Fiscal Court - Letcher Fire and Rescue - Fire Truck			
24	Restricted Funds	-0-	200,000	-0-
25	015. Letcher County Fiscal Court - Little Shepherd Amphitheatre - Improvements			
26	Restricted Funds	-0-	-0-	50,000
27	016. Letcher County Fiscal Court - McRoberts Community Center - Equipment			

1	Restricted Funds	-0-	25,000	-0-
2	017. Letcher County Fiscal Court - Mountain Outreach - Building Improvements			
3	Restricted Funds	-0-	-0-	50,000
4	018. Letcher County Fiscal Court - Parks and Recreation - Maintenance - Repairs			
5	Restricted Funds	-0-	240,000	240,000
6	019. Letcher County Fiscal Court - Pine Mountain Search and Rescue - Equipment			
7	Restricted Funds	-0-	25,000	-0-
8	020. Letcher County Fiscal Court - Planning Commission - Project Planning			
9	Restricted Funds	-0-	25,000	25,000
10	021. Letcher County Fiscal Court - Recreational Center - Debt Service			
11	Restricted Funds	-0-	600,000	600,000
12	022. Letcher County Fiscal Court - Sanitation Department - Operations -			
13	Maintenance - Repairs			
14	Restricted Funds	-0-	100,000	100,000
15	023. Letcher County Fiscal Court - Senior Citizens Center - Maintenance - Repairs			
16	- Building Needs			
17	Restricted Funds	-0-	200,000	200,000
18	024. Letcher County Fiscal Court - Sheriff's Department - Equipment			
19	Restricted Funds	-0-	25,000	25,000
20	025. Letcher County Fiscal Court - Tourism - Operations			
21	Restricted Funds	-0-	75,000	75,000
22	026. Letcher County Fiscal Court - Veterans Museum - Repairs - Maintenance			
23	Restricted Funds	-0-	-0-	50,000
24	027. Letcher County Fiscal Court - Water and Sewer - Various Projects			
25	Restricted Funds	-0-	1,053,000	-0-

26 **Magoffin County**

27 **001.** City of Salyersville - Maple Leaf Park

1	Restricted Funds	-0-	100,000	-0-
2	002. City of Salyersville - Salyersville Fire Department - Purchase of Truck			
3	Restricted Funds	-0-	100,000	-0-
4	003. City of Salyersville - Salyersville Parkway Lift Station Project (SX21153521)			
5	Restricted Funds	-0-	100,000	-0-
6	004. Magoffin County Fiscal Court - Bloomington Volunteer Fire Department			
7	Restricted Funds	-0-	60,000	-0-
8	005. Magoffin County Fiscal Court - Magoffin County Rescue - Equipment -			
9	Supplies			
10	Restricted Funds	-0-	25,000	-0-
11	006. Magoffin County Fiscal Court - Park Renovation			
12	Restricted Funds	-0-	15,000	75,000
13	007. Magoffin County Fiscal Court - REACH			
14	Restricted Funds	-0-	20,000	-0-
15	008. Magoffin County Fiscal Court - Senior Citizens Center - Supplies -			
16	Operations			
17	Restricted Funds	-0-	25,000	25,000
18	009. Magoffin County Fiscal Court - Sheriff's Department - Equipment - Supplies -			
19	Vehicles			
20	Restricted Funds	-0-	75,000	-0-
21	010. Magoffin County Fiscal Court - South Magoffin Volunteer Fire Department -			
22	Building Construction			
23	Restricted Funds	-0-	76,000	-0-
24	011. Magoffin County Fiscal Court - South Magoffin Volunteer Fire Department -			
25	Personal Protective Equipment			
26	Restricted Funds	-0-	-0-	25,000
27	012. Magoffin County Health Department - Debt Service Retirement			

1	Restricted Funds	-0-	75,000	75,000
2	013. Magoffin County Library Board - Renovations or Debt Service Reduction			
3	Restricted Funds	-0-	100,000	100,000
4	014. Salyersville Water Works - Salyersville Raw Water Supply Project - Drilled			
5	Production Wells (WX21153519)			
6	Restricted Funds	-0-	-0-	500,000
7	015. Salyersville Water Works - Salyersville Water Plant Improvements Project			
8	(WX21153517)			
9	Restricted Funds	-0-	500,000	-0-
10	Martin County			
11	001. Martin County Fiscal Court - Big Sandy Regional Airport - Terminal Repairs			
12	and Rehabilitation			
13	Restricted Funds	-0-	50,000	-0-
14	002. Martin County Fiscal Court - Family Resource Centers			
15	Restricted Funds	-0-	60,000	-0-
16	003. Martin County Fiscal Court - Inez Library			
17	Restricted Funds	-0-	15,000	-0-
18	004. Martin County Fiscal Court - Martin County Health Department - Colon			
19	Cancer Screening/Care			
20	Restricted Funds	-0-	50,000	-0-
21	005. Martin County Fiscal Court - Senior Citizens Meals on Wheels			
22	Restricted Funds	-0-	15,000	-0-
23	006. Martin County Fiscal Court - Warfield Fire Department - Equipment			
24	Restricted Funds	-0-	50,000	-0-
25	Menifee County			
26	001. Menifee County Board of Education - HOPE - Abstinence Education			
27	Restricted Funds	-0-	5,000	5,000

1	002.	Menifee County Board of Education - Transport Van			
2		Restricted Funds	-0-	-0-	20,000
3	003.	Menifee County Board of Education - Video and Communication Room			
4		Restricted Funds	-0-	7,500	-0-
5	004.	Menifee County Fiscal Court - Broke Leg Falls Park - Improvements			
6		Restricted Funds	-0-	-0-	12,000
7	005.	Menifee County Fiscal Court - Fire Department Building			
8		Restricted Funds	-0-	216,400	-0-
9	006.	Menifee County Fiscal Court - Gateway House Homeless Shelter			
10		Restricted Funds	-0-	-0-	3,900
11	007.	Menifee County Fiscal Court - Menifee Animal Shelter - Improvements -			
12		Supplies			
13		Restricted Funds	-0-	-0-	25,000
14	008.	Menifee County Fiscal Court - Senior Citizens Center - Planning and Design			
15		Restricted Funds	-0-	-0-	25,000
16	009.	Menifee County Project Worth and Education Center - Food Pantry and			
17		Supplies			
18		Restricted Funds	-0-	-0-	6,000
19	010.	Menifee County Sheriff's Department - Office Building Remodel - Equipment			
20		and Building Improvements			
21		Restricted Funds	-0-	-0-	10,000
22	011.	Menifee County Sheriff's Department - Operation Unite			
23		Restricted Funds	-0-	-0-	10,000
24	012.	Menifee County Sheriff's Office - Neighbors Unite Crime Watch Program			
25		Restricted Funds	-0-	5,000	5,000

26 **Morgan County**

27 **001.** City of West Liberty - Food Bank - Helping Hands Food Pantry

1	Restricted Funds	-0-	5,000	-0-
2	002. City of West Liberty - Morgan County Appalachian Regional Hospital and St.			
3	Claire Regional Medical Center			
4	Restricted Funds	-0-	100,000	-0-
5	003. City of West Liberty - Side Walk Repairs			
6	Restricted Funds	-0-	10,000	-0-
7	004. City of West Liberty - West Liberty/Morgan County Fire Department			
8	Building			
9	Restricted Funds	-0-	200,000	-0-
10	005. Morgan County Board of Education - HOPE - Abstinence Education			
11	Restricted Funds	-0-	5,000	5,000
12	006. Morgan County Fiscal Court - Eight Fire Departments and One Rescue Squad			
13	- Equally Divided			
14	Restricted Funds	-0-	90,000	-0-
15	007. Morgan County Fiscal Court - Equipment - Road Maintenance and Snow			
16	Removal			
17	Restricted Funds	-0-	75,000	-0-
18	008. Morgan County Fiscal Court - Gateway House Homeless Shelter			
19	Restricted Funds	-0-	5,000	5,000
20	009. Morgan County Public Library - Purchase Books			
21	Restricted Funds	-0-	25,000	-0-
22	010. Morgan County Schools - Youth Health and Wellness Drug Prevention			
23	Program			
24	Restricted Funds	-0-	50,000	50,000
25	011. Morgan County Sheriff's Department - Operation Unite			
26	Restricted Funds	-0-	10,000	-0-
27	012. Morgan County Sheriff's Department - Sheriff's Department - Equipment			

1	Purchase			
2	Restricted Funds	-0-	-0-	50,000

3 **Muhlenberg County**

4	001. City of Drakesboro - Sewer Line - Replacement - Improvements			
5	Restricted Funds	-0-	170,000	-0-

6	002. City of Greenville - Downtown Renovation			
7	Restricted Funds	-0-	100,000	-0-

8	003. City of Greenville - Muhlenberg Community Theater - Renovation			
9	Restricted Funds	-0-	-0-	25,000

10	004. Muhlenberg County Fiscal Court - Courthouse - Renovation			
11	Restricted Funds	-0-	500,000	500,000

12	005. Muhlenberg County Fiscal Court - Support of Muhlenberg Economic			
13	Enterprises - Industrial Recruitment/Office Expenses			
14	Restricted Funds	-0-	50,000	50,000

15	006. Muhlenberg County Water District #1 - Purchase Generators			
16	Restricted Funds	-0-	20,000	-0-

17	007. Muhlenberg County Water District #3 - Purchase Generators			
18	Restricted Funds	-0-	100,000	-0-

19 **Ohio County**

20	001. Ohio County Fiscal Court - Animal Shelter - Construction			
21	Restricted Funds	-0-	-0-	60,000

22	002. Ohio County Fiscal Court - Equipment Purchases			
23	Restricted Funds	-0-	129,667	64,490

24	003. Ohio County Fiscal Court - Upgrade and Repair County Roads			
25	Restricted Funds	-0-	71,212	-0-

26 **Owsley County**

27	001. City of Booneville - Purchase - Street Lights			
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1	Restricted Funds	-0-	35,000	-0-
2	002. City of Booneville - Sewer and Water Line Extensions			
3	Restricted Funds	-0-	195,303	-0-
4	003. Owsley County Fiscal Court - Action Place - Improvements			
5	Restricted Funds	-0-	75,000	-0-
6	004. Owsley County Fiscal Court - Land Purchase			
7	Restricted Funds	-0-	100,000	100,000
8	005. Owsley County Fiscal Court - Owsley County Library - Grounds - Equipment			
9	Restricted Funds	-0-	25,000	25,000
10	006. Owsley County Fiscal Court - Purchase - Splash Pool			
11	Restricted Funds	-0-	-0-	93,393

12 **Perry County**

13	001. City of Hazard - City of Hazard			
14	Restricted Funds	-0-	50,000	50,000
15	002. Perry County Fiscal Court - Buckhorn Water System - Improvements			
16	Restricted Funds	-0-	100,000	-0-
17	003. Perry County Fiscal Court - Challenger Center			
18	Restricted Funds	-0-	75,000	75,000
19	004. Perry County Fiscal Court - County Radio System Tower			
20	Restricted Funds	-0-	-0-	150,000
21	005. Perry County Fiscal Court - Fire Department and Rescue - Equipment			
22	Restricted Funds	-0-	130,000	130,000
23	006. Perry County Fiscal Court - Hazard Independent School - Supplies -			
24	Improvements			
25	Restricted Funds	-0-	150,000	150,000
26	007. Perry County Fiscal Court - Hospice of the Bluegrass - Hazard In-Patient			
27	Facility			

1	Restricted Funds	-0-	100,000	100,000
2	008. Perry County Fiscal Court - North Perry Water - Extensions			
3	Restricted Funds	-0-	-0-	250,000
4	009. Perry County Fiscal Court - Perry County Fiscal Court			
5	Restricted Funds	-0-	220,000	300,000
6	010. Perry County Fiscal Court - Perry County Park - Improvements			
7	Restricted Funds	-0-	50,000	-0-
8	011. Perry County Fiscal Court - Perry County Schools - Supplies - Improvements			
9	Restricted Funds	-0-	200,000	200,000
10	012. Perry County Fiscal Court - Retire 2009 Lease Obligation for Road Projects			
11	Restricted Funds	-0-	2,000,000	-0-
12	013. Perry County Fiscal Court - South Perry Water - Extensions			
13	Restricted Funds	-0-	-0-	300,000
14	014. Perry County Fiscal Court - University College of the Mountains			
15	Restricted Funds	-0-	150,000	150,000
16	015. Perry County Fiscal Court - Vicco			
17	Restricted Funds	-0-	50,000	50,000
18	Pike County			
19	001. City of Coal Run Village - Infrastructure - Improvements			
20	Restricted Funds	-0-	175,000	175,000
21	002. City of Elkhorn City - Elkhorn City Housing			
22	Restricted Funds	-0-	45,000	45,000
23	003. City of Elkhorn City - Infrastructure - Improvements			
24	Restricted Funds	-0-	50,000	50,000
25	004. City of Elkhorn City - Water and Sewer Infrastructure			
26	Restricted Funds	-0-	50,000	50,000
27	005. City of Elkhorn City - Whitewater Project Design			

1	Restricted Funds	-0-	-0-	40,000
2	006. City of Pikeville - Infrastructure - Equipment - Project Planning			
3	Restricted Funds	-0-	125,000	200,000
4	007. City of Pikeville - Storm Water Separation Project			
5	Restricted Funds	-0-	175,000	175,000
6	008. City of Pikeville - Various Water and Sewer Projects			
7	Restricted Funds	-0-	799,000	321,000
8	009. Mountain Water District - Debt Service			
9	Restricted Funds	-0-	375,000	375,000
10	010. Mountain Water District - Majestic Alternative Sewer Project			
11	Restricted Funds	-0-	592,000	592,000
12	011. Mountain Water District - Tank and Pump Station Rehab			
13	Restricted Funds	-0-	375,000	375,000
14	012. Pike County Board of Education - Belfry High School - Pike Central High			
15	School - East Ridge High School - Phelps High School - Shelby Valley High			
16	School - Belfry Middle School - Instructional Equipment			
17	Restricted Funds	-0-	280,000	-0-
18	013. Pike County Board of Education - STEM Program			
19	Restricted Funds	-0-	25,000	25,000
20	014. Pike County Fiscal Court - Artist Collaborative Theater (ACT)			
21	Restricted Funds	-0-	50,000	50,000
22	015. Pike County Fiscal Court - Belfry Fire Department - South Williamson			
23	Station Construction - Building Project			
24	Restricted Funds	-0-	100,000	100,000
25	016. Pike County Fiscal Court - Big Creek Fire Department - Building Project			
26	Restricted Funds	-0-	100,000	-0-
27	017. Pike County Fiscal Court - Big Sandy Heritage Center - Improvements			

1	Restricted Funds	-0-	25,000	-0-
2	018. Pike County Fiscal Court - Blackberry Senior Citizens - Building Project			
3	Restricted Funds	-0-	30,000	-0-
4	019. Pike County Fiscal Court - Child Advocacy Center Property Acquisition and			
5	Debt Service			
6	Restricted Funds	-0-	25,000	25,000
7	020. Pike County Fiscal Court - Dorton Building Project			
8	Restricted Funds	-0-	100,000	-0-
9	021. Pike County Fiscal Court - Dorton Fire Department - Equipment Acquisition			
10	Restricted Funds	-0-	-0-	50,000
11	022. Pike County Fiscal Court - East Kentucky Expo Center			
12	Restricted Funds	-0-	200,000	200,000
13	023. Pike County Fiscal Court - Elkhorn City Fire Department - Equipment			
14	Acquisition			
15	Restricted Funds	-0-	50,000	-0-
16	024. Pike County Fiscal Court - EQT Site Preparation			
17	Restricted Funds	-0-	750,000	-0-
18	025. Pike County Fiscal Court - Ferrells Creek NHW Property Acquisition			
19	Restricted Funds	-0-	50,000	-0-
20	026. Pike County Fiscal Court - Grapevine Volunteer Fire Department			
21	Restricted Funds	-0-	-0-	50,000
22	027. Pike County Fiscal Court - Hatfield Fire Department - Equipment			
23	Restricted Funds	-0-	50,000	-0-
24	028. Pike County Fiscal Court - HELP			
25	Restricted Funds	-0-	25,000	25,000
26	029. Pike County Fiscal Court - IFLOWS Rain and Stream Gauges - Shelby Valley			
27	Watershed			

1	Restricted Funds	-0-	-0-	30,000
2	030. Pike County Fiscal Court - Joes Creek Building Project			
3	Restricted Funds	-0-	10,000	-0-
4	031. Pike County Fiscal Court - Kentucky HOPE			
5	Restricted Funds	-0-	25,000	25,000
6	032. Pike County Fiscal Court - Kimper Building - Completion			
7	Restricted Funds	-0-	100,000	-0-
8	033. Pike County Fiscal Court - Magisterial District Infrastructure			
9	Restricted Funds	-0-	600,000	600,000
10	034. Pike County Fiscal Court - Marrowbone Senior Citizens - Vehicle Acquisition			
11	Restricted Funds	-0-	30,000	-0-
12	035. Pike County Fiscal Court - Millard Fire Department - Equipment Acquisition			
13	Restricted Funds	-0-	-0-	50,000
14	036. Pike County Fiscal Court - Mouthcard Building Project Completion			
15	Restricted Funds	-0-	50,000	-0-
16	037. Pike County Fiscal Court - Phelps Fire Department - Equipment Acquisition			
17	Restricted Funds	-0-	50,000	-0-
18	038. Pike County Fiscal Court - Phelps Road Department Building			
19	Restricted Funds	-0-	100,000	-0-
20	039. Pike County Fiscal Court - Pike County Health Department - Colon Cancer			
21	Screening/Care			
22	Restricted Funds	-0-	50,000	-0-
23	040. Pike County Fiscal Court - Pike County Housing Authority - Infrastructure			
24	Restricted Funds	-0-	50,000	50,000
25	041. Pike County Fiscal Court - Pikeville HOPE			
26	Restricted Funds	-0-	25,000	25,000
27	042. Pike County Fiscal Court - RAM Program			

1	Restricted Funds	-0-	35,000	-0-
2	043. Pike County Fiscal Court - Senior Citizens Center Program - Equipment -			
3	Supplies			
4	Restricted Funds	-0-	50,000	50,000
5	044. Pike County Fiscal Court - Shelby Creek Rescue Squad - Vehicle Acquisition			
6	Restricted Funds	-0-	90,000	-0-
7	045. Pike County Fiscal Court - Shelby Valley Fire Department - Equipment			
8	Acquisition			
9	Restricted Funds	-0-	25,000	25,000
10	046. Pike County Fiscal Court - Turkey Creek Fire Department - Truck			
11	Acquisition			
12	Restricted Funds	-0-	-0-	50,000
13	047. Pike County Fiscal Court - Volunteer Fire Departments - Equipment -			
14	Supplies			
15	Restricted Funds	-0-	50,000	50,000
16	048. Pike County Fiscal Court - WEB Based Warning/Notification System			
17	Restricted Funds	-0-	10,000	-0-
18	049. Pikeville Independent Board of Education - Technology Acquisition			
19	Restricted Funds	-0-	50,000	50,000
20	050. Pike County Fiscal Court - Blackberry Volunteer Fire Department - Fire Truck			
21	Acquisition			
22	Restricted Funds	-0-	75,000	-0-
23	Pulaski County			
24	001. Pulaski County Fiscal Court - Senior Citizens Center			
25	Restricted Funds	-0-	133,840	62,626
26	Rockcastle County			
27	001. City of Brodhead - Brodhead Fire Department			

1	Restricted Funds	-0-	6,500	6,500
2	002. City of Livingston - Livingston Fire Department			
3	Restricted Funds	-0-	6,500	6,500
4	003. City of Mount Vernon - Kentucky Music Museum and Hall of Fame			
5	Restricted Funds	79,647	25,614	47,366
6	004. City of Mount Vernon - Mt. Vernon Fire Department			
7	Restricted Funds	-0-	6,500	6,500
8	005. Rockcastle County Fiscal Court - Brindle Ridge Fire Department			
9	Restricted Funds	-0-	6,500	6,500
10	006. Rockcastle County Fiscal Court - Pongo Fire Department			
11	Restricted Funds	-0-	6,500	6,500
12	007. Rockcastle County Fiscal Court - Rockcastle County Library - Book Mobile			
13	Restricted Funds	-0-	25,614	-0-
14	008. Rockcastle County Fiscal Court - Rockcastle Fire Department - Rescue Squad			
15	Restricted Funds	-0-	6,500	6,500
16	009. Rockcastle County Fiscal Court - Western Rockcastle Volunteer Fire			
17	Department			
18	Restricted Funds	-0-	6,500	6,500
19	Union County			
20	001. City of Sturgis - Water Treatment Plant - Water Intake Generator			
21	Restricted Funds	-0-	261,500	-0-
22	002. City of Uniontown - Turner Community Center - Equipment - Upgrades			
23	Restricted Funds	-0-	100,000	-0-
24	003. Union County Fiscal Court - Animal Shelter			
25	Restricted Funds	-0-	125,000	-0-
26	004. Union County Fiscal Court - Emergency Management Services - Purchase			
27	Pump Truck			

1	Restricted Funds	-0-	450,000	-0-
2	005. Union County Fiscal Court - Main Street Sewer - Lift Station - Upgrades			
3	Restricted Funds	-0-	25,000	-0-
4	006. Union County Fiscal Court - Multi County Energy Initiative			
5	Restricted Funds	-0-	10,000	-0-
6	007. Union County Fiscal Court - Repair Drainage In and Around Union County			
7	Restricted Funds	-0-	125,000	-0-
8	008. Union County Fiscal Court - Senior Citizens Center - Youth Center - Sewer			
9	Plant Upgrades			
10	Restricted Funds	-0-	150,000	-0-
11	009. Union County Fiscal Court - Sewer System - Old Providence Road -			
12	Generator			
13	Restricted Funds	-0-	50,000	-0-
14	010. Union County Fiscal Court - Sewer System Lift Station - 15th Street -			
15	Generator			
16	Restricted Funds	-0-	50,000	-0-
17	011. Union County Fiscal Court - Speculation Building Work			
18	Restricted Funds	-0-	200,000	-0-
19	012. Union County Fiscal Court - Walking Bridge - Sewer System Generator -			
20	13th Street			
21	Restricted Funds	-0-	100,000	-0-
22	013. Union County Fiscal Court - YMCA - Construction - Remodeling -			
23	Equipment			
24	Restricted Funds	-0-	200,000	-0-
25	Webster County			
26	001. City of Clay - Fire Department Building - Improvements - Upgrades			
27	Restricted Funds	-0-	-0-	150,000

1	002. City of Clay - Sewer Department - Expansion - Improvements			
2	Restricted Funds	-0-	125,000	-0-
3	003. City of Clay - Water Department - Improvements			
4	Restricted Funds	-0-	25,000	-0-
5	004. City of Dixon - Baker Park - Playground Equipment - Improvements			
6	Restricted Funds	-0-	50,000	-0-
7	005. City of Dixon - Fire Department - Purchase Generator and Equipment			
8	Restricted Funds	-0-	-0-	25,000
9	006. City of Dixon - Water Line Replacement - Main Lines to School			
10	Restricted Funds	-0-	225,000	-0-
11	007. City of Providence - Debt Service - Water and Sewer Plants			
12	Restricted Funds	-0-	330,000	-0-
13	008. City of Providence - Emergency Disaster Relief Building and Equipment			
14	Restricted Funds	-0-	-0-	60,000
15	009. City of Providence - Sewer Line Improvements to Mitigate Water Infiltration			
16	Restricted Funds	-0-	-0-	175,000
17	010. City of Sebree - Carhartt Building - Pump Station			
18	Restricted Funds	-0-	75,000	-0-
19	011. City of Sebree - Match for Safe Schools Project			
20	Restricted Funds	-0-	80,000	-0-
21	012. City of Sebree - Purchase Fire Truck			
22	Restricted Funds	-0-	200,000	-0-
23	013. City of Slaughters - Park Improvements			
24	Restricted Funds	-0-	50,000	-0-
25	014. City of Wheatcroft - Fire Department - Purchase Equipment and Generators			
26	Restricted Funds	-0-	-0-	20,000
27	015. Webster County Fiscal Court - Animal Shelter			

1	Restricted Funds	-0-	125,000	-0-
2	016. Webster County Fiscal Court - Blackford Fire Department - Equipment			
3	Restricted Funds	-0-	-0-	10,000
4	017. Webster County Fiscal Court - Fire Department - Ladder Truck Equipment			
5	Restricted Funds	-0-	40,000	-0-
6	018. Webster County Fiscal Court - Northwest Kentucky Energy Initiative			
7	Restricted Funds	-0-	10,000	-0-
8	019. Webster County Fiscal Court - Onton Fire Department - Equipment			
9	Restricted Funds	-0-	-0-	10,000
10	020. Webster County Fiscal Court - Poole Fire Department - Equipment			
11	Restricted Funds	-0-	-0-	10,000
12	021. Webster County Fiscal Court - Slaughters Fire Department - Equipment			
13	Restricted Funds	-0-	-0-	10,000

14 **Whitley County**

15	001. City of Corbin - Ridgeport Point Water Line			
16	Restricted Funds	-0-	141,139	135,503

17 **Wolfe County**

18	001. City of Campton - Campton City Park - Improvements			
19	Restricted Funds	-0-	10,000	10,000
20	002. City of Campton - Water Improvements			
21	Restricted Funds	-0-	80,000	20,000
22	003. City of Campton - Wolfe County Conservation District - Upgrades			
23	Restricted Funds	-0-	5,000	5,000
24	004. Wolfe County Board of Education - Athletic Department - Equipment			
25	Restricted Funds	-0-	25,000	-0-
26	005. Wolfe County Board of Education - Campton Elementary - Technology			
27	Improvements			

1	Restricted Funds	-0-	5,000	-0-
2	006. Wolfe County Board of Education - Red River Elementary School - Building			
3	Grounds - Technology Improvements - Various Other Expenses			
4	Restricted Funds	-0-	20,000	-0-
5	007. Wolfe County Board of Education - Rogers Elementary - Technology			
6	Improvements			
7	Restricted Funds	-0-	5,000	-0-
8	008. Wolfe County Board of Education - Safe Routes to School - Equipment -			
9	Upgrades			
10	Restricted Funds	-0-	10,000	5,000
11	009. Wolfe County Board of Education - Wolfe County High School - Technology			
12	Improvements			
13	Restricted Funds	-0-	5,000	-0-
14	010. Wolfe County Board of Education - Wolfe County Middle School -			
15	Technology Improvements			
16	Restricted Funds	-0-	5,000	-0-
17	011. Wolfe County Fiscal Court - Adult Education - Supplies			
18	Restricted Funds	-0-	15,000	5,000
19	012. Wolfe County Fiscal Court - Campton Fire Department - Equipment -			
20	Supplies			
21	Restricted Funds	-0-	5,000	5,000
22	013. Wolfe County Fiscal Court - Hazel Green/Lee City Fire Department -			
23	Equipment - Supplies			
24	Restricted Funds	-0-	100,000	-0-
25	014. Wolfe County Fiscal Court - Rehab Old Elementary School - Equipment -			
26	Supplies - Upgrades			
27	Restricted Funds	-0-	-0-	20,000

1	015. Wolfe County Fiscal Court - Sandy Ridge Road			
2	Restricted Funds	-0-	10,000	10,000
3	016. Wolfe County Fiscal Court - Senior Citizens Center - Enhancement			
4	Restricted Funds	-0-	10,000	10,000
5	017. Wolfe County Fiscal Court - Swift Silvermine Festival Committee -			
6	Improvements			
7	Restricted Funds	-0-	5,000	5,000
8	018. Wolfe County Fiscal Court - Veteran Enhancement - Upgrades			
9	Restricted Funds	-0-	10,000	-0-
10	019. Wolfe County Fiscal Court - Wolfe County Community Park - Improvements			
11	Restricted Funds	-0-	50,000	50,000
12	020. Wolfe County Fiscal Court - Wolfe County Search and Rescue - Equipment -			
13	Supplies			
14	Restricted Funds	-0-	5,000	5,000
15	021. Wolfe County Fiscal Court - Wolfe County Sheriff's Department - Equipment			
16	Restricted Funds	-0-	10,000	-0-

PART III

GENERAL PROVISIONS

17

18

19 **1. Funds Designations:** Restricted Funds designated in the biennial budget bills

20 are classified in the state financial records and reports as the Agency Revenue Fund, State

21 Enterprise Funds (State Parks, State Fair Board, Insurance Administration, and Kentucky

22 Horse Park), Internal Services Funds (Fleet Management, Computer Services,

23 Correctional Industries, Central Printing, Risk Management, and Property Management),

24 and selected Fiduciary Funds (Other Expendable Trust Funds). Separate funds records

25 and reports shall be maintained in a manner consistent with the branch budget bills.

26 The sources of Restricted Funds appropriations in this Act shall include all fees

27 (which includes fees for room and board, athletics, and student activities) and rentals,

1 admittances, sales, bond proceeds, licenses collected by law, gifts, subventions,
 2 contributions, income from investments, and other miscellaneous receipts produced or
 3 received by a budget unit, except as otherwise specifically provided, for the purposes, use,
 4 and benefit of the budget unit as authorized by law. Restricted Funds receipts shall be
 5 credited and allotted to the respective fund or account out of which a specified
 6 appropriation is made in this Act. All receipts of Restricted Funds shall be deposited in
 7 the State Treasury and credited to the proper account as provided in KRS Chapters 12, 42,
 8 45, and 48.

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

17 **2. Expenditure of Excess Restricted Funds or Federal Funds Receipts:** If
 18 receipts received or credited to the Restricted Funds accounts or Federal Funds accounts
 19 of a budget unit during fiscal year 2010-2011 or fiscal year 2011-2012, and any balance
 20 forwarded to the credit of these same accounts from the previous fiscal year, exceed the
 21 appropriation made by specific sum for these accounts of the budget unit as provided in
 22 Part I, Operating Budget, of this Act, for the fiscal year in which the excess occurs, the
 23 excess funds in the accounts of the budget unit shall become available for expenditure for
 24 the purpose of the account during the fiscal year only upon compliance with the
 25 conditions and procedures specified in KRS 48.400, 48.500, 48.600, 48.605, 48.610,
 26 48.620, 48.630, 48.730, and 48.800 of this Act, and with the authorization of the State
 27 Budget Director and approval of the Secretary of the Finance and Administration Cabinet.

1 Prior to authorizing the appropriation of any excess, unbudgeted Restricted Funds
2 pursuant to this section, the State Budget Director and the Secretary of the Finance and
3 Administration Cabinet shall review the adequacy of the General Fund Surplus Account
4 with respect to its availability to support authorized expenditures from the General Fund
5 Surplus Account, known as Necessary Government Expenses. In the event that General
6 Fund Surplus Account moneys are determined by this review to be adequate to meet
7 known or anticipated Necessary Government Expenses during fiscal year 2010-2011 or
8 fiscal year 2011-2012, respectively, then the appropriation increase may be approved. In
9 the event that the review indicates that there are insufficient funds available or reasonably
10 estimated to become available to the General Fund Surplus Account to meet known or
11 projected Necessary Government Expenses for the fiscal years enumerated above, the
12 State Budget Director and the Secretary of the Finance and Administration Cabinet may
13 disapprove the request for additional Restricted Funds expenditure authority and may
14 direct the excess Restricted Funds identified to the General Fund Surplus Account in
15 order to meet Necessary Government Expense obligations. The results of any review shall
16 be reported to the Interim Joint Committee on Appropriations and Revenue in accordance
17 with KRS 48.400, 48.500, 48.600, 48.605, 48.610, 48.620, 48.630, 48.730, and 48.800.

18 Any request made by a budget unit pursuant to KRS 48.630 that relates to
19 Restricted Funds or Federal Funds shall include documentation showing a comparative
20 statement of revised estimated receipts by fund source and the proposed expenditures by
21 proposed use, with the appropriated sums specified in the Budget of the Commonwealth,
22 and statements which explain the cause, source, and use for any variances which may
23 exist.

24 Each budget unit shall submit its reports in print and electronic format consistent
25 with the Restricted Funds and Federal Funds records contained in the fiscal biennium
26 2010-2012 Branch Budget Request Manual and according to the following schedule in
27 each fiscal year: (a) On or before the beginning of each fiscal year; (b) On or before

1 October 1; (c) On or before January 1; and (d) On or before April 1.

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

9 Notwithstanding KRS 48.630(3), (4), and (5), any proposed and recommended
 10 actions to increase appropriations for funds specified in Section 2. of this Part shall be
 11 scheduled consistent with the timetable contained in that section in order to provide
 12 continuous and timely budget information.

13 **4. Revision of Appropriation Allotments:** Allotments within appropriated
 14 sums for the activities and purposes contained in the enacted State/Executive Budget shall
 15 conform to KRS 48.610 and may be revised pursuant to KRS 48.605 and this Act.

16 **5. Appropriations Expenditure Purpose and Transfer Restrictions:** Funds
 17 appropriated in this Act shall not be expended for any purpose not specifically authorized
 18 by the General Assembly in this Act nor shall funds appropriated in this Act be
 19 transferred to or between any cabinet, department, board, commission, institution, agency,
 20 or budget unit of state government unless specifically authorized by the General
 21 Assembly in this Act and the provisions of KRS 48.400, 48.500, 48.600, 48.605, 48.610,
 22 48.620, 48.630, 48.700, 48.705, 48.710, 48.720, 48.730, 48.800, and 48.810. Compliance
 23 with the provisions of this section shall be reviewed and determined by the Interim Joint
 24 Committee on Appropriations and Revenue.

25 **6. Permitted Appropriation Obligations:** No state agency, cabinet,
 26 department, office, or program shall incur any obligation against the General Fund or
 27 Road Fund appropriations contained in this Act unless the obligation may be reasonably

1 determined to have been contemplated in the enacted State/Executive Budget and is based
 2 upon supporting documentation considered by the General Assembly, legislative and
 3 executive records, and the statutory budget memorandum.

4 **7. Lapse of General Fund or Road Fund Appropriations Supplanted by**
 5 **Federal Funds:** Any General Fund or Road Fund appropriation made in anticipation of a
 6 lack, loss, or reduction of Federal Funds shall lapse to the General Fund or Road Fund
 7 Surplus Account, respectively, to the extent the Federal Funds otherwise become
 8 available.

9 **8. Federally Funded Agencies:** A state agency entitled to Federal Funds, which
 10 would represent 100 percent of the cost of a program, shall conform to KRS 48.730.

11 **9. Lapse of General Fund or Road Fund Excess Debt Service**
 12 **Appropriations:** Pursuant to KRS 48.720, any excess General Fund or Road Fund debt
 13 service shall lapse to the respective surplus account unless otherwise directed in this Act.

14 **10. Statutes in Conflict:** All statutes and portions of statutes in conflict with any
 15 of the provisions of this Act, to the extent of the conflict, are suspended unless otherwise
 16 provided by this Act.

17 **11. Construction of Budget Provisions on Statutory Budget Administration**
 18 **Powers and Duties:** Nothing in this Act is to be construed as amending or altering the
 19 provisions of Chapters 42, 45, and 48 of the Kentucky Revised Statutes pertaining to the
 20 duties and powers of the Secretary of the Finance and Administration Cabinet except as
 21 otherwise provided in this Act.

22 **12. Interpretation of Appropriations:** All questions that arise in interpreting any
 23 appropriation in this Act as to the purpose or manner for which the appropriation may be
 24 expended shall be decided by the Secretary of the Finance and Administration Cabinet
 25 pursuant to KRS 48.500, and the decision of the Secretary of the Finance and
 26 Administration Cabinet shall be final and conclusive.

27 **13. Publication of the Budget of the Commonwealth:** The State Budget

1 Director shall cause the Governor's Office for Policy and Management, within 60 days of
 2 adjournment of the 2010 First Extraordinary Session of the General Assembly, to publish
 3 a final enacted budget document, styled the Budget of the Commonwealth, based upon
 4 the Legislative Budget, State/Executive Budget, and Judicial Budget as enacted by the
 5 2010 Regular or Extraordinary Sessions, as well as other Acts which contain
 6 appropriation provisions for the 2010-2012 fiscal biennium, and based upon supporting
 7 documentation and legislative records as considered by the 2010 Regular or Extraordinary
 8 Sessions, and the statutory budget memorandum. This document shall include, for each
 9 agency and budget unit, a consolidated budget summary statement of available regular
 10 and continuing appropriated revenue by fund source, corresponding appropriation
 11 allocations by program or subprogram as appropriate, budget expenditures by principal
 12 budget class and for the State/Executive Budget, and any other fiscal data and
 13 commentary considered necessary for budget execution by the Governor's Office for
 14 Policy and Management and oversight by the Interim Joint Committee on Appropriations
 15 and Revenue. The enacted State/Executive Budget shall be revised or adjusted only upon
 16 approval by the Governor's Office for Policy and Management as provided in each Part of
 17 this Act and by KRS 48.400, 48.500, 48.600, 48.605, 48.610, 48.620, 48.630, 48.700,
 18 48.705, 48.710, 48.720, 48.730, 48.800, and 48.810, and upon review by the Interim Joint
 19 Committee on Appropriations and Revenue.

20 **14. State Financial Condition:** Pursuant to KRS 48.400, the State Budget
 21 Director shall monitor and report on the financial condition of the Commonwealth.

22 **15. Prorating Administrative Costs:** The Secretary of the Finance and
 23 Administration Cabinet is authorized to establish a system or formula or a combination of
 24 both for prorating the administrative costs of the Finance and Administration Cabinet, the
 25 Department of the Treasury, and the Office of the Attorney General relative to the
 26 administration of programs in which there is joint participation by the state and federal
 27 governments for the purpose of receiving the maximum amount of participation permitted

1 under the appropriate federal laws and regulations governing the programs. The receipts
 2 and allotments under this section shall be reported to the Interim Joint Committee on
 3 Appropriations and Revenue prior to any transfer of funds.

4 **16. Construction of Budget Provisions Regarding Executive Reorganization**

5 **Orders:** Nothing in this Act shall be construed to confirm or ratify, under KRS 12.027 or
 6 12.028, any executive reorganization order unless the executive order was confirmed or
 7 ratified by appropriate amendment to the Kentucky Revised Statutes in another Act of the
 8 2010 Regular Session of the General Assembly. If any executive reorganization order
 9 issued from sine die adjournment of the 2009 Regular Session to sine die adjournment of
 10 the 2010 Regular Session was not confirmed by the 2010 Regular Session of the General
 11 Assembly, the Secretary of the Finance and Administration Cabinet shall, in consultation
 12 with agency heads and with notification to the Legislative Research Commission, transfer
 13 the balance of funds for any affected program or function for fiscal year 2009-2010 and
 14 any related appropriations and funds for each of the next two fiscal years from the budget
 15 unit in which the program or function was placed by the executive reorganization order to
 16 the budget unit in which the program or function resided prior to the reorganization action
 17 or in which it was placed by action of the 2010 Regular Session of the General Assembly.

18 **17. Budget Planning Report:** By August 15, 2011, the State Budget Director, in
 19 conjunction with the Consensus Forecasting Group, shall provide to each branch of
 20 government, pursuant to KRS 48.120, a budget planning report.

21 **18. Tax Expenditure Revenue Loss Estimates:** By October 15, 2011, the Office
 22 of State Budget Director shall provide to each branch of government detailed estimates
 23 for the General Fund and Road Fund for the current and next two fiscal years of the
 24 revenue loss affected by tax expenditures. The Department of Revenue shall provide
 25 assistance and furnish data which is not restricted by KRS 131.190. "Tax expenditure" as
 26 used in this section means an exemption, exclusion, or deduction from the base of a tax, a
 27 credit against the tax, a deferral of a tax, or a preferential tax rate. The estimates shall

1 include for each tax expenditure the amount of revenue loss, a citation of the legal
2 authority for the tax expenditure, the year in which it was enacted, and the tax year in
3 which it became effective.

4 **19. Duplicate Appropriations:** Any appropriation item and sum in Parts I to X of
5 this Act and in an appropriation provision in any Act of the 2010 Regular Session which
6 constitutes a duplicate appropriation shall be governed by KRS 48.312.

7 **20. Priority of Individual Appropriations:** KRS 48.313 shall control when a
8 total or subtotal figure in this Act conflicts with the sum of the appropriations of which it
9 consists.

10 **21. Severability of Budget Provisions:** Appropriation items and sums in Parts I
11 to X of this Act shall conform to KRS 48.311. If any section, any subsection, or any
12 provision is found by a court of competent jurisdiction in a final, unappealable order to be
13 invalid or unconstitutional, the decision of the courts shall not affect or impair any of the
14 remaining sections, subsections, or provisions.

15 **22. Unclaimed Lottery Prize Money:** For fiscal year 2010-2011 and fiscal year
16 2011-2012, all unclaimed lottery prize money under KRS 154A.110(3) shall be credited
17 to the Kentucky Educational Excellence Scholarship Reserve Account to be held as a
18 subsidiary account within the Finance and Administration Cabinet for the purpose of
19 funding the KEES Program as appropriated in this Act. If the Kentucky Higher Education
20 Assistance Authority certifies to the State Budget Director that the appropriations in this
21 Act for the KEES Program under the existing award schedule are insufficient to meet
22 funds required for eligible applicants, then the State Budget Director shall provide the
23 necessary allotment of funds in the balance of the KEES Reserve Account to fund the
24 KEES Program. Actions taken under this section shall be reported to the Interim Joint
25 Committee on Appropriations and Revenue on a timely basis.

26 **23. Workers' Compensation:** Notwithstanding KRS 342.340(1) or any other
27 provision of law, public sector self-insured employers are not required to deposit funds as

1 security, indemnity, or bond to secure the payment of compensation liabilities, provided
 2 that each public sector employer has the authority to impose taxes or raise tuition in an
 3 amount sufficient to recoup payments of compensation liabilities as they are incurred.
 4 Notwithstanding KRS 342.340(1) and 803 KAR 25:021, sec. 5, the Personnel Cabinet
 5 shall be exempt from procuring excess risk insurance in fiscal year 2010-2011 and fiscal
 6 year 2011-2012 for the Workers' Compensation Benefits and Reserve program
 7 administered by the Cabinet.

8 **24. Undesignated General Fund and Road Fund Carry Forward:**
 9 Notwithstanding KRS 48.700 and 48.705 and other Parts of this Act, the Secretary of the
 10 Finance and Administration Cabinet shall determine and certify, within 30 days of the
 11 close of fiscal year 2009-2010 and fiscal year 2010-2011, the actual amount of
 12 undesignated balance of the General Fund and the Road Fund for the year just ended. The
 13 amounts from the undesignated fiscal year 2009-2010 and fiscal year 2010-2011 General
 14 Fund and Road Fund balances that are designated and carried forward for budgeted
 15 purposes in the 2010-2012 fiscal biennium shall be determined by the State Budget
 16 Director during the close of the respective fiscal year and shall be reported to the Interim
 17 Joint Committee on Appropriations and Revenue within 30 days of the close of the fiscal
 18 year. The General Fund undesignated balance in excess of the amount designated for
 19 budgeted purposes under this section shall be made available for the General Fund
 20 Surplus Expenditure Plan contained in Part VII of this Act unless otherwise provided in
 21 this Act. The Road Fund undesignated balance in excess of the amount designated for
 22 budgeted purposes under this section shall be made available for the Road Fund Surplus
 23 Expenditure Plan contained in Part IX of this Act unless otherwise provided in this Act.

24 **25. Adoption of Budget Reduction:** Notwithstanding KRS 48.130 and 48.600,
 25 the General Assembly adopts and enacts the revised General Fund appropriation levels
 26 for the budget units of the Executive Branch identified in General Fund Budget Reduction
 27 Order 09-01, General Fund Budget Reduction Order 09-02, General Fund Budget

1 Reduction Order 10-01, and General Fund Budget Reduction Order 10-02 and enacts the
 2 transfers to the General Fund of non-General Fund moneys identified in General Fund
 3 Budget Reduction Order 10-02. Notwithstanding KRS 48.130 and 48.600, the General
 4 Assembly adopts and enacts the revised Road Fund appropriation levels for the budget
 5 units of the Executive Branch identified in Road Fund Budget Reduction Order 09-01,
 6 Road Fund Budget Reduction Order 09-02, and Road Fund Budget Reduction Order 10-
 7 01 as modified by Road Fund Budget Order 10-02.

8 **26. General Fund Expenditure Reductions:** The Governor shall reduce General
 9 Fund expenditures appropriated in this Act [~~by \$43,100,000~~] (*Veto Item #14*) in fiscal
 10 year 2010-2011 and [~~by \$71,000,000~~] (*Veto Item #14*) in fiscal year 2011-2012. This
 11 reduction shall be achieved in part but not limited to the following measures: a review of
 12 state contracts, including master agreements and personal services contracts, a
 13 coordination of information technology to include procurement and implementation
 14 practices, a review of improved management and utilization of fleet vehicles, the
 15 identification and sale of surplus assets including real property, and a review of leased
 16 space. The State Budget Director with the recommendation from the Secretary of the
 17 Finance and Administration Cabinet shall utilize the information from these reviews and
 18 associated actions to determine the amount of General Fund expenditure reductions per
 19 year that can be obtained from each budget unit of the Executive Branch. The State
 20 Budget Director is authorized to withhold General Fund allotments associated with the
 21 determined General Fund expenditure reductions. The State Budget Director shall provide
 22 a quarterly report to the Interim Joint Committee on Appropriations and Revenue
 23 outlining the actions taken or planned pursuant to this section. Notwithstanding any
 24 statute or administrative regulation to the contrary, Restricted Funds savings may be
 25 transferred to the General Fund.

26 **27. Reallocation of Appropriations Among Budget Units:** The Executive
 27 Branch shall operate within the appropriations authorized in this Act and the

1 Appropriations Act for the Transportation Cabinet for each budget unit as prescribed by
 2 KRS 48.400 to 48.730, subject to the conditions and procedures stated in this section or
 3 other Parts of this Act.

4 The Secretary of a Cabinet, the Commissioner of the Department of Education, and
 5 other agency heads may request a revision or reallocation among budget units under their
 6 administrative authority of up to ten percent of General Fund or Restricted Funds
 7 appropriations contained in Part I, Operating Budget, of this Act for fiscal year 2010-2011
 8 and fiscal year 2011-2012 for approval by the State Budget Director. No request shall
 9 relate to moneys in a fiduciary fund account unless the account is affected by a
 10 reorganization order promulgated under KRS 12.027. A request shall explain the need
 11 and use for the transfer authority under this section.

12 The amount of transfer of General Fund and Restricted Funds appropriations shall
 13 be separately recorded and reported in the system of financial accounts and reports
 14 provided in KRS Chapter 45.

15 The State Budget Director shall report a revision or transfer made under this
 16 section, in writing, to the Interim Joint Committee on Appropriations and Revenue at
 17 least 30 days prior to the proposed transfer. The Committee shall review the transfer in
 18 the same manner and procedure as provided for an interim unbudgeted appropriation
 19 action under KRS 48.630.

20 **28. Lottery Dividends:** KRS 154A.130(1) establishes the intent of the General
 21 Assembly that it shall be the goal of the Kentucky Lottery Corporation to transfer each
 22 year 35 percent of gross revenues to the General Fund. In fiscal year 2010-2011 and fiscal
 23 year 2011-2012, the Kentucky Lottery Corporation shall remit no less than 28 percent of
 24 gross revenues each year to the General Fund.

25 Notwithstanding KRS 154A.130(3) and (4), 78 percent of the 28 percent remitted to
 26 the General Fund in fiscal year 2010-2011 and fiscal year 2011-2012 shall be distributed
 27 according to the provisions set out in KRS 154A.130(3) and (4) to support higher

1 education scholarship programs. The remaining 22 percent of the 28 percent remitted to
2 the General Fund shall remain in the General Fund to be used to support restoration of
3 higher education funds.

4 **29. Road Fund Resources:** The Transportation Cabinet may use Road Fund
5 resources for the purpose of maintenance or construction of public runways, parking lots,
6 pedways, or other transportation infrastructures which are connected to a roadway and
7 can be traversed by a vehicle.

8 **30. Fiscal Year 2011-2012 Funds Expenditure Restriction:** Except in the case
9 of a declared emergency, the Governor, all agency heads, and all other constitutional
10 officers shall not expend or encumber in the aggregate more than 55 percent of the funds
11 appropriated by this Act during the first half of fiscal year 2011-2012.

12 **31. Civil War Reenactors:** Notwithstanding KRS 38.440, Civil War reenactors
13 may associate, drill, and parade with firearms and/or swords without permission from the
14 Governor before, during, and after Civil War reenactments and events.

15 **32. Budget Implementation:** The General Assembly directs that the Executive
16 Branch shall carry out all appropriations and budgetary language provisions as contained
17 in the State/Executive Budget. The Legislative Research Commission shall review
18 quarterly expenditure data to determine if an agency is out of compliance with this
19 directive. If the Legislative Research Commission suspects that any entity has acted in
20 non-conformity with this section, the Legislative Research Commission may order an
21 audit or review at the agency's expense. Such audit findings, reviews, and reports shall be
22 subject to the Kentucky Open Records law.

23 **33. Information Technology:** All authorized computer information technology
24 projects shall submit a semiannual progress report to the Interim Joint Committee on
25 Appropriations and Revenue. The reporting process shall begin six months after the
26 project is authorized and shall continue through completion of the project. The initial
27 report shall establish a timeline for completion and cash disbursement schedule. Each

1 subsequent report shall update the timeline and budgetary status of the project and explain
2 in detail any issues with completion date and funding.

3 **34. Equipment Service Contracts and Energy Efficiency Measures:** The
4 General Assembly mandates that the Finance and Administration Cabinet review all
5 equipment service contracts to maximize savings to the Commonwealth and to strictly
6 adhere to the provisions of KRS 56.772, 56.782, and 56.784 in maximizing the use of
7 energy efficiency measures.

8 **35. Sale of Abandoned Property by Finance and Administration Cabinet:**
9 Notwithstanding KRS 393.125, unclaimed securities held by the Department of the
10 Treasury may be sold with the receipts, net of estimated claims to be paid, available for
11 appropriation to the General Fund during the 2010-2012 biennium. The Secretary of the
12 Finance and Administration Cabinet shall determine when to initiate the sale of securities
13 based on the market structure and the financial status of the Commonwealth at the time.

14 **36. Premium and Retaliatory Taxes:** Notwithstanding KRS 304.17B-021(4)(d),
15 premium taxes collected under KRS Chapter 136 from any insurer and retaliatory taxes
16 collected under KRS 304.3-270 from any insurer shall be credited to the General Fund.

17 **37. Proceeds from Sale of Surplus Property:** Notwithstanding KRS 45.777, the
18 proceeds from the sale of major items of equipment or real property shall be deposited
19 into the General Fund unless federal funding restraints require otherwise. This provision
20 shall not apply to the sale of real property held as right-of-way and the sale of equipment
21 by the Transportation Cabinet.

22 **38. Kentucky Wine and Vine Fest:** The Kentucky Wine and Vine Fest of
23 Nicholasville, Kentucky, is named and designated as the official state wine festival.

24 **39. Non-Merit Employee Reductions:** The Governor shall reduce a sufficient
25 number of non-merit employees to achieve ~~[\$10,000,000]~~ (Veto Item #14) of savings in
26 fiscal year 2010-2011 and ~~[\$10,000,000]~~ (Veto Item #14) of savings in fiscal year 2011-
27 2012. ~~[The Governor shall not reduce any non-merit employees from the offices of the~~

1 ~~Secretary of State, the Attorney General, the Treasurer, the Commissioner of Agriculture,~~
 2 ~~the Auditor of Public Accounts, the Commonwealth's Attorneys, the County Attorneys,~~
 3 ~~and Kentucky Educational Television.] (Veto Item #14) Notwithstanding any statute or~~
 4 administrative regulation to the contrary, Restricted Funds savings may be transferred to
 5 the General Fund.

6 **40. Reduction of Contract Expenditures:** The Governor shall reduce General
 7 Fund and Restricted Funds contract expenditures ~~[by \$77,900,000] (Veto Item #14)~~ in
 8 fiscal year 2010-2011 and ~~[by \$87,900,000] (Veto Item #14)~~ in fiscal year 2011-2012. To
 9 achieve the reduction in contract expenditures, the Finance and Administration Cabinet
 10 shall:

11 (a) Rebid or renegotiate contracts where current economic conditions have
 12 reduced the cost of the services, goods, or commodities at issue;

13 (b) Review vendor performance to identify and control cost overruns and
 14 underperformance of contractual terms, and maintain an updated list of such contracts;

15 (c) Monitor and document contract performance and oversight in a readily
 16 reviewable format;

17 (d) Implement billing standards to allow meaningful auditing of personal service
 18 contracts;

19 (e) Reduce legal services contracts by requiring utilization of in-house counsel;

20 (f) Document cost overruns in all monitored information technology (IT)
 21 contracts and develop written evaluations of their effectiveness;

22 (g) Reduce sole source contracts to promote savings through the competitive
 23 bidding process; and

24 (h) Reduce modifications to contracts that result in cost increases.

25 Notwithstanding any statute or administrative regulation to the contrary, Restricted
 26 Funds savings may be transferred to the General Fund. No reductions to contracts shall be
 27 made in instances where the contractual agreements stipulate that the payments are used

1 to pay required debt service obligations.

2 The Finance and Administration Cabinet shall report to the Legislative Research
3 Commission no later than December 1, 2010, the efficiencies achieved in contract
4 expenditures.

5 ~~[41. **Debt Service:** Any General Fund moneys appropriated for debt service that is
6 not expended specifically for debt service shall be transferred to the Budget Reserve Trust
7 Fund Account (KRS 48.705). Any debt service savings derived from debt refinancing or
8 debt restructuring may be used to achieve the stated efficiency measures.] (Veto Item #15)~~

9 **PART IV**

10 **STATE SALARY/COMPENSATION, BENEFIT, AND EMPLOYMENT POLICY**

11 **1. Authorized Personnel Complement:** On July 1, 2010, the Personnel Cabinet
12 and the Office of State Budget Director shall establish a record for each budget unit of
13 authorized permanent full-time and other positions based upon the enacted
14 State/Executive Budget of the Commonwealth and any adjustments authorized by
15 provisions in this Act. The total number of filled permanent full-time and all other
16 positions shall not exceed the authorized complements pursuant to this section. An
17 agency head may request an increase in the number of authorized positions to the State
18 Budget Director. Upon approval, the Secretary of the Personnel Cabinet may authorize
19 the employment of individuals in addition to the authorized complement. A report of the
20 actions authorized in this section shall be provided to the Interim Joint Committee on
21 Appropriations and Revenue on a monthly basis.

22 **2. Salary Adjustments:** Notwithstanding KRS 18A.355, no increment is
23 provided in both fiscal year 2010-2011 and fiscal year 2011-2012 on the base salary or
24 wages of each eligible state employee on their anniversary date.

25 **3. Issuance of Employee Paychecks:** Notwithstanding any statute or
26 administrative regulation to the contrary, the state payroll that would normally be
27 scheduled to be paid on June 30, 2012, shall not be issued prior to July 1, 2012. The

1 associated cost of this payroll shall be paid from fiscal year 2012-2013 resources. The
 2 Governor and the Secretary of the Finance and Administration Cabinet shall have the
 3 authority to transfer any Restricted Funds, that become excess as the result of this action,
 4 to the General Fund.

5 **4. Monthly Per Employee Health Insurance Benefits Assessment:** The
 6 Personnel Cabinet shall collect a benefits assessment per month per employee eligible for
 7 health insurance coverage in the state group for duly authorized use by the Personnel
 8 Cabinet in administering its statutory and administrative responsibilities, including but
 9 not limited to administration of the Commonwealth's health insurance program.

10 **5. Employee Cross Reference:** The Personnel Cabinet shall permit married
 11 couples who are both eligible to participate in the state health insurance plan to be
 12 covered under one couple or family tier health benefit plan.

13 **6. Salary and Compensation Fund Distribution:** The State Budget Director
 14 shall determine the amount of funds from the appropriation in Part I, J., 4., of this Act
 15 that is necessary for each budget unit to implement the employer contribution rates for
 16 retirement as set out in Section 10 of this Part. The State Budget Director shall determine
 17 the amount of funds from the appropriation in Part I, J., 4., of this Act that is necessary
 18 for each budget unit to pay the increased costs of health insurance. The State Salary and
 19 Compensation Fund shall be supplemented by Restricted Funds, Federal Funds, the Road
 20 Fund, and other General Fund amounts otherwise appropriated to state agencies. The
 21 amount of moneys transferred from the State Salary and Compensation Fund to state
 22 agencies shall not exceed the additional General Fund cost of the enacted employer
 23 retirement contribution rates and the additional General Fund cost of increased health
 24 insurance. The State Budget Director shall report distributions from the State Salary and
 25 Compensation Fund to the Interim Joint Committee on Appropriations and Revenue.

26 ~~**7. Close of Plan Years and Transfer of Funds:** Notwithstanding KRS~~
 27 ~~18A.2254, Plan Years 2006 and 2007 of the Public Employee Health Insurance Trust~~

1 Fund shall be closed at the end of the day December 31, 2010, and any further receipts or
 2 disbursements attributable to those Plan Years shall be accounted for in a current Plan
 3 Year as a current year activity. Beginning January 1, 2011, the remaining balances
 4 attributable to Plan Years 2006 and 2007 shall be combined and transferred as provided
 5 below:

6 (a) The first \$12,500,000 shall be transferred and credited to Plan Year 2011, and
 7 held in that account until the end of the day December 31, 2011. Beginning January 1,
 8 2012, \$11,000,000 plus any income earned on that amount during Plan Year 2011 shall
 9 be transferred and credited to Plan Year 2012; and

10 (b) All funds in excess of \$12,500,000, shall be transferred and credited to Plan
 11 Year 2011 until the end of the day December 31, 2011, and shall be utilized to cover the
 12 cost of any claims arising in Plan Year 2011 attributable to Plan Year 2006 or Plan Year
 13 2007. Beginning January 1, 2012, the amount not required to satisfy Plan Year 2006 or
 14 Plan Year 2007, plus all income earned on that amount, shall be transferred and credited
 15 to Plan Year 2012.

16 **8. Transfer of Funds Between Plan Years:** Notwithstanding KRS
 17 18A.2254, the Secretary of the Finance and Administration Cabinet and the Secretary of
 18 the Personnel Cabinet shall not transfer any of the Public Employee Health Insurance
 19 Trust Fund moneys from one Plan Year to another, except as directed by Section 7 of this
 20 Part or as provided in this section. This section shall apply retroactively and any transfer
 21 made after March 1, 2010, shall be reversed.

22 The Secretary of the Finance and Administration Cabinet and the Secretary of the
 23 Personnel Cabinet are authorized to transfer excess funds from Plan Year 2011 to Plan
 24 Year 2012 on a quarterly basis provided adequate funds are retained in Plan Year 2011 to
 25 satisfy all submitted and projected claims or expenses of Plan Year 2011. Prior to the
 26 transfer of any funds from Plan Year 2011 to Plan Year 2012, the Legislative Research
 27 Commission shall be given written notice.

1 ~~9. Public Employee Health Coverage Program:~~ Notwithstanding KRS
 2 ~~18A.2254, 18A.2255, and 18A.226, to the extent of any conflict, the state's self insured~~
 3 ~~public employee health coverage program for January 1, 2011, through December 31,~~
 4 ~~2012, shall consist of a Base Employer Provided Plan. If the Personnel Cabinet~~
 5 ~~determines it is in the best interest of employees and employers, a high deductible plan~~
 6 ~~with a Health Savings Account and additional Preferred Provider Organization (PPO),~~
 7 ~~Point of Service (POS), or other type of plans may be provided. Any additional plans~~
 8 ~~shall be designed in a manner that shall have no negative actuarial effect on the Public~~
 9 ~~Employee Health Insurance Trust Fund. Further, any additional plans shall have an~~
 10 ~~employer contribution rate that does not exceed the rate established in this section for the~~
 11 ~~Base Employer Provided Plan for all coverage tiers. If any additional plans are provided~~
 12 ~~and their cost exceed the Base Employer Provided Plan, then any employee who selects~~
 13 ~~one of those plans must agree to pay the additional cost.~~

14 ~~(a) Core Benefits for In-Network Coverage:~~ The following core benefits
 15 ~~for In-Network coverage shall be provided by the Base Employer Provided Plan:~~

	Base Employer Provided Plan
Benefit Description	Coverage Level
Annual Deductible.....	\$500/\$1,500
Co-Insurance.....	Plan 80%/Member 20%
Maximum Out-of-Pocket.....	\$2,500/\$4,000
Doctor Office Visits.....	Deductible then 20%
Emergency Room	
(without admission).....	\$50 after Deductible
Urgent Care.....	Deductible then 20%
Prescriptions	
(30 day supply).....	20%

- 1 ~~———— Tier 1———— Minimum \$10— Maximum \$25~~
- 2 ~~———— Tier 2———— Minimum \$20— Maximum \$50~~
- 3 ~~———— Tier 3———— Minimum \$35— Maximum \$100~~

4 ~~(b) Core Benefits for Out-of-Network Coverage: The core benefits for Out-of-~~
 5 ~~Network coverage shall be determined by the Personnel Cabinet.~~

6 ~~(c) Other Benefits and Coverage Levels: The Personnel Cabinet shall determine~~
 7 ~~other benefits and coverage levels to be included in all plans.~~

8 ~~(d) Monthly Premium Allotments for Nonsmokers: Each employer~~
 9 ~~participating in the state's self-insured public employee health coverage program shall be~~
 10 ~~responsible for providing the nonsmoking monthly premium allotment listed below for~~
 11 ~~each eligible participating employee or member depending on the tier of coverage~~
 12 ~~selected by the employee during open enrollment or as a result of a qualifying event. Two~~
 13 ~~married, eligible employees or participating members from the same or different~~
 14 ~~participating employers shall each be permitted to utilize the cross reference allotment to~~
 15 ~~combine for the purchase of a couple or family tier plan.~~

16	———— Base Employer Provided Plan		
17	<u>Nonsmoker</u>	<u>Plan Year 2011</u>	<u>Plan Year 2012</u>
18	<u>Single</u>		
19	Employer.....	590.00.....	601.80
20	Employee.....	0.00.....	0.00
21	<u>Parent Plus</u>		
22	Employer.....	742.00.....	756.84
23	Employee.....	8.70.....	8.87
24	<u>Couple</u>		
25	Employer.....	894.00.....	911.88
26	Employee.....	296.29.....	302.22
27	<u>Family</u>		

1	Employer.....	955.00.....	974.10
2	Employee.....	302.86.....	308.92
3	<u>Cross Reference</u>		
4	Employer (for each employee).....	up to 675.00.....	up to 675.00
5	Employee.....	Additional Cost.....	Additional Cost
6	_____	of Plan Selected	_____ of Plan Selected

7 ~~(e) **Monthly Premium Allotments for Smokers:** The Personnel Cabinet shall~~
 8 ~~determine the monthly premium allotment for employees or dependents who use tobacco,~~
 9 ~~based on a standard percentage or dollar increase from the monthly allotment rates~~
 10 ~~established in subsection (d) of this section.] (Veto Item #16)~~

11 **(f) Waiver of Coverage:** An eligible employee who waives coverage under the
 12 ~~[Base Employer Provided Plan and all other] (Veto Item #16)~~ employer sponsored plans
 13 shall have an amount, determined by the Personnel Cabinet, up to \$175 per month
 14 deposited in a Health Reimbursement Account for the employee.

15 ~~{(g) **Pilot Wellness Program:** The Personnel Cabinet shall develop and~~
 16 ~~implement a voluntary Pilot Wellness Program, without charge to the participants, by~~
 17 ~~January 1, 2011, that shall provide the employee with a reduction in premiums, a~~
 18 ~~contribution to a Health Reimbursement Account, a reduction in the maximum out-of-~~
 19 ~~pocket expense, a cash award, additional paid leave, or any combination thereof, if the~~
 20 ~~employee enrolls and continues to meet the requirements of the program. Such a program,~~
 21 ~~at a minimum, shall also provide incentives for smoking cessation, weight loss, diabetes~~
 22 ~~management, hypertension management, or asthma management. Notwithstanding KRS~~
 23 ~~18A.2254, \$1,500,000 in fiscal year 2010-2011 and \$3,000,000 in fiscal year 2011-2012~~
 24 ~~shall be made available from the funds of closed prior plan years to provide incentives for~~
 25 ~~this program. The Cabinet shall provide a report of the benefit of the program to the~~
 26 ~~Public Employee Health Insurance Trust Fund and a recommendation concerning the~~
 27 ~~potential benefit of continuance and expansion of the program by January 1, 2012, to the~~

1 ~~Legislative Research Commission.] (Veto Item #16)~~

2 **(h) Report of the Group Health Insurance Board:** Notwithstanding KRS
3 18A.226(5)(b) and (c), the report of the Kentucky Group Health Insurance Board shall be
4 submitted to the Governor, the Legislative Research Commission, and the Chief Justice
5 of the Supreme Court by December 15th of each calendar year.

6 **10. Employer Retirement Contribution Rates:** Notwithstanding KRS 61.565
7 and 61.702, and in accordance with a request made by the Kentucky Retirement Systems
8 in a letter to the Legislative Research Commission Deputy Director for Budget Review
9 dated February 2, 2010, the employer contribution rates for the Kentucky Employees
10 Retirement Systems from July 1, 2010, through June 30, 2011, shall be 16.98 percent,
11 consisting of 9.58 percent for pension and 7.40 percent for insurance, for nonhazardous
12 duty employees and 26.12 percent, consisting of 10.72 percent for pension and 15.40
13 percent for insurance, for hazardous duty employees; for the same period the employer
14 contribution for employees of the State Police Retirement System shall be 45.54 percent,
15 consisting of 21.44 percent for pension and 24.10 percent for insurance. Notwithstanding
16 KRS 61.565 and 61.702, and in accordance with a request made by the Kentucky
17 Retirement Systems as referenced above, the employer contribution rates for the
18 Kentucky Employees Retirement Systems from July 1, 2011, through June 30, 2012, shall
19 be 19.82 percent, consisting of 11.59 percent for pension and 8.23 percent for insurance,
20 for nonhazardous duty employees and 28.98 percent, consisting of 12.33 percent for
21 pension and 16.65 percent for insurance, for hazardous duty employees; for the same
22 period the employer contribution for employees of the State Police Retirement System
23 shall be 52.13 percent, consisting of 26.55 percent for pension and 25.58 percent for
24 insurance.

25 **11. Furlough of State Employees:** In response to requests by the Executive
26 Branch for maximum flexibility in regard to personnel matters, the following authority is
27 provided relating to the furlough of state employees. Further, it is the intent of the

1 General Assembly that this authority is only provided to prevent a permanent layoff of
 2 state employees in areas of critical services to the citizens of the Commonwealth.
 3 Notwithstanding any statute to the contrary, the following process and procedure is
 4 established for July 1, 2010, through June 30, 2012, in the event that the fiscal situation
 5 of the Commonwealth requires that the Executive Branch place employees on furlough:

6 (a) For the purposes of this section:

- 7 1. "Appointing Authority" means "Appointing authority" as defined in
 8 KRS 18A.005(1) and 151B.010(1). In relation to KRS Chapter 16,
 9 "Appointing Authority" means the Commissioner of the Department of
 10 Kentucky State Police;
- 11 2. "Secretary" means the Secretary of the Personnel Cabinet as provided
 12 for in KRS 18A.115;
- 13 3. "Furlough" or "reduction in hours" means the temporary reduction of
 14 hours an employee is scheduled to work by the Appointing Authority
 15 within a pay period; and
- 16 4. "Lack of funds" means a current or projected deficiency of funding to
 17 maintain current or projected levels of staffing and operations of state
 18 government in a fiscal year;

19 (b) Notwithstanding any other provision of law, the Secretary, with the approval
 20 of the Governor, may develop, in conjunction with the Appointing Authorities
 21 and the Kentucky Technical Education Personnel Board, and implement a
 22 furlough plan for all state Executive Branch employees~~[- who occupy positions~~
 23 ~~that are not 100 percent federally funded],~~ (Veto Item #17) based on a lack of
 24 funds as certified by the State Budget Director;

25 (c) The furlough plan developed and implemented by the Secretary shall include:

- 26 1. A provision that shall place all employees, merit and non-merit,
 27 classified and non-classified, on furlough for the same number of hours

- 1 during a calendar month;
- 2 2. The temporary closing of state offices, wherever possible to achieve the
- 3 maximum operational savings for state government;
- 4 3. A provision to work with Appointing Authorities that have 24 hour,
- 5 seven day a week operations to place employees of those facilities on
- 6 furlough for the specified number of hours during the affected pay
- 7 period as all other employees;
- 8 4. A provision that would allow for the exemption of employees in specific
- 9 job classifications directly responsible for the care or safety of inmates
- 10 or residents in 24 hour correctional, juvenile justice, or mental health
- 11 facilities, as requested and certified by the Secretary of the Justice and
- 12 Public Safety Cabinet or the Secretary of the Cabinet for Health and
- 13 Family Services and as approved by the Secretary of the Personnel
- 14 Cabinet;
- 15 5. A provision that would allow for the exemption of specific
- 16 classifications of uniformed law enforcement officers or trainees that are
- 17 required to protect the lives and safety of the citizens of the
- 18 Commonwealth, as certified by the Commissioner of State Police and as
- 19 approved by the Secretary of the Personnel Cabinet;
- 20 6. A provision that would prohibit any contract employee, or otherwise
- 21 non-state employee, who is compensated on an hourly basis, from
- 22 performing similar services during the time that a state employee in the
- 23 work unit for which the contract applies is placed on furlough;
- 24 7. A provision that no employee covered by the merit system shall be
- 25 placed on furlough for more than 20 percent of his or her scheduled
- 26 work hours in any one work week or for more than 24 work hours in a
- 27 six month calendar period;

- 1 8. A provision that allows the Appointing Authority to place non-merit
2 policy-making employees employed under the provisions of KRS
3 18A.115(1)(d), (e), (f), (g), (h), or (i) on furlough for more hours than
4 specified in paragraph 7. of this subsection; and
- 5 9. Notice to the employee of the furlough by the Appointing Authority at
6 least seven days prior to the date of the furlough;
- 7 (d) A furlough implemented in accordance with this section shall not be
8 considered a penalization of the employee for the purposes of KRS Chapters
9 16, 18A, and 151B, and shall not be appealable to the State Personnel Board,
10 the Kentucky Technical Education Personnel Board, or the Department of
11 Kentucky State Police Personnel Board;
- 12 (e) The hours an employee is placed on furlough during a pay period shall not
13 result in the loss of eligibility for any benefit otherwise due the employee;
- 14 (f) An employee covered by the provisions of KRS Chapter 16, 18A, or 151B,
15 may voluntarily request to be placed on furlough for more hours in a six
16 month period than provided for in subsection (c) of this section, provided such
17 a request is submitted in writing on a form prescribed by the Secretary of the
18 Personnel Cabinet and approved by the Appointing Authority prior to the
19 effective date of the voluntary furlough; and
- 20 (g) The Secretary shall promulgate an administration regulation to implement a
21 furlough program, as specified by this section, prior to the implementation of
22 any furlough of state employees.

PART V

FUNDS TRANSFER

25 The General Assembly finds that the financial condition of state government
26 requires the following action.

27 Notwithstanding the statutes or requirements of the Restricted Funds enumerated

1 below, there is transferred to the General Fund the following amounts in fiscal year 2009-
 2 2010, fiscal year 2010-2011, and fiscal year 2011-2012:

3 **2009-10** **2010-11** **2011-12**

4 **A. GENERAL GOVERNMENT**

5 **1. Department for Local Government**

6 Expendable Trust Fund -0- 1,500,000 1,500,000
 7 (KRS 42.4582)

8 **2. Local Government Economic Development Fund**

9 Multi-County Fund - Debt
 10 Service -0- 6,480,900 5,778,500
 11 (KRS 42.4588)

12 **3. Secretary of State**

13 Agency Revenue Fund -0- 800,000 800,000
 14 (KRS 14.140)

15 **B. ECONOMIC DEVELOPMENT CABINET**

16 **1. Financial Incentives**

17 Other Special Revenue Fund -0- 460,000 460,000
 18 Balances remaining in the Special Revenue Fund accounts after all appropriations
 19 authorized in this Act shall lapse to the General Fund Surplus Account at the end of
 20 each fiscal year.

21 **C. ENERGY AND ENVIRONMENT CABINET**

22 **1. Secretary**

23 Kentucky Heritage Land
 24 Conservation Fund -0- -0- 15,000,000
 25 (KRS 146.570)

26 A \$15,000,000 capital appropriation from bond funds in Part II, Capital Projects
 27 Budget, of this Act will be used to replace this transfer of funds to the General

1 Fund.

2 **2. Secretary**

3 Kentucky Pride Trust Fund -0- 2,006,300 2,006,300

4 Pursuant to KRS 224.43-505(2)(a)3., these fund transfers to the General Fund
 5 support the General Fund debt service on the bonds sold as appropriated by 2003
 6 Ky. Acts ch. 156, Part II, A., 3., c..

7 **3. Environmental Protection**

8 Insurance Administration Fund -0- 42,500,000 42,500,000

9 (KRS 224.60-130, 224.60-140, 224.60-145, and 224.60-150)

10 A \$50,000,000 capital appropriation from bond funds in Part II, Capital Projects
 11 Budget, of this Act will be used to partially replace this transfer of funds to the
 12 General Fund.

13 **D. FINANCE AND ADMINISTRATION CABINET**

14 **1. General Administration**

15 Fleet Management Fund 4,793,000 3,000,000 12,000,000

16 **2. Controller**

17 KEES Reserve Trust Fund -0- 5,000,000 2,500,000

18 **3. Facilities and Support Services**

19 Capital Projects Fund -0- 700,000 -0-

20 **4. Finance and Administration**

21 Capital Construction

22 Investment Income -0- 10,250,000 10,250,000

23 **E. HEALTH AND FAMILY SERVICES CABINET**

24 **1. General Administration and Program Support**

25 Malt Beverage Education Fund -0- 450,000 450,000

26 **F. JUSTICE AND PUBLIC SAFETY CABINET**

27 **1. State Police**

1 Agency Revenue Fund -0- 266,000 -0-
 2 (KRS 189A.050(3))

3 **2. State Police**

4 Agency Revenue Fund -0- 714,000 -0-
 5 (KRS 160.151)

6 **G. PERSONNEL CABINET**

7 **1. General Operations**

8 General Operations Special
 9 Project Account -0- 2,879,000 2,879,000

10 **H. POSTSECONDARY EDUCATION**

11 **1. Kentucky Higher Education Assistance Authority**

12 Other Special Revenue Fund -0- 794,600 517,800
 13 (KRS 164.7891(11))

14 **I. PUBLIC PROTECTION CABINET**

15 **1. Financial Institutions**

16 Agency Revenue Fund -0- 1,000,000 3,000,000
 17 (KRS 286.01-485)

18 **2. Insurance**

19 Agency Revenue Fund -0- 10,000,000 14,000,000
 20 (KRS 304.2-300(1) and (4), 304.2-400, and 304.2-440(4))

21 TOTAL - FUNDS TRANSFER 4,793,000 88,800,800 113,641,600

22 **PART VI**

23 **GENERAL FUND BUDGET REDUCTION PLAN**

24 Pursuant to KRS 48.130 and 48.600, a General Fund Budget Reduction Plan is
 25 enacted for state government in the event of an actual or projected revenue shortfall in
 26 estimated General Fund revenue receipts, excluding Tobacco Settlement – Phase I
 27 receipts, of \$8,572,340,000 in fiscal year 2010-2011 and \$8,873,697,500 in fiscal year

1 2011-2012 as determined by KRS 48.120 and modified by related Acts and actions of the
 2 General Assembly in an extraordinary or regular session. Direct services, obligations
 3 essential to the minimum level of constitutional functions, and other items that may be
 4 specified in this Act, are exempt from the requirements of this Plan. Each branch head
 5 shall prepare a specific plan to address a proportionate share of the General Fund revenue
 6 shortfall applicable to the respective branch. No budget revision action shall be taken by a
 7 branch head in excess of the actual or projected revenue shortfall.

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

12 Notwithstanding KRS 48.130(4)(a) and (b), in the event of a revenue shortfall of
 13 five percent or less, General Fund budget reduction actions shall be implemented in the
 14 following sequence:

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

19 (2) Transfers of excess unappropriated Restricted Funds, other than fiduciary
 20 funds, to the General Fund shall be applied as determined by the head of each branch for
 21 its respective budget units. No transfers to the General Fund shall be made from the
 22 following:

23 (a) Local Government Economic Assistance and Local Government Economic
 24 Development Funds;

25 (b) Unexpended debt service from the Tobacco-Settlement Phase 1 Funds in
 26 either fiscal year;

27 (c) Tobacco Unbudgeted Interest Income-Rural Development Trust Fund; and

1 (d) Multi-County Coal Severance Fund;

2 (3) Any unanticipated Phase I Master Settlement Agreement revenues in both
3 fiscal year shall be appropriated according to KRS 248.654;

4 (4) Application of the unappropriated balance of the General Fund surplus shall
5 be applied;

6 ~~[(5) Any language provision that expresses legislative intent regarding a specific
7 appropriation shall not be reduced by a greater percentage than the reduction to the
8 General Fund appropriation for that budget unit;] (Veto Item #18)~~

9 (6) Reduce General Fund appropriations in Executive Branch Agencies' operating
10 budget units by a sufficient amount to balance either fiscal year. No reductions of General
11 Fund appropriations shall be made from the Local Government Economic Assistance
12 Fund or the Local Government Economic Development Fund;

13 ~~[(7) Notwithstanding subsection (10) of this Part, no reductions shall be made to
14 the Constitutional Officers or their offices, Commonwealth's Attorneys or their offices,
15 County Attorneys or their offices, Kentucky Educational Television, or the Department of
16 Public Advocacy. The Governor may request their participation in a budget reduction;
17 however, the level of participation shall be at the discretion of the Constitutional Officer,
18 Prosecutors Advisory Council, Executive Director of Kentucky Educational Television,
19 or Public Advocate;] (Veto Item #18)~~

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

1 transmitted by the branch heads.

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

5 (9) Funds available in the Budget Reserve Trust Fund shall be applied in an
6 amount not to exceed 25 percent of the Trust Fund balance in fiscal year 2010-2011 and
7 50 percent in fiscal year 2011-2012; and

8 (10) Pursuant to KRS 48.130 and 48.600, if the actions contained in subsections
9 (1) to (9) of this Part are insufficient to eliminate an actual or projected revenue shortfall
10 in the enacted General Fund revenue receipts, then the Governor is empowered and
11 directed to take necessary actions with respect to the Executive Branch budget units to
12 balance the budget by such actions conforming with the criteria expressed in this Part.

13 **PART VII**

14 **GENERAL FUND SURPLUS EXPENDITURE PLAN**

15 (1) Notwithstanding KRS 48.130(7), 48.140(3), and 48.700, there is established a
16 plan for the expenditure of General Fund surplus moneys pursuant to a General Fund
17 Surplus Expenditure Plan contained in this Part for fiscal years 2010-2011 and 2011-
18 2012. Pursuant to the enactment of the General Fund Surplus Expenditure Plan, General
19 Fund moneys in the General Fund undesignated fund balance in excess of the amount
20 specified in Part III, General Provisions, Section 24, of this Act are appropriated to the
21 following:

22 (a) Authorized expenditures without a sum specific appropriation amount, known
23 as Necessary Government Expenses, including but not limited to Emergency Orders
24 formally declared by the Governor in an Executive Order; and

25 (b) Increased support to the Budget Reserve Trust Fund.

26 (2) The Secretary of the Finance and Administration Cabinet shall determine,
27 within 30 days after the close of the fiscal year 2009-2010, and the close of fiscal year

1 2010-2011, based on the official financial records of the Commonwealth, the amount of
 2 actual General Fund undesignated fund balance for the General Fund Surplus Account
 3 that may be available for expenditure pursuant to the Plan in fiscal year 2010-2011 and
 4 fiscal year 2011-2012, respectively. The Secretary of the Finance and Administration
 5 Cabinet shall certify the amount of actual General Fund undesignated fund balance
 6 available for expenditure to the Legislative Research Commission.

7 **PART VIII**

8 **ROAD FUND BUDGET REDUCTION PLAN**

9 There is established a Road Fund Budget Reduction Plan for fiscal year 2010-2011
 10 and fiscal year 2011-2012. Pursuant to KRS 48.130, in the event of an actual or projected
 11 shortfall in estimated Road Fund revenue receipts of \$1,265,800,000 in fiscal year 2010-
 12 2011 and \$1,340,900,000 in fiscal year 2011-2012 as determined by KRS 48.120 and
 13 modified by related Acts and actions of the General Assembly in an extraordinary or
 14 regular session, the Governor shall implement sufficient reductions as may be required to
 15 protect the highest possible level of service. ~~The Road Fund Budget Reduction Plan shall~~
 16 ~~include at a minimum an equal percentage reduction of all Transportation Cabinet budget~~
 17 ~~units, excluding Revenue Sharing and Debt Service, before a reduction can be made to~~
 18 ~~the State Construction Account.] (Veto Item #19)~~

19 **PART IX**

20 **ROAD FUND SURPLUS EXPENDITURE PLAN**

21 Notwithstanding KRS 48.140 and 48.710, there is established a plan for the
 22 expenditure of the Road Fund Surplus Account. All moneys in the Road Fund Surplus
 23 Account shall be deposited in the State Construction Account and utilized to support
 24 projects in the fiscal biennium 2010-2012 Biennial Highway Construction Program.

25 **PART X**

26 **PHASE I TOBACCO SETTLEMENT**

27 **(1) General Purpose:** This Part prescribes the policy implementing aspects of the

1 national settlement agreement between the tobacco industry and the collective states as
 2 described in KRS 248.701 to 248.727. In furtherance of that agreement, the General
 3 Assembly recognizes that the Commonwealth of Kentucky is a party to the Phase I
 4 Master Settlement Agreement (MSA) between the Participating Tobacco Manufacturers
 5 and 46 Settling States which provides reimbursement to states for smoking-related
 6 expenditures made over time.

7 **(2) State's MSA Share:** The Commonwealth's share of the MSA is equal to
 8 1.7611586 percent of the total settlement amount. Payments under the MSA are made to
 9 the states annually in April of each year.

10 **(3) MSA Payment Amount Variables:** The total settlement amount to be
 11 distributed each payment date is subject to change pursuant to several variables provided
 12 in the MSA, including inflation adjustments, volume adjustments, previously settled
 13 states adjustments, and the nonparticipating manufacturers adjustment.

14 **(4) Distinct Identity of MSA Payment Deposits:** The General Assembly has
 15 determined that it shall be the policy of the Commonwealth that all Phase I Tobacco
 16 Settlement payments shall be deposited to the credit of the General Fund and shall
 17 maintain a distinct identity as Phase I Tobacco Settlement payments that shall not lapse to
 18 the credit of the General Fund surplus but shall continue forward from each fiscal year to
 19 the next fiscal year to the extent that any balance is unexpended.

20 **(5) MSA Payment Estimates and Adjustments:** Based on the current estimates
 21 as reviewed by the Consensus Revenue Forecasting Group, the amount of MSA payments
 22 expected to be received in fiscal year 2010-2011 is \$111,310,000 and in fiscal year 2011-
 23 2012 is \$102,720,000. It is recognized that payments to be received by the
 24 Commonwealth are estimated and are subject to change. Any appropriations made from
 25 the estimated receipts are subject to adjustments based on actual receipts as received and
 26 certified by the Secretary of the Finance and Administration Cabinet.

27 **a. State Enforcement:** Notwithstanding KRS 248.654, a total of \$275,000 of

1 the MSA payments received each fiscal year of the 2010-2012 fiscal biennium is
 2 appropriated to the Finance and Administration Cabinet, Department of Revenue for the
 3 state's enforcement of noncompliant nonparticipating manufacturers.

4 **b. Agricultural Development Initiatives:** Fifty percent of the MSA payments,
 5 less the above enforcement appropriations, received in fiscal year 2010-2011, estimated
 6 to be \$55,517,500, and in fiscal year 2011-2012, estimated to be \$51,222,500, is
 7 appropriated to the Kentucky Agricultural Development Fund to be used for agricultural
 8 development initiatives.

9 **c. Early Childhood Development Initiatives:** Twenty-five percent of the MSA
 10 payments, less the above enforcement appropriations, received in fiscal year 2010-2011,
 11 estimated to be \$27,758,800, and in fiscal year 2011-2012, estimated to be \$25,611,300,
 12 is appropriated for Early Childhood Development Initiatives as specified below.

13 **d. Health Care Initiatives:** Twenty-five percent of the MSA payments received,
 14 less the above enforcement appropriations, in fiscal year 2010-2011, estimated to be
 15 \$27,758,700, and in fiscal year 2011-2012, estimated to be \$25,611,200, is appropriated
 16 to the Kentucky Health Care Improvement Fund for health care initiatives as specified
 17 below.

18 **(6) MSA Appropriation Adjustments - Prior Year Receipts Received:** In the
 19 event that Phase I Master Settlement Agreement revenues due from a prior fiscal year are
 20 received in a subsequent fiscal year, those revenues are hereby appropriated as follows:
 21 50 percent to the Agricultural Development Fund, 25 percent to the Early Childhood
 22 Development Fund, and 25 percent to the Health Care Improvement Fund.

23 **a. Early Childhood Development:** From the 25 percent of the Phase I Master
 24 Settlement Agreement payments appropriated to the Early Childhood Development Fund,
 25 the Early Childhood Development Authority shall recommend to the State Budget
 26 Director for approval the specific appropriations to be made to the existing initiatives.

27 **b. Health Care Improvement:** From the 25 percent of the Phase I Master

1 Settlement Agreement payments appropriated to the Health Care Improvement Fund,
 2 appropriations shall be made pursuant to KRS 304.17B-003(5).

3 **A. STATE ENFORCEMENT**

4 **GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS**

5 **1. FINANCE AND ADMINISTRATION CABINET**

6 Budget Unit	2010-11	2011-12
7 a. Revenue	275,000	275,000

8 **B. AGRICULTURAL DEVELOPMENT APPROPRIATIONS**

9 **GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS**

10 **1. GENERAL GOVERNMENT**

11 Budget Unit	2010-11	2011-12
12 a. Governor's Office of Agricultural Policy	30,529,000	17,691,600

13 **(1) Tobacco Settlement Funds - Allocations:** Notwithstanding KRS 248.711(2),
 14 and from the allocation provided therein, counties that are allocated in excess of \$20,000
 15 annually may provide up to four percent of the individual county allocation, not to exceed
 16 \$15,000 annually, to the county council in that county for administrative costs.

17 **(2) Agriculture:** Notwithstanding KRS 248.703(1), included in the above
 18 General Fund (Tobacco) appropriation is \$16,419,375 in fiscal year 2010-2011 and
 19 \$16,419,375 in fiscal year 2011-2012, for the counties account as specified in KRS
 20 248.703(1)(a).

21 **2. ENERGY AND ENVIRONMENT CABINET**

22 Budget Unit	2010-11	2011-12
23 a. Natural Resources	9,000,000	6,000,000

24 **(1) Environmental Stewardship Program:** Included in the above General Fund
 25 (Tobacco) appropriation is \$9,000,000 in fiscal year 2010-2011 and \$6,000,000 in fiscal
 26 year 2011-2012 for the Environmental Stewardship Program.

27 **3. FINANCE AND ADMINISTRATION CABINET**

1	Budget Unit	2010-11	2011-12
2	a. Debt Service	18,746,600	30,275,700

3 **(1) Debt Service:** To the extent that revenues sufficient to support the required
4 debt service appropriations are received from the Tobacco Settlement Program, those
5 revenues shall be made available from those accounts to the appropriate account of the
6 General Fund. All necessary debt service amounts shall be appropriated from the General
7 Fund and shall be fully paid regardless of whether there is a sufficient amount available to
8 be transferred from tobacco-supported funding program accounts to other accounts of the
9 General Fund.

10 **(2) General Fund (Tobacco) Debt Service Lapse:** Notwithstanding the
11 provisions of Part X, (4) of this Act, \$3,008,100 in fiscal year 2010-2011 and \$2,994,800
12 in fiscal year 2011-2012 shall lapse and not continue forward to the next fiscal year.

13 **4. POSTSECONDARY EDUCATION**

14	Budget Unit	2010-11	2011-12
15	a. University of Kentucky	250,000	250,000
16	TOTAL - AGRICULTURAL APPROPRIATIONS	58,525,600	54,217,300

17 **C. EARLY CHILDHOOD DEVELOPMENT**

18 **GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS**

19 **1. DEPARTMENT OF EDUCATION**

20	Budget Unit	2010-11	2011-12
21	a. Learning and Results Services	2,150,000	2,050,000

22 **2. CABINET FOR HEALTH AND FAMILY SERVICES**

23	Budget Units	2010-11	2011-12
24	a. Community Based Services	9,395,400	9,175,000

25 **(1) Early Childhood Development Program:** Included in the above General
26 Fund (Tobacco) appropriation is \$9,395,400 in fiscal year 2010-2011 and \$9,175,000 in
27 fiscal year 2011-2012 for the Early Childhood Development Program.

1	Authority	1,000,000	1,000,000
2	(1) Early Childhood Scholarships: Included in the above General Fund		
3	(Tobacco) appropriation is \$1,000,000 in fiscal year 2010-2011 and \$1,000,000 in fiscal		
4	year 2011-2012 for Early Childhood Scholarships.		
5	TOTAL - EARLY CHILDHOOD APPROPRIATIONS	27,758,800	25,611,300

D. HEALTH CARE IMPROVEMENT APPROPRIATIONS

GENERAL FUND - PHASE I TOBACCO SETTLEMENT FUNDS

8 Notwithstanding KRS 304.17B-003(5), appropriations for health care improvement
9 shall be as follows:

10 **1. CABINET FOR HEALTH AND FAMILY SERVICES**

11	Budget Unit	2010-11	2011-12
12	a. Public Health	2,583,500	2,368,800

13 **(1) Smoking Cessation Program:** Included in the above General Fund (Tobacco)
14 appropriation is \$2,583,500 in fiscal year 2010-2011 and \$2,368,800 in fiscal year 2011-
15 2012 for the Smoking Cessation Program.

16 **2. JUSTICE AND PUBLIC SAFETY CABINET**

17	Budget Unit	2010-11	2011-12
18	a. Justice Administration	1,923,400	1,923,400

19 **(1) Office of Drug Control Policy:** Included in the above General Fund
20 (Tobacco) appropriation is \$1,923,400 in fiscal year 2010-2011 and \$1,923,400 in fiscal
21 year 2011-2012 for the Office of Drug Control Policy.

22 **3. PUBLIC PROTECTION CABINET**

23	Budget Unit	2010-11	2011-12
24	a. Insurance	18,084,700	16,581,400

25 **(1) Kentucky Access Program:** Included in the above General Fund (Tobacco)
26 appropriation is \$18,084,700 in fiscal year 2010-2011 and \$16,581,400 in fiscal year
27 2011-2012 for the Kentucky Access Program.

1 **4. POSTSECONDARY EDUCATION**

2 Budget Unit	2010-11	2011-12
3 a. Council on Postsecondary Education	5,167,100	4,737,600
4 (1) Ovarian Cancer Screening: Notwithstanding KRS 164.476, General Fund		
5 (Tobacco) moneys in the amount of \$775,000 in fiscal year 2010-2011 and \$775,000 in		
6 fiscal year 2011-2012 shall be allotted from the Lung Cancer Research Fund to the		
7 Ovarian Cancer Screening Outreach Program at the University of Kentucky.		
8 TOTAL - HEALTH CARE APPROPRIATIONS	27,758,700	25,611,200
9 TOTAL - PHASE I TOBACCO SETTLEMENT		
10 FUNDING PROGRAM	114,318,100	105,714,800

11 **PART XI**

12 **STATE/EXECUTIVE BRANCH BUDGET SUMMARY**

13 **OPERATING BUDGET**

14	2009-10	2010-11	2011-12
15 General Fund (Tobacco)	-0-	114,318,100	105,714,800
16 General Fund	-0-	8,244,471,900	9,145,121,100
17 Restricted Funds	140,600	5,706,828,400	5,888,987,800
18 Federal Funds	-0-	10,471,359,800	9,851,334,900
19 Road Fund	-0-	83,674,500	87,126,500
20 SUBTOTAL	140,600	24,620,652,700	25,078,285,000

21 **CAPITAL PROJECTS BUDGET**

22	2009-10	2010-11	2011-12
23 Restricted Funds	5,496,700	2,369,975,000	51,935,000
24 Federal Funds	-0-	392,372,000	54,329,000
25 Bond Funds	22,900,000	407,888,800	71,607,000
26 Agency Bonds	30,000,000	485,304,000	-0-
27 Capital Construction Surplus	-0-	1,400,000	-0-

1	Investment Income	-0-	3,937,000	3,937,000
2	Other Funds	-0-	873,590,000	-0-
3	SUBTOTAL	58,396,700	4,534,466,800	181,808,000
4	TOTAL - STATE/EXECUTIVE BUDGET			
5		2009-10	2010-11	2011-12
6	General Fund (Tobacco)	-0-	114,318,100	105,714,800
7	General Fund	-0-	8,244,471,900	9,145,121,000
8	Restricted Funds	5,637,300	8,076,803,400	5,940,932,800
9	Federal Funds	-0-	10,863,731,800	9,905,663,900
10	Road Fund	-0-	83,674,500	87,126,500
11	Bond Funds	22,900,000	407,888,800	71,607,000
12	Agency Bonds	30,000,000	485,304,000	-0-
13	Capital Construction Surplus	-0-	1,400,000	-0-
14	Investment Income	-0-	3,937,000	3,937,000
15	Other Funds	-0-	873,590,000	-0-
16	TOTAL FUNDS	58,537,300	29,155,119,500	25,260,093,000

PART XII

**INSURANCE COVERAGE, AFFORDABILITY AND RELIEF TO SMALL
EMPLOYERS (ICARE) PROGRAM**

20 **Section 1.** As used in Sections 1 to 8 of this Part, unless the context requires
21 otherwise:

22 (1) "Consumer-driven health plan" means a health benefit plan, including a high
23 deductible health plan as defined in 26 U.S.C. sec. 223(c)(2)(A), or a health
24 reimbursement arrangement that meets the requirements of Internal Revenue Code,
25 Notice 2002-45, 2002-2 C.B. 93;

26 (2) "Eligible employer" or "employer" means an individual that employs two to
27 25 employees, a corporation, including a foreign corporation, other than a governmental

1 entity, that employs one or more residents of the Commonwealth, or a corporation or an
 2 unincorporated entity that is exempt from taxation under the provisions of 26 U.S.C. sec.
 3 501(c), as amended and in effect for the taxable year. An eligible employer must employ
 4 no more than 25 employees and meet the eligibility requirements set forth in
 5 administrative regulations promulgated by the department. The method of determining
 6 the number of employees an employer has and the amount and types of subsidies shall be
 7 determined by the department or a third-party administrator selected in accordance with
 8 Section 5 of this Part;

9 (3) "Eligible employee" or "employee" means an employee of an eligible
 10 employer whose business is located in the Commonwealth, who has not attained age 65
 11 or is Medicare eligible, and who meets the financial and other eligibility standards set
 12 forth in administrative regulations promulgated by the department;

13 (4) "Health risk assessment" means an assessment to prevent or minimize risk
 14 factors for disease and maintain wellness;

15 (5) "High-cost condition" means a diagnosed specific list of conditions
 16 representing the top 20 high-cost conditions in the small group market;

17 (6) "ICARE Program participating insurer" means any insurer who offers a health
 18 benefit plan in the small group market;

19 (7) "Department" means the Department of Insurance; and

20 (8) "Qualified health benefit plan" means a health benefit plan as described in
 21 Section 3(2) of this Part.

22 **Section 2.** (1) There is hereby created and established, under the supervision of
 23 the Department of Insurance, the Insurance Coverage, Affordability and Relief to Small
 24 Employers (ICARE) Program, which is designed to make health insurance more
 25 affordable for small employer groups. The program is being piloted in the small group
 26 market and shall be limited to those employer groups with two to 25 employees,
 27 including small groups with two to 25 employees who are members of an employer-

1 organized association, and who were approved for participation in the program by the
2 Department of Insurance as of June 15, 2010.

3 (2) All insurers that issue health benefit plans to employers with two to 25
4 employees, including employers participating in an employer-organized association, as a
5 condition of doing business in Kentucky, shall be deemed an ICARE Program
6 participating insurer.

7 (3) The Department of Insurance may, subject to the provisions of this section,
8 establish an employer health care incentive program for certain employers for the purpose
9 of reducing the amount of contributions or payments made by those employers and
10 employees toward the cost of qualified medical insurance and which shall consist of the
11 following two programs:

12 (a) An employer health care incentive program for the purpose of reducing the
13 cost to employers and employees for providing qualified health benefit plan coverage
14 under Section 3(2)(a) or (b) of this Part for an eligible employer with low-income
15 employees if the eligible employer pays 50 percent or more of the premium cost of that
16 qualified health benefit plan coverage and meets the insurer's participation requirements
17 as allowed under KRS 304.17A-200(3). The department may limit premium payments or
18 enrollment under this program, to the extent funding is available. The ICARE Program
19 shall be available to employer groups that have not provided employer-sponsored health
20 benefit plan coverage to their employees within the previous 12 months; and

21 (b) An employer health care incentive program for the purpose of reducing the
22 cost to employers and employees for the purpose of obtaining or maintaining qualified
23 health benefit plan coverage under Section 3(2)(a), (b), or (c) of this Part for an eligible
24 employer and employees if the eligible employer pays 50 percent or more of the premium
25 cost of that health benefit plan coverage and meets the insurer's participation
26 requirements as allowed under KRS 304.17A-200(3). The department may limit premium
27 payments or enrollment under this program, to the extent funding is available. The

1 ICARE Program shall be available to employer groups that have at least one employee
 2 with a high-cost condition. The department shall promulgate administrative regulations to
 3 establish a list of high-cost conditions for the ICARE Program.

4 (4) In order for an eligible employer to qualify for the ICARE Program, the
 5 average annual salary of the employer group shall not exceed 300 percent of the federal
 6 poverty level. This shall not include the annual salary of any person with an ownership
 7 interest in the employer group.

8 (5) The department shall promulgate administrative regulations to establish
 9 guidelines for determination of preference for employer groups based upon federal
 10 poverty level, eligibility criteria, health care incentive payment procedures, program
 11 participating insurer and employer reporting requirements, and administrative guidelines
 12 for the ICARE Program.

13 **Section 3.** (1) Sections 1 to 8 of this Part shall not apply to an insurer that
 14 provides coverage solely to Medicaid recipients, Medicare beneficiaries, CHAMPUS
 15 insureds, or self-insured groups.

16 (2) Each ICARE Program participating insurer shall offer at least three qualified
 17 health benefit plans to employers. A qualified health benefit plan shall be:

18 (a) A consumer-driven health benefit plan, including a health reimbursement
 19 arrangement or health savings account;

20 (b) A basic health benefit plan, as described in KRS 304.17A-096 and 304.17A-
 21 097; or

22 (c) An enriched health benefit plan.

23 (3) Each ICARE Program participating insurer shall offer at least one of each of
 24 the plans listed in subsection (2)(a), (b), or (c) of this section. These plans shall be subject
 25 to the provisions of KRS 304.17A-220.

26 (4) An ICARE Program participating insurer shall conduct a health risk
 27 assessment for each employee enrolled in the ICARE Program and offer a wellness

1 program, case management services, and disease management services.

2 (5) An insurer shall be required to offer a premium rate that includes a healthy
3 lifestyle discount for employers participating in the ICARE Program.

4 (6) A separate class of business may be established for health benefit plan rate
5 filings offered under the ICARE Program in accordance with KRS 304.17A-0952(8)(b).

6 **Section 4.** (1) The amount of health care incentive paid shall be as follows:

7 (a) Forty dollars per employee per month for eligible employers as defined in
8 Section 2(3)(a) of this Part. The amount shall be reduced annually, at the time of renewal,
9 in incremental rates of ten dollars; and

10 (b) Sixty dollars per employee per month for eligible employers as defined in
11 Section 2(3)(b) of this Part. The amount shall be reduced annually, at the time of renewal,
12 in incremental rates of fifteen dollars.

13 (2) The department may, in lieu of cash payments, issue to individuals vouchers
14 or other documents certifying that the department will pay a specified amount for health
15 benefit plan coverage under specified circumstances.

16 (3) Any allocated surplus remaining in the ICARE Program shall be carried
17 forward to the next fiscal year and be used for the ICARE Program in subsequent years.

18 (4) The department may limit enrollment for the ICARE Program so not to
19 exceed annual program funding.

20 (5) A group shall be determined ineligible if the most recent coverage under any
21 health benefit plan terminated or nonrenewed because of any of the following:

22 (a) The group failed to pay premiums or contributions in accordance with the
23 terms of the plan or the insurer had not received timely premium payments;

24 (b) The group or any individual in the group performed an act or practice that
25 constitutes fraud or made an intentional misrepresentation of material fact under the terms
26 of the coverage; or

27 (c) The group or any individual engaged in intentional and abusive

1 noncompliance with health benefit plan provisions.

2 **Section 5.** (1) The department may select a third-party administrator to
3 administer the ICARE Program. The third-party administrator shall be an administrator
4 licensed under this chapter by the department. The department shall consider criteria in
5 selecting a third-party administrator that shall include but not be limited to the following:

6 (a) A third-party administrator's proven ability to demonstrate performance of the
7 following: eligibility determinations, enrollment, payment issuance, reconciliation
8 processes, and data collection and reporting;

9 (b) The total cost to administer the ICARE Program;

10 (c) A third-party administrator's proven ability to demonstrate that the ICARE
11 Program be administered in a cost-efficient manner; and

12 (d) A third-party administrator's financial condition and stability.

13 (2) In addition to any duties and obligations set forth in the contract with the
14 third-party administrator, the third-party administrator shall:

15 (a) Develop and establish policies and procedures for eligibility determinations,
16 enrollment, payment issuance, reconciliation processes, data collection and reporting, and
17 other responsibilities determined by the department;

18 (b) Submit reports to the department regarding the operation and financial
19 condition of the ICARE Program. The frequency, content, and form of the reports shall be
20 determined by the department; and

21 (c) Submit a monthly and annual report to the department. Both reports shall
22 include:

23 1. Number of applicants;

24 2. Enrolled employer groups by insurance company;

25 3. Number of groups previously uninsured for a period of 12 months by
26 insurance company;

27 4. Average premium per group by insurance company;

1 5. Number of groups eligible due to an individual with a high-cost condition by
2 insurance company;

3 6. Total amount of health care incentive paid listed by insurance company; and

4 7. Any other information requested by the department.

5 (3) The third-party administrator shall be paid for necessary and reasonable
6 expenses as provided in the contract between the department and the third-party
7 administrator.

8 **Section 6.** (1) The department shall establish and maintain the ICARE Program
9 fund. All funds shall be held at interest, in a single depository designated in accordance
10 with KRS 304.8-090(1) under a written trust agreement in accordance with KRS 304.8-
11 095. All expense and revenue transactions of the fund shall be posted to the Management
12 Administrative Reporting System (MARS) and its successors; and

13 (2) The department shall work with the Office of Health Policy within the Cabinet
14 for Health and Family Services to review the availability of federal funds for the ICARE
15 Program.

16 **Section 7** (1) The department may implement Sections 1 to 8 of this Part
17 through arrangements with other agencies of the Commonwealth.

18 (2) The provisions of this section shall not give rise to, nor be construed as giving
19 rise to, enforceable legal rights for any party or an enforceable entitlement to benefits
20 other than to the extent that such rights or entitlements exist pursuant to the
21 administrative regulations of the executive director of insurance.

22 **Section 8.** (1) Each insurer authorized to offer health benefit plans in the
23 Commonwealth shall disclose the availability of the health insurance purchasing program
24 as authorized in 42 U.S.C. sec. 1396e to eligible employer groups. In connection with the
25 initial offering and renewal of any health benefit plan, an insurer shall make a disclosure
26 as part of its solicitation, sales material, and renewal information of the availability of the
27 ICARE Program;

1 (2) The manner and content of the disclosure as described in subsection (1) of this
2 section shall be established through promulgation of administrative regulations by the
3 Department of Insurance in coordination with the Cabinet for Health and Family
4 Services.

5 **Section 9.** (1) All insurers as defined in KRS 304.17A-005(24) shall provide
6 upon request to the Cabinet for Health and Family Services, by electronic means and in
7 the format prescribed by the cabinet, information in accordance with KRS 205.623.

8 (2) All information obtained by the cabinet pursuant to this section shall be
9 confidential and shall not be open to public inspection.

10 **Section 10.** Pursuant to terms and conditions of Subtitle 17A of KRS Chapter
11 304, the Commonwealth of Kentucky seeks to explore the feasibility of an Interstate
12 Reciprocal Health Benefit Plan Compact (IRHBPC) with contiguous states to allow the
13 residents of the Commonwealth of Kentucky and the residents of contiguous states to
14 purchase health benefit plan coverage among the states participating with the compact.
15 The purposes of this compact are, through means of joint and cooperative action among
16 the compacting states:

17 (1) To promote and protect the interest of consumers purchasing health benefit
18 plan coverage;

19 (2) To develop uniform minimum standards for health benefit plan products
20 covered under the compact, while ensuring that the standards established in Kentucky law
21 and regulation are maintained and protected;

22 (3) To improve coordination of regulatory resources and expertise between state
23 insurance departments regarding the setting of uniform minimum standards; and

24 (4) To perform these and such other related functions as may be consistent with
25 the state regulation of the business of insurance.

26 **Section 11.** Any insurer violating Section 9 of this Part shall be fined not less
27 than one hundred dollars (\$100) for each offense. Failure to respond to each request made

1 by the Cabinet for Health and Family Services, as required under Section 9 of this Part,
2 shall constitute a separate offense.

3 **Section 12.** Notwithstanding KRS 304.17A.0952(8)(b), an insurer may
4 establish a separate class of business to reflect substantial differences in expected claims
5 experience or administrative cost because the insurer is offering a qualified health benefit
6 plan under the ICARE Program pursuant to Section 3(3) of this Part.

7 **Section 13.** Notwithstanding KRS 216.2921(1), the Cabinet for Health and
8 Family Services shall make every effort to make health data findings that can serve as a
9 basis to educate consumers on the cost and quality of health care and providers for the
10 purpose of improving patient morbidity and mortality outcomes available to the public,
11 and state and local leaders in health policy, through the cost-effective and timely use of
12 the media and the Internet and through distribution of the findings to health facilities and
13 health-care providers for further dissemination to their patients.

14 **Section 14.** Notwithstanding KRS 216.2923(2)(a), for the purposes of carrying
15 out the provisions of KRS 216.2920 to 216.2929, the Secretary of the Cabinet for Health
16 and Family Services shall publish and make publicly available, pursuant to Section 18 of
17 this Part, information on charges, quality, and outcomes of health care services provided,
18 and information that relates to the health care financing and delivery system and health
19 insurance premiums and benefits that is in the public interest.

20 Notwithstanding KRS 216.2923(2)(f), the cabinet advisory committee shall utilize
21 the Health Services Data Advisory Committee as a subcommittee, which shall include a
22 member of the Division of Women's Physical and Mental Health, to define quality
23 outcome measurements and to advise the cabinet on technical matters including review of
24 administrative regulations promulgated pursuant to KRS Chapter 13A, proper
25 interpretation of the data, and the most cost-effective manner in which it should be
26 published and disseminated to the public. The Health Services Data Advisory Committee
27 shall review and make recommendations to the secretary's advisory committee regarding

1 exploration of technical matters related to data from other health care providers. The
2 committee shall make recommendations on methods for risk adjusting any data prepared
3 and published by the cabinet.

4 **Section 15.** Notwithstanding KRS 216.2925(1), every hospital and ambulatory
5 facility shall be required to report, on a quarterly basis, information regarding the charge
6 for, quality, and outcomes of the procedures and health-care services performed therein,
7 and as stipulated by administrative regulations promulgated pursuant to KRS Chapter
8 13A. The cabinet shall accept data which, at the option of the provider is submitted
9 through a third party, including but not limited to organizations involved in the
10 processing of claims for payment, so long as the data elements conform to the
11 requirements established by the cabinet. On at least a biennial basis, the cabinet shall
12 conduct a statistical survey that addresses the status of women's health, specifically
13 including data on patient age, ethnicity, geographic region, and payor sources. The
14 cabinet shall rely on data from readily available reports and statistics whenever possible.

15 Notwithstanding KRS 216.2925(2), the cabinet shall require for quarterly
16 submission to the cabinet by any group of providers, except for physicians providing
17 services or dispensaries, first aid stations, or clinics located within business or industrial
18 establishments maintained solely for the use of their employees, including those
19 categories within the definition of provider contained in KRS 216.2920 and any further
20 categories determined by the cabinet, as provided by cabinet promulgation of
21 administrative regulations pursuant to KRS Chapter 13A, the following:

22 (a) A list of medical conditions, health services, and procedures for which data on
23 charge, quality, and outcomes shall be collected and published;

24 (b) A timetable for filing the information provided for under paragraph (a) above
25 on a quarterly basis;

26 (c) A list of data elements that are necessary to enable the cabinet to analyze and
27 disseminate risk-adjusted charge, quality, and outcome information, including mortality

1 and morbidity data;

2 (d) An acceptable format for data submission which shall include use of the
3 uniform:

4 1. Health claim form pursuant to KRS 304.14-135 or any other universal health
5 claim form to be determined by the cabinet, if in the form of hard copy; or

6 2. Electronic submission formats as required under the federal Health Insurance
7 Portability and Accountability Act of 1996, 42 U.S.C. Chapter 6A, sec. 300gg et seq., in
8 the form of magnetic computer tape, computer diskettes, or other electronic media
9 through an electronic network;

10 (e) Procedures to allow health-care providers at least thirty (30) days to review
11 information generated from any data required to be submitted by them, with any reports
12 generated by the cabinet to reflect valid corrections by the provider before the information
13 is released to the public; and

14 (f) Procedures pertaining to the confidentiality of data collected.

15 Notwithstanding KRS 216.2925(3), the data-gathering activities of the cabinet shall
16 be coordinated with and not duplicative of other data-collection activities conducted by
17 the Department of Insurance, as well as other state and national agencies and
18 organizations that collect the same or substantially similar health-related service,
19 utilization, quality, outcome, financial, or health-care personnel data, and shall review all
20 administrative regulations promulgated pursuant to KRS 216.2920 to 216.2929 to prevent
21 duplicate filing requirements. The cabinet shall periodically review the use of all data
22 collected under KRS 216.2920 to 216.2929 to assure its use is consistent with legislative
23 intent.

24 Notwithstanding KRS 216.2925(4), the cabinet shall conduct outcome analyses and
25 effectiveness studies and prepare other reports pertaining to issues involving health-care
26 charges and quality.

27 Notwithstanding KRS 216.2925(7), the Cabinet for Health and Family Services

1 shall collect all data elements under this section using only the uniform health insurance
 2 claim form pursuant to KRS 304.14-135, the Professional 837 (ASC X12N 837) format
 3 or its successor as adopted by the Centers for Medicare and Medicaid Services, or the
 4 Institutional 837 (ASC X12N 837) format or its successor as adopted by the Centers for
 5 Medicare and Medicaid Services.

6 **Section 16.** Notwithstanding KRS 216.2927(3), no less than 60 days after
 7 reports are published and except as otherwise provided, the Cabinet for Health and
 8 Family Services shall make all aggregate data which does not allow disclosure of the
 9 identity of any individual patient, and which was obtained for the annual period covered
 10 by the reports, available to the public. The Health Services Data Advisory Committee
 11 shall review at least annually current protocols related to the release of data referenced in
 12 this section and shall make recommendations to the cabinet advisory committee
 13 referenced in KRS 216.2923. Persons or organizations requesting use of these data shall
 14 agree to abide by a public use data agreement and by HIPAA privacy rules referenced in
 15 45 C.F.R. 164. The public use data agreement shall include at a minimum:

- 16 (a) A prohibition against the sale or further release of data; and
- 17 (b) Guidelines for the use and analysis of the data released to the public related to
 18 provider quality, outcomes, or charges.

19 Notwithstanding KRS 216.2925(3), the cabinet may impose a fee for providing
 20 electronic or multiple printed copies of the data.

21 **Section 17.** Notwithstanding KRS 216.2929(1), the Cabinet for Health and
 22 Family Services shall make available on its Web site information on charges for health
 23 care services, which is updated at least annually, in understandable language with
 24 sufficient explanation to allow consumers to draw meaningful comparisons between
 25 every hospital and ambulatory facility in the Commonwealth, and other provider groups
 26 as relevant data become available. Any charge information compiled and reported by the
 27 cabinet shall include the median charge and other percentiles to describe the typical

1 charges for all of the patients treated by a provider and the total number of patients
2 represented by the charges, and shall be risk adjusted according to the recommendations
3 of the Health Data Advisory Committee. The report shall clearly identify the sources of
4 data used in the report and explain limitations of the data and why differences between
5 provider charges may be misleading. Every provider that is specifically identified in any
6 report shall be given 30 days to verify the accuracy of its data prior to public release and
7 shall be afforded the opportunity to submit comments on its data that shall be included on
8 the Web site and as part of any printed report of the data. The cabinet shall only provide
9 linkages to organizations that publicly report comparative charge data for Kentucky
10 providers using data for all patients treated regardless of payor source, which may be
11 adjusted for outliers, is risk adjusted, and permits identified providers the opportunity to
12 comment on their data and includes such comments on the Web site and as part of any
13 printed report of the data.

14 The Cabinet for Health and Family Services shall make information available on its
15 Web site, describing quality and outcome measures, in understandable language with
16 sufficient explanation to allow consumers to draw meaningful comparison between every
17 hospital and ambulatory facility in the Commonwealth, and other provider groups as
18 relevant data become available.

19 (a) The cabinet shall utilize only national quality indicators that have been
20 endorsed and adopted by the Agency for Healthcare Research and Quality, the National
21 Quality Forum, or the United States Centers for Medicare and Medicaid Services, or shall
22 provide linkages only to the following organizations that publicly report quality and
23 outcome measures on Kentucky providers:

- 24 1. The United States Centers for Medicare and Medicaid Services;
- 25 2. The Agency for Healthcare Research and Quality;
- 26 3. The Joint Commission on the Accreditation of Health Care Organizations; and
- 27 4. Other organizations that publicly report relevant outcome data for Kentucky

1 health care providers, as determined by the Health Services Data Advisory Committee.

2 (b) The cabinet shall utilize or refer the general public to only those nationally
3 endorsed quality indicators that:

4 1. Are based upon current scientific evidence or relevant national professional
5 consensus; and

6 2. Have definitions and calculation methods openly available to the general
7 public at no charge.

8 Any report the cabinet disseminates or refers the public to shall:

9 (a) Not include data for a provider whose caseload of patients is insufficient to
10 make the data a reliable indicator of the provider's performance;

11 (b) Afford providers specifically identified in the report 30 days to verify the
12 accuracy of their data prior to the data's public release and the opportunity to submit
13 comments on their data, which shall be included on the Web site and as part of any
14 printed report of the data;

15 (c) Clearly identify the sources of data used in the report and explain the
16 analytical methods used in preparing the data included in the report; and

17 (d) Explain any limitations of the data and how the data should be used by
18 consumers.

19 **Section 18.** Notwithstanding KRS 304.17A-700, as used in KRS 304.17A-700
20 to 304.17A-730 and KRS 205.593, 304.14-135, and 304.99-123, "health care provider" or
21 "provider" means a provider licensed in Kentucky as defined in KRS 304.17A-005 and,
22 for the purposes of KRS 304.17A-700 to 304.17A-730 and KRS 205.593, 304.14-135,
23 and 304.99-123 only, shall include physical therapists licensed under KRS Chapter 327,
24 psychologists licensed under KRS Chapter 319, social workers licensed under KRS
25 Chapter 335, and durable medical equipment dealers holding an active Medicare DME
26 provider number. Nothing contained in KRS 304.17A-700 to 304.17A-730 and KRS
27 205.593, 304.14-135, and 304.99-123 shall be construed to include physical therapists,

1 psychologists, social workers, and durable medical equipment dealers holding an active
 2 Medicare DME provider number as a health care provider or provider under KRS
 3 304.17A-005.

4 **Section 19.** Notwithstanding KRS 304.17A-704, within five business days
 5 from the time of acknowledgment under KRS 304.17A.704(1)(a), an insurer, its agent, or
 6 designee shall notify the provider, its billing agent, or designee that submitted the claim
 7 electronically, of all information that is missing from the billing instrument, of any errors
 8 in the billing instrument, or of any other circumstances which preclude it from being a
 9 clean claim.

10 Notwithstanding KRS 304.17A-704(2), at the time of acknowledgment under
 11 paragraph (b) of KRS 304.17A-704(1), an insurer, its agent, or designee, shall notify the
 12 provider, its billing agent, or designee that submitted the claim, in writing, of all
 13 information that is missing from the billing instrument, any errors in the billing
 14 instrument, or of any other circumstances which preclude it from being a clean claim.

15 **Section 20.** Notwithstanding KRS 304.17A-730(1), an insurer that fails to pay,
 16 deny, or settle a clean claim in accordance with KRS 304.17A-700 to 304.17A-730 and
 17 KRS 205.593, 304.14-135, and 304.99-123 shall pay interest according to the following
 18 schedule on the amount of the claim that remains unpaid:

19 (a) For claims that are paid between one and 30 days from the date that payment
 20 was due under KRS 304.17A-702, interest at a rate of 12 percent per annum shall accrue
 21 from the date payment was due under KRS 304.17A-702; and

22 (b) For claims that are paid more than 31 days from the date that payment was
 23 due under KRS 304.17A-702, interest at a rate of 14 percent per annum shall accrue from
 24 the date payment was due under KRS 304.17A-702.

25 **PART XIII**

26 **CONTINGENCY PLAN FOR ADDITIONAL FEDERAL**

27 **ASSISTANCE FOR STATES**

1 The General Assembly recognizes that the American Recovery and Reinvestment
2 Act of 2009, H.R. 1, 111 Cong. (2009), or its successor, gives certain discretion to the
3 Governor. As the only body in the Commonwealth that has the constitutional power to
4 make appropriations, the General Assembly empowers and directs the Governor to spend
5 funds from the American Recovery and Reinvestment Act of 2009, or its successor. It is
6 recognized that if additional federal dollars are received they will not be recurring in
7 nature; therefore, the intent of the General Assembly is that funds received from the
8 American Recovery and Reinvestment Act of 2009, or its successor, are not used to
9 permanently expand existing programs, permanently create new programs, or in any way
10 increase the requirements to be placed on the General Fund, Restricted Funds, or Road
11 Fund above the adjusted appropriation level as of June 30, 2010. It is also the intent of the
12 General Assembly that the funds received from the American Recovery and Reinvestment
13 Act of 2009, or its successor, be used for the following purposes:

- 14 (1) Restore support to programs that have been reduced in fiscal years 2008-
15 2009 and 2009-2010;
- 16 (2) Support programs that shall be eliminated when American Recovery and
17 Reinvestment Act of 2009, or its successor, funds are no longer available;
- 18 (3) Provide funding for one-time expenditures in accordance with the
19 American Recovery and Reinvestment Act of 2009, or its successor;
- 20 (4) Agencies that receive funding for capital or infrastructure projects shall
21 proceed with projects that have been identified and recommended by the
22 Capital Planning Advisory Board;
- 23 (5) Local school districts that receive funding for capital or infrastructure
24 projects shall proceed where possible with projects identified and
25 prioritized in the District Facilities Plan as approved by the Kentucky
26 Board of Education;
- 27 (6) Transportation infrastructure funding shall be expended on specific road

1 projects as approved in the Biennial Highway Construction Plan. Any
2 funds allocated specifically for Metropolitan Planning Organizations
3 (MPO's) shall be expended on road projects included within the Statewide
4 Transportation Improvement Program (STIP); and

5 (7) Any General Fund dollars that are not required for expenditure, due to the
6 receipt of American Recovery and Reinvestment Act of 2009, or its
7 successor, funds, shall be transferred to the Budget Reserve Trust Fund.



COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR

RECEIVED AND FILED
DATE June 4, 2010
4:20pm
TREY GRAYSON
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY R. Adler

STEVEN L. BESHEAR
GOVERNOR

700 CAPITOL AVENUE
SUITE 100
FRANKFORT, KY 40601
(502) 564-2611
FAX: (502) 564-2517

VETO MESSAGE FROM THE
GOVERNOR OF THE COMMONWEALTH OF KENTUCKY
REGARDING HOUSE BILL 3 OF THE
2010 FIRST EXTRAORDINARY SESSION

1. Transportation Cabinet Reporting

I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 2, lines 7 through 23, in their entirety.

I am vetoing this part because supplying this information in the great detail required by this provision is unprecedented and burdensome. This information is already provided in summary through the monthly reports the Transportation Cabinet provides to the legislative branch.

2. Transportation Cabinet Federal Aid

I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 6, line 17, after the period, delete the rest of the line.

Page 6, lines 18 through 19, in their entirety.

I am vetoing this part because it is more restrictive than, and in conflict with, section 22 in the same part of the bill.



3. Kentucky Pride Program – Highway Contingency Account

I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 7, line 10, after the period, delete the rest of the line.

Page 7, lines 11 through 12, in their entirety.

Page 7, line 16, after the period, delete the rest of the line.

Page 7, line 17, in its entirety.

Page 7, line 18, delete “224.43-505.”

I am vetoing this part because it mandates a change in the statutory funding structure of the Kentucky Pride fund without suspending the statute. This provision mandates that all \$5,000,000 in Road Fund support each fiscal year for the Kentucky Pride fund shall come from the Contingency Account. This veto retains the \$5,000,000 each year in funding for the Kentucky Pride fund from the Road Fund, but serves to accomplish this by returning to the statutory means of financing.

4. Highway Contingency Account

I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 7, line 22, after the period, delete the rest of the line.

Page 7, lines 23 through 24, in their entirety.

Page 7, line 25, beginning with the word “Study” and ending with the period.

I am vetoing this part because it imposes a mandate for the Secretary of the Transportation Cabinet to allocate funds from the Highway Contingency Account based on the mere receipt of information. The Secretary’s action in allocating any funds from the account first requires thorough review and appropriate accountability.

5. Industrial Road Access Account

I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 10, lines 1 through 5, in their entirety.

I am vetoing this part because decisions on industrial road access surfacing should be subject to the normal collaborative review process by the Economic Development and Transportation Cabinets.

6. Transportation Cabinet Capital Project

I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 16, lines 23 through 25, in their entirety.

I am vetoing this part because the funding is substantially insufficient to construct a maintenance and salt storage facility. The effect of this veto will return the funds back to the state construction account through the Road Fund surplus expenditure plan.

7. Transportation Cabinet Capital Project

I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following part:

Page 16, lines 26 through 27, in their entirety.

I am vetoing this part because the funding is substantially insufficient to construct a maintenance facility. The effect of this veto will return the funds back to the state construction account through the Road Fund surplus expenditure plan.

This the 4th day of June, 2010



Steven L. Beshear, Governor



GENERAL ASSEMBLY COMMONWEALTH OF KENTUCKY

2010 EXTRAORDINARY SESSION

HOUSE BILL NO. 3

AS ENACTED AND VETOED IN PART

INFORMATIONAL COPY

AN ACT relating to appropriations providing financing and conditions for the operations, maintenance, support, and functioning of the government of the Commonwealth of Kentucky.

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

PART I

OPERATING BUDGET

(1) Funds Appropriations: There is appropriated out of the General Fund, Road Fund, Restricted Funds accounts, Federal Funds accounts, or Bond Funds accounts for the fiscal year beginning July 1, 2010, and ending June 30, 2011, and for the fiscal year beginning July 1, 2011, and ending June 30, 2012, the following discrete sums, or so much thereof as may be necessary. Appropriated funds are included pursuant to KRS 48.700 and 48.710. Each appropriation is made by source of respective fund or funds accounts. Appropriations for the budget units of the Transportation Cabinet are subject to the provisions of Chapters 12, 42, 45, and 48 of the Kentucky Revised Statutes and compliance with the conditions and procedures set forth in this Act.

A. TRANSPORTATION CABINET

Budget Units

1. GENERAL ADMINISTRATION AND SUPPORT

	2010-11	2011-12
Restricted Funds	20,000	20,000
Road Fund	68,791,100	69,188,100
TOTAL	68,811,100	69,208,100

(1) Biennial Highway Construction Plan: The Secretary of the Transportation Cabinet is directed to produce a single document that contains two separately identified sections, as follows:

Section 1 shall detail the enacted fiscal biennium 2010-2012 Biennial Highway Construction Program and Section 2 shall detail the Highway Preconstruction Program

1 Plan for fiscal year 2010-2011 through fiscal year 2015-2016 as identified by the First
 2 Extraordinary Session of the 2010 General Assembly. This document shall mirror in data
 3 type and format the fiscal year 2008-2014 Recommended Six Year Road Plan as
 4 submitted to the 2008 General Assembly. The document shall be published and
 5 distributed to members of the General Assembly and the public within 60 days of
 6 adjournment of the 2010 First Extraordinary Session of the General Assembly.

7 ~~[The Secretary of the Transportation Cabinet shall report quarterly to the Interim
 8 Joint Committee on Transportation all projects included in the enacted Six Year Road
 9 Plan which have been delayed due to unforeseen circumstances. The report shall include:~~

- 10 ~~(a) The county name;~~
- 11 ~~(b) The Transportation Cabinet project identification number;~~
- 12 ~~(c) The route where the project is located;~~
- 13 ~~(d) The length of the project;~~
- 14 ~~(e) A description of the project and the scope of improvement;~~
- 15 ~~(f) The type of local, state, or federal funds to be used on the project;~~
- 16 ~~(g) The stage of development for the design, right of way, utility, and
 17 construction phases;~~
- 18 ~~(h) The fiscal year in which each phase of the project was scheduled to
 19 commence;~~
- 20 ~~(i) The estimated cost for each phase of the project;~~
- 21 ~~(j) A detailed description of the circumstances leading to the delay; and~~
- 22 ~~(k) The same information required in paragraphs (a) to (i) of this subsection for
 23 the project or projects advanced with funds initially scheduled for the delayed project.]~~

24 *(Veto Item #1)*

25 **(2) Debt Service:** Included in the above Road Fund appropriation is \$7,291,100
 26 in fiscal year 2010-2011 and \$7,301,200 in fiscal year 2011-2012 for debt service on
 27 previously authorized bonds for the new Transportation Cabinet office building and

1 parking structure.

2 **(3) Adopt-A-Highway Litter Program:** The Transportation Cabinet and the
3 Energy and Environment Cabinet may receive, accept, and solicit grants, contributions of
4 money, property, labor, or other things of value from any governmental agency,
5 individual, nonprofit organization, or private business to be used for the Adopt-a-
6 Highway Litter Program or other statewide litter programs. Any contribution of this
7 nature shall be deemed to be a contribution to a state agency for a public purpose and
8 shall be treated as Restricted Funds under KRS Chapter 45 and reported according to
9 KRS Chapter 48, and shall not be subject to restrictions set forth under KRS Chapter
10 11A.

11 **(4) SAFE Patrol Program:** The Transportation Cabinet shall continue the SAFE
12 Patrol Program at the current service level. The primary mission of the Cabinet's SAFE
13 Patrol shall be motorist assistance. The SAFE Patrol shall be restricted to providing only
14 assistance services on interstates, parkways, and other limited-access highways.

15 **(5) Review of Contract Expenditures:** The Secretary of the Transportation
16 Cabinet shall maximize Road Fund resources through a review of the Transportation
17 Cabinet's contract expenditures. To achieve this maximization of Road Fund resources,
18 the Transportation Cabinet shall:

19 (a) Rebid or renegotiate contracts where current economic conditions have
20 reduced the cost of the services, goods, or commodities at issue;

21 (b) Review vendor performance to identify and control cost overruns and
22 underperformance of contractual terms, and maintain an updated list of such contracts;

23 (c) Monitor and document contract performance and oversight in a readily
24 reviewable format;

25 (d) Implement billing standards to allow meaningful auditing of personal service
26 contracts;

27 (e) Reduce legal services contracts by requiring utilization of in-house counsel;

1 (f) Reduce engineering services contracts by requiring utilization of in-house
2 engineering and planning, where feasible;

3 (g) Document cost overruns in all monitored information technology (IT)
4 contracts and develop written evaluations of their effectiveness; and

5 (h) Reduce sole source contracts to promote savings through the competitive
6 bidding process.

7 The Transportation Cabinet shall report to the Legislative Research Commission no
8 later than December 1, 2010, the maximization of Road Fund resources achieved through
9 the review of contract expenditures.

10 **2. AVIATION**

	2010-11	2011-12
11		
12	3,150,400	3,149,100
13	15,000	15,000
14	2,280,100	2,865,900
15	5,445,500	6,030,000

16 **(1) Operational Costs:** Notwithstanding KRS 183.525(5), the above Restricted
17 Funds appropriation includes operational costs of the program in each fiscal year.

18 **(2) Debt Service:** Included in the above Road Fund appropriation is \$994,800 in
19 fiscal year 2010-2011 and \$996,000 in fiscal year 2011-2012 for debt service on
20 previously issued bonds. Notwithstanding KRS 183.525, \$994,800 in fiscal year 2010-
21 2011 and \$996,000 in fiscal year 2011-2012 is transferred to the Road Fund from the
22 Kentucky Aviation Economic Development Fund to support debt service on those bonds.

23 **(3) Aviation Development Debt Service:** Included in the above Road Fund
24 appropriation is \$296,500 in fiscal year 2010-2011 and \$848,500 in fiscal year 2011-2012
25 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget,
26 of this Act.

27 **3. DEBT SERVICE**

1		2010-11	2011-12
2	Road Fund	74,747,000	116,904,800

3 **(1) Economic Development Road Lease-Rental Payments:** Included in the
 4 above Road Fund appropriation is \$71,602,000 in fiscal year 2010-2011 and \$88,537,800
 5 in fiscal year 2011-2012 for Economic Development Road lease-rental payments relating
 6 to projects financed by Economic Development Road Revenue Bonds previously
 7 authorized by the General Assembly and issued by the Kentucky Turnpike Authority.

8 **(2) Economic Development Road Bond Debt Service:** (a) Included in the above
 9 Road Fund appropriation is \$3,145,000 in fiscal year 2010-2011 and \$6,289,000 in fiscal
 10 year 2011-2012 for Economic Development Road lease-rental payments to the Kentucky
 11 Turnpike Authority relating to projects financed by \$56,000,000 in new Economic
 12 Development Road Revenue Bonds in fiscal year 2010-2011 to support projects related to
 13 the Base Realignment and Closure (BRAC) activities in and around Fort Knox.

14 (b) Included in the above Road Fund appropriation is \$2,712,000 in fiscal year
 15 2011-2012 for Economic Development Road lease-rental payments to the Kentucky
 16 Turnpike Authority relating to projects financed by \$56,000,000 in new Economic
 17 Development Road Revenue Bonds in fiscal year 2011-2012 to support road projects
 18 related to the Base Realignment and Closure (BRAC) activities in and around Fort Knox.

19 **(3) Economic Development Road Bond Debt Service:** Included in the above
 20 Road Fund appropriation is \$19,366,000 in fiscal year 2011-2012 for Economic
 21 Development Road lease-rental payments to the Kentucky Turnpike Authority relating to
 22 projects financed by \$400,000,000 in new Economic Development Road Revenue Bonds
 23 in fiscal year 2011-2012 to support projects in the Biennial Highway Construction Plan.

24 **(4) Excess Lease-Rental Payments:** Any moneys not required to meet lease-
 25 rental payments or to meet the administrative costs of the Kentucky Turnpike Authority
 26 shall be transferred to the State Construction Account.

27 **(5) Debt Payment Acceleration Fund Account:** Notwithstanding KRS 175.505,

1 no portion of the revenues to the state Road Fund provided by the adjustments in KRS
 2 138.220(2), excluding KRS 177.320 and 177.365, shall accrue to the Debt Payment
 3 Acceleration Fund account during the 2010-2012 fiscal biennium.

4 **4. HIGHWAYS**

	2010-11	2011-12
5 General Fund	282,000	564,000
6 Restricted Funds	211,230,800	515,230,800
7 Federal Funds	672,683,000	672,700,400
8 Road Fund	715,944,200	735,682,600
9 Highway Bond	56,000,000	456,000,000
10 TOTAL	1,656,140,000	2,380,177,800

11
 12 **(1) Debt Service:** Included in the above Federal Funds appropriation is
 13 \$68,645,900 in fiscal year 2010-2011 and \$68,609,500 in fiscal year 2011-2012 for debt
 14 service on Grant Anticipation Revenue Vehicle (GARVEE) Bonds previously
 15 appropriated by the General Assembly.

16 **(2) Federally Supported Construction Program:** Included in the above Federal
 17 Funds appropriation is \$581,351,100 in fiscal year 2010-2011 and \$545,644,900 in fiscal
 18 year 2011-2012 for federal construction projects. ~~All Federal Aid Highway moneys made~~
 19 ~~available to Kentucky by the United States Congress shall be spent according to the 2010-~~
 20 ~~2012 Biennial Highway Construction Plan.] (Veto Item #2)~~

21 **(3) State Supported Construction Program:** Included in the above Road Fund
 22 appropriation is \$304,672,600 in fiscal year 2010-2011 and \$323,799,800 in fiscal year
 23 2011-2012 for the State Supported Construction Program. All State Supported
 24 Construction funds shall be spent according to the Six Year Road Plans set out in 2009
 25 Ky. Acts ch. 9, 2009 Ky. Acts ch. 85, and as enacted in 2010 First Extraordinary Session
 26 HB 4. Projects in those plans with the "SPB" and "SB2" designations are projects to be
 27 completed with Highway Bonds authorized in 2009 Ky. Acts ch. 9 and 2010 First

1 Extraordinary Session HB 3. Projects with the "SPB" and "SB2" designations that cannot
 2 be completed due to insufficient bond funds shall be given "SPP" funding priority.
 3 Projects with an "SPP" designation are state high priority projects and shall be given
 4 priority over other state projects with an "SP" funding designation.

5 **(4) State Resurfacing Program:** Included in the State Supported Construction
 6 Program is \$97,000,000 in fiscal year 2010-2011 and \$97,000,000 in fiscal year 2011-
 7 2012 from the Road Fund for the State Resurfacing Program.

8 **(5) Biennial Highway Construction Program:** Included in the State Supported
 9 Construction Program is \$176,672,600 in fiscal year 2010-2011 and \$195,799,800 in
 10 fiscal year 2011-2012 from the Road Fund for state construction projects in the fiscal
 11 biennium 2010-2012 Biennial Highway Construction Program.~~[No funds to support the
 12 Kentucky Pride Fund are included in the Biennial Highway Construction Program
 13 appropriation.] (Veto Item #3)~~

14 **(6) Highway Construction Contingency Account:** Included in the State
 15 Supported Construction Program is \$31,000,000 in fiscal year 2010-2011 and
 16 \$31,000,000 in fiscal year 2011-2012 for the Highway Construction Contingency
 17 Account.~~[Included in the Highway Construction Contingency Account appropriation is
 18 \$5,000,000 in each fiscal year to support the Kentucky Pride Fund created in KRS
 19 224.43-505.] (Veto Item #3)~~ Also included in the Highway Construction Contingency
 20 Account appropriation is up to \$350,000 in dollar-for-dollar matching funds in fiscal year
 21 2010-2011 for the Northern Kentucky Port Authority for the Ohio River Bank
 22 Stabilization Study and up to \$2,000,000 in dollar-for-dollar matching funds in fiscal year
 23 2010-2011 and fiscal year 2011-2012 for the Shortline Railroad Assistance Fund.~~[On
 24 receipt of documentation of the matching funds, the Secretary shall transfer an amount
 25 equal to the matching funds not to exceed the appropriations for the Ohio River Bank
 26 Stabilization Study and the Shortline Railroad Assistance Fund.] (Veto Item #4)~~ Also
 27 included in the Highway Construction Contingency Account is \$260,000 in fiscal year

1 2010-2011 for transportation enhancements for the Farnsely-Moreman Landing/Aydelotte
 2 project and \$2,000,000 in fiscal year 2010-2011 and \$2,000,000 in fiscal year 2011-2012
 3 for the 21st Century Parks Project. Also included in the Highway Construction
 4 Contingency Account is \$20,000 in fiscal year 2010-2011 for the Violet Road Sidewalk
 5 Repair, \$100,000 in fiscal year 2010-2011 for the Lincoln River Greenway Walking Trail
 6 in the City of Covington, and \$500,000 in fiscal year 2010-2011 for Providence-Webster
 7 County Airport improvements.

8 **(7) Economic Development Road Bonds:** Included in the above Highway Bonds
 9 appropriation is \$56,000,000 in fiscal year 2010-2011 and \$56,000,000 in fiscal year
 10 2011-2012 for new Economic Development Road Bonds to support projects related to the
 11 Base Realignment and Closure (BRAC) activities in and around Fort Knox.

12 **(8) Economic Development Road Bonds:** Included in the above Highway Bonds
 13 appropriation is \$400,000,000 in fiscal year 2011-2012 for new Economic Development
 14 Road Bonds to support projects in the Biennial Highway Construction Plan.

15 **(9) 2010-2012 Biennial Highway Construction Plan:** Projects in the enacted
 16 2008-2010 Biennial Highway Construction Plan are authorized to continue their current
 17 authorization into the 2010-2012 fiscal biennium.

18 **(10) Kentucky Transportation Center:** Notwithstanding KRS 177.320(4),
 19 included in the above Road Fund appropriation is \$290,000 in fiscal year 2010-2011 and
 20 \$290,000 in fiscal year 2011-2012 for the Kentucky Transportation Center.

21 **(11) New Highway Equipment Purchases:** Notwithstanding KRS 48.710(3),
 22 included in the above Restricted Funds appropriation is \$1,500,000 in fiscal year 2010-
 23 2011 and \$1,500,000 in fiscal year 2011-2012 from the sale of surplus equipment to
 24 purchase new highway equipment.

25 **(12) State Match Provisions:** The Transportation Cabinet is authorized to utilize
 26 state construction moneys or Toll Credits to match federal highway moneys.

27 **(13) Road Fund Cash Management:** The Secretary of the Transportation Cabinet

1 is authorized to continue the Cash Management Plan to address the policy of the General
 2 Assembly to expeditiously initiate and complete projects in the fiscal biennium 2010-
 3 2012 Biennial Highway Construction Plan. Notwithstanding KRS Chapter 45,
 4 specifically including KRS 45.242 and 45.244, the Secretary may concurrently advance
 5 projects in the Biennial Highway Construction Plan by employing management
 6 techniques that maximize the Cabinet's ability to contract for and effectively administer
 7 the project work. Under the approved Cash Management Plan, the Secretary is directed to
 8 continuously ensure that the unspent project and Road Fund balances available to the
 9 Transportation Cabinet are sufficient to meet expenditures consistent with appropriations
 10 provided.

11 **(14) Carry Forward of Appropriation Balances:** Notwithstanding KRS 45.229,
 12 unexpended Road Fund appropriations in the Highways budget unit for the Construction
 13 program, the Maintenance program, and the Research program in fiscal year 2009-2010
 14 and in fiscal year 2010-2011 shall not lapse but shall carry forward. Unexpended Federal
 15 Funds and Restricted Funds appropriations in the Highways budget unit for the
 16 Construction program, the Maintenance program, the Equipment Services program, and
 17 the Research program in fiscal year 2009-2010 and in fiscal year 2010-2011, up to the
 18 amount of ending cash balances and unissued Highway Bond Funds and grant balances
 19 shall not lapse but shall carry forward.

20 **(15) Wetland Restoration Debt Service:** Included in the above General Fund
 21 appropriation is \$282,000 in fiscal year 2010-2011 and \$564,000 in fiscal year 2011-2012
 22 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget,
 23 of this Act.

24 **(16) Highways Maintenance:** Included in the above Highways Road Fund
 25 appropriation is \$323,212,500 in fiscal year 2010-2011 and \$323,212,500 in fiscal year
 26 2011-2012 for Highways Maintenance. Highways Maintenance positions may be filled to
 27 the extent the above funding level and the Highways Maintenance continuing

1 appropriation are sufficient to support those positions.

2 ~~[(17) **Industrial Road Access Account:** The Secretary of the Transportation~~
 3 ~~Cabinet and the Secretary of the Economic Development Cabinet shall provide \$500,000~~
 4 ~~from the Industrial Road Access Account in fiscal year 2010-2011 for the Woodland~~
 5 ~~Industrial Park Access Road in Montgomery County to provide surfacing for an~~
 6 ~~alternative safety route.] (Veto Item #5)~~

7 **(18) Grant Anticipation Revenue Vehicle (GARVEE) Bonds:** Included in the
 8 above Restricted Funds appropriation is \$330,000,000 in fiscal year 2011-2012 for
 9 GARVEE Bond Funds to be issued for the US-68/KY-80 Lake Barkley and Kentucky
 10 Lake Bridges Project and \$105,000,000 in fiscal year 2011-2012 for GARVEE Bond
 11 Funds to be issued for the Louisville-Southern Indiana Ohio River Bridges Project.

12 **(19) New Grant Anticipation Revenue Vehicle (GARVEE) Debt Service:**
 13 Included in the above Federal Funds appropriation is \$20,627,000 in fiscal year 2011-
 14 2012 for GARVEE Bonds debt service payments relating to the US-68/KY-80 Lake
 15 Barkley and Kentucky Lake Bridge projects financed by \$330,000,000 in GARVEE
 16 Bonds and \$15,133,000 in fiscal year 2011-2012 for GARVEE Bonds debt service
 17 payments relating to the Louisville-Southern Indiana Ohio River Bridges Project.

18 **(20) Interlocal Cooperative Agreement:** Any local government may be permitted
 19 to enter into an interlocal cooperative agreement with the Transportation Cabinet to
 20 maintain traffic control devices on state-maintained roads within the local government's
 21 jurisdiction and shall be reimbursed by the Transportation Cabinet for the contracted cost
 22 of such maintenance. The agreement may permit local governments to make temporary
 23 repairs to state-maintained road surfaces within the local government's jurisdiction and
 24 shall be reimbursed by the Transportation Cabinet for the contracted cost of the
 25 temporary repairs. The Transportation Cabinet shall report all interlocal cooperative
 26 agreements entered into under this subsection to the Interim Joint Committee on
 27 Transportation within seven days of the agreement being finalized. The report shall

1 include the local government requesting the assistance from the Cabinet, the scope and
2 estimated cost of the service or repair, and the reasons for the necessity of the agreement.

3 **(21) Crittenden County Property:** Whereas the existing real property in
4 Crittenden County located at 110 Old Salem Road has become unsuitable for public use
5 as a Transportation Cabinet maintenance facility due to its age, and whereas this property
6 would be more suitable for use by the Crittenden County Board of Education as it is
7 adjacent to the Crittenden County High School, the General Assembly authorizes the
8 exchange of this property with the Crittenden County Industrial Authority property in
9 Industrial Park North. Upon conveyance of title to sufficient property to the
10 Transportation Cabinet by the Crittenden County Industrial Authority, the Transportation
11 Cabinet shall construct a new maintenance facility and all necessary adjacent facilities.
12 Upon completion and occupation of the new maintenance facility and approval required
13 by KRS 45A.045, the Commonwealth shall convey title to the existing maintenance
14 facility property to the Crittenden County Board of Education.

15 **(22) Federal Aid Highway Moneys:** If additional federal highway moneys are
16 made available to Kentucky by the United States Congress, the funds shall be used
17 according to the following priority: (a) Any demonstration-specific or project-specific
18 money shall be used on the project identified; and (b) All other funds shall be used to
19 ensure that projects in the 2010-2012 Biennial Highway Construction Plan are funded. If
20 additional federal moneys remain after these priorities are met, the Transportation
21 Cabinet may select projects from 2009 Ky. Acts ch. 85.

22 **(23) Hart and Larue Counties Concrete Barrier:** The Transportation Cabinet is
23 authorized to pursue a project to place a concrete barrier wall along the inside shoulder of
24 I-65 in Hart and Larue Counties to serve as a crash protection device to prevent cross-
25 median incidents.

26 **(24) Reauthorization:** Notwithstanding any statute to the contrary, 2009 Ky.
27 Acts ch. 85 is hereby reauthorized in its entirety. If any project is contained in both 2009

1 Ky. Acts ch. 85 and 2010 First Extraordinary Session HB 4, the project detail in 2010
2 First Extraordinary Session HB 4 shall override the project detail in 2009 Ky. Acts ch. 85.

3 **5. JUDGMENTS**

4 **(1) Payment of Judgments:** Road Fund resources required to pay judgments
5 shall be transferred from the State Construction Account at the time when actual
6 payments must be disbursed from the State Treasury.

7 **6. PUBLIC TRANSPORTATION**

	2010-11	2011-12
8 General Fund	4,574,600	4,528,800
9 Restricted Funds	440,000	440,000
10 Federal Funds	44,546,000	44,546,000
11 TOTAL	49,560,600	49,514,800

12
13 **(1) Toll Credits:** The Transportation Cabinet is authorized to maximize to the
14 extent necessary the use of Toll Credits to match Federal Funds for transit systems capital
15 grants.

16 **(2) Nonpublic School Transportation:** Included in the above General Fund
17 appropriation is \$2,955,000 in fiscal year 2010-2011 and \$2,925,400 in fiscal year 2011-
18 2012 for nonpublic school transportation.

19 **7. REVENUE SHARING**

	2010-11	2011-12
20 Road Fund	297,074,700	312,423,900

21
22 **(1) County Road Aid Program:** Included in the above Road Fund appropriation
23 is \$112,177,600 in fiscal year 2010-2011 and \$117,997,000 in fiscal year 2011-2012 for
24 the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and
25 179.440. Notwithstanding KRS 177.320(2), the above amounts have been reduced by
26 \$38,000 in fiscal year 2010-2011 and \$38,000 in fiscal year 2011-2012, which has been
27 appropriated to the Highways budget unit for the support of the Kentucky Transportation

1 Center.

2 (2) **Rural Secondary Program:** Included in the above Road Fund appropriation
3 is \$136,084,400 in fiscal year 2010-2011 and \$143,144,000 in fiscal year 2011-2012 for
4 the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340,
5 177.350, and 177.360. Notwithstanding KRS 177.320(1), the above amounts have been
6 reduced by \$46,000 in fiscal year 2010-2011 and \$46,000 in fiscal year 2011-2012, which
7 has been appropriated to the Highways budget unit for the support of the Kentucky
8 Transportation Center.

9 (3) **Municipal Road Aid Program:** Included in the above Road Fund
10 appropriation is \$47,200,400 in fiscal year 2010-2011 and \$49,649,000 in fiscal year
11 2011-2012 for the Municipal Road Aid Program in accordance with KRS 177.365,
12 177.366, and 177.369. Notwithstanding KRS 177.365(1), the above amounts have been
13 reduced by \$16,000 in fiscal year 2010-2011 and \$16,000 in fiscal year 2011-2012, which
14 has been appropriated to the Highways budget unit for the support of the Kentucky
15 Transportation Center.

16 (4) **Energy Recovery Road Fund:** Included in the above Road Fund
17 appropriation is \$903,000 in fiscal year 2010-2011 and \$903,000 in fiscal year 2011-2012
18 for the Energy Recovery Road Fund in accordance with KRS 177.977, 177.9771,
19 177.9772, 177.978, 177.979, and 177.981.

20 **8. VEHICLE REGULATION**

	2010-11	2011-12
21		
22 Restricted Funds	12,597,700	12,624,100
23 Federal Funds	1,050,000	1,050,000
24 Road Fund	22,648,200	22,889,200
25 TOTAL	36,295,900	36,563,300

26 (1) **Debt Service:** Included in the above Road Fund appropriation is \$3,144,900
27 in fiscal year 2010-2011 and \$3,145,400 in fiscal year 2011-2012 for debt service on

1 previously authorized bonds for the AVIS Replacement project.

2 **TOTAL - TRANSPORTATION CABINET**

3		2010-11	2011-12
4	General Fund	4,856,600	5,092,800
5	Restricted Funds	227,438,900	531,464,000
6	Federal Funds	718,294,000	718,311,400
7	Road Fund	1,181,485,300	1,259,954,500
8	Highway Bond	56,000,000	456,000,000
9	TOTAL	2,188,074,800	2,970,822,700

10 **PART II**

11 **CAPITAL PROJECTS BUDGET**

12 **(1) Capital Construction Fund Appropriations and Reauthorizations:**

13 Moneys in the Capital Construction Fund are appropriated for the following capital
 14 projects subject to the conditions and procedures in this Act. Items listed without
 15 appropriated amounts are previously authorized for which no additional amount is
 16 required. These items are listed in order to continue their current authorization into the
 17 2010-2012 fiscal biennium. Unless otherwise specified, reauthorized projects shall
 18 conform to the original authorization enacted by the General Assembly.

19 **(2) Expiration of Existing Line-Item Capital Construction Projects:** All

20 appropriations to existing line-item capital construction projects expire on June 30, 2010,
 21 unless reauthorized in this Act with the following exceptions: (a) A construction contract
 22 for the project shall have been awarded by June 30, 2010; (b) Permanent financing or a
 23 short-term line of credit sufficient to cover the total authorized project scope shall have
 24 been obtained in the case of projects authorized for bonds, provided that the authorized
 25 project completes an initial draw on the line of credit within the biennium immediately
 26 subsequent to the original authorization; and (c) Grant or loan agreements, if applicable,
 27 shall have been finalized and properly signed by all necessary parties. Notwithstanding

1 the criteria set forth in this subsection, the disposition of 2008-2010 fiscal biennium
 2 nonstatutory appropriated maintenance pools funded from Capital Construction
 3 Investment Income shall remain subject to the provisions of KRS 45.770(5)(c).

4 **(3) Bond Proceeds Investment Income:** Investment income earned from bond
 5 proceeds beyond that which is required to satisfy Internal Revenue Service arbitrage
 6 rebates and penalties and excess bond proceeds upon the completion of a bond-financed
 7 capital project shall be used to pay debt service according to the Internal Revenue Service
 8 Code and accompanying regulations.

9 **(4) Payments for Wetland Restoration:** Obligations due from the Department
 10 of Highways from state funds for fees to the fund established by KRS 150.255(3) shall be
 11 deposited into an Other Special Revenue Fund established within the Transportation
 12 Cabinet. Payments in satisfaction of these obligations shall be made from the capital
 13 project appropriation in Part II, 1., 002. of this Act.

Budget Units	2010-11	2011-12
1. GENERAL ADMINISTRATION AND SUPPORT		
001. Aviation Development Projects		
Bond Funds	5,250,000	5,250,000
002. Wetland Restoration - 2010-2012		
Bond Funds	5,000,000	-0-
003. Purchase TRNS*PORT Upgrade		
Road Fund	3,000,000	-0-
004. Building and Site Renovation and Repair - 2010-2012		
Road Fund	1,200,000	1,350,000
005. Repair Loadometer and Rest Areas - 2010-2012		
Road Fund	900,000	600,000
006. Transportation Enterprise Data Warehouse		
Road Fund	1,500,000	-0-

1	007. Various Environmental Compliance - 2010-2012		
2	Road Fund	750,000	750,000
3	008. Construct Crittenden County Maintenance Facility and Salt		
4	Storage Structure		
5	Road Fund	260,000	1,080,000
6	009. Aircraft Maintenance Pool - 2010-2012		
7	Investment Income	500,000	500,000
8	010. Water and Wastewater - 2010-2012		
9	Road Fund	495,000	235,000
10	011. Replace and Repair Overhead Doors - 2010-2012		
11	Road Fund	325,000	335,000
12	012. Purchase PONTIS Upgrade		
13	Road Fund	600,000	-0-
14	013. Videologging Roadway Feature System		
15	Federal Funds	480,000	-0-
16	Road Fund	120,000	-0-
17	TOTAL	600,000	-0-
18	014. Salt Storage Facility and Ancillary Building Maintenance		
19	and Repair - 2010-2012		
20	Road Fund	300,000	300,000
21	015. Construct Larue County Maintenance Facility and Salt Storage		
22	Structure - Additional Reauthorization		
23	Road Fund	430,000	-0-
24	016. Construct Knott County Maintenance Facility and Salt Storage		
25	 Structure		
26	 Road Fund	245,000	0] (Veto Item #6)
27	017. Construct Shelby County Maintenance Facility		

1 below, there is transferred to the General Fund the following amounts in fiscal year 2009-
 2 2010, fiscal year 2010-2011, and fiscal year 2011-2012:

	2009-10	2010-11	2011-12
1. Aviation			
Agency Revenue Fund	2,145,900	468,000	468,000
(KRS 183.525(4) and (5))			
2. Aviation			
Agency Revenue Fund	-0-	5,250,000	5,250,000
(KRS 183.525(4) and (5))			
Capital appropriations in the amount of \$5,250,000 in fiscal year 2010-2011 and \$5,250,000 in fiscal year 2011-2012 from bond funds will be used to replace this transfer of funds to the General Fund.			
3. Highways			
Other Special Revenue Fund	-0-	5,000,000	-0-
The amount of funds transfer shall be limited to the deposits made by the Department of Highways to an Other Special Revenue Fund which shall be established by the Transportation Cabinet for fees due to the fund established by KRS 150.255(3). In the event that the amount of the funds transfer made in fiscal year 2010-2011 is less than the full amount authorized, funds transfers may be made in fiscal year 2011-2012 up to the maximum biennial total of \$5,000,000.			
4. Vehicle Regulation			
Agency Revenue Fund	-0-	3,300,000	3,300,000
(KRS 186.040(6)(a))			
5. Vehicle Regulation			
Agency Revenue Fund	453,000	-0-	-0-
(KRS 186.040(6)(b))			
TOTAL - FUNDS TRANSFER	2,598,900	14,018,000	9,018,000

1

PART IV

2

TOTALS

3

TRANSPORTATION CABINET BUDGET SUMMARY

4

OPERATING BUDGET

5

2009-10**2010-11****2011-12**

6

General Fund

-0-

4,856,600

5,092,800

7

Restricted Funds

-0-

227,438,900

531,464,000

8

Federal Funds

-0-

718,294,000

718,311,400

9

Road Fund

-0-

1,181,485,300

1,259,954,500

10

Highway Bond

-0-

56,000,000

456,000,000

11

SUBTOTAL

-0-

2,188,074,800

2,970,822,700

12

CAPITAL PROJECTS BUDGET

13

2009-10**2010-11****2011-12**

14

Federal Funds

-0-

480,000

-0-

15

Road Fund

-0-

10,570,000

4,650,000

16

Bond Funds

-0-

10,250,000

5,250,000

17

Investment Income

-0-

500,000

500,000

18

SUBTOTAL

-0-

21,800,000

10,400,000

19

TOTAL - TRANSPORTATION CABINET BUDGET

20

2009-10**2010-11****2011-12**

21

General Fund

-0-

4,856,600

5,092,800

22

Restricted Funds

-0-

227,438,900

531,464,000

23

Federal Funds

-0-

718,774,000

718,311,400

24

Road Fund

-0-

1,192,055,300

1,264,604,500

25

Highway Bond

-0-

56,000,000

456,000,000

26

Bond Funds

-0-

10,250,000

5,250,000

27

Investment Income

-0-

500,000

500,000



GENERAL ASSEMBLY COMMONWEALTH OF KENTUCKY

2010 EXTRAORDINARY SESSION

SENATE BILL NO. 5

AS ENACTED

FRIDAY, MAY 28, 2010

RECEIVED AND FILED
DATE June 4, 2010
4:23 pm

TREY GRAYSON
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY R. Adler

AN ACT relating to the funding of school construction, making an appropriation therefor, and declaring an emergency.

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

1 ➔Section 1. The provisions of 2010 First Extraordinary Session HB 1/EN are
2 amended to read as follows:

3 In Part I, C., 4., (18), delete paragraph (a) and replace with the following:

4 "(a) Included in the above General Fund appropriation is \$5,958,300 in fiscal year
5 2011-2012 to provide equalization funding for school districts that: 1. Have school
6 facilities classified as Category 5 on May 18, 2010, by the Department of Education; and
7 2. Levy an additional five cents equivalent tax rate for debt service, new construction, and
8 major renovation beyond the five cents equivalent tax rate required by KRS
9 157.440(1)(b), except as provided in paragraph (c) of this subsection. Equalization shall
10 be provided at 150 percent of the statewide average per pupil assessment beginning in the
11 fiscal year following the fiscal year in which the levy is imposed. The provisions of KRS
12 132.017 relating to recall may or may not apply. The local board of education shall have
13 the option of levying this additional five cents equivalent tax rate without being subject to
14 the recall provisions of KRS 132.017 or the local board of education may request the
15 county board of elections to submit to the qualified voters of the district the question
16 whether the rate shall be levied."

17 ➔Section 2. Whereas Section 1 of this Act amends 2010 First Extraordinary
18 Session HB 1/EN, which takes effect upon its passage and approval by the Governor or
19 upon otherwise becoming law, an emergency is declared to exist, and Section 1 of this
20 Act takes effect upon its passage and approval by the Governor or upon otherwise
21 becoming law.



GENERAL ASSEMBLY COMMONWEALTH OF KENTUCKY

2010 REGULAR SESSION

HOUSE BILL NO. 302

THURSDAY, JANUARY 28, 2010

The following bill was reported to the Senate from the House and ordered to be printed.

RECEIVED AND FILED
DATE February 8, 2010
1:36pm

TREY GRAYSON
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY R. Allen

AN ACT relating to Bluegrass Station, making an appropriation therefor, and declaring an emergency.

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

1 ➔Section 1. There is hereby appropriated to the Department of Military Affairs
2 from Restricted Funds \$500,000 in fiscal year 2010-2011 and \$500,000 in fiscal year
3 2011-2012 for debt service to support agency bonds as set forth in this section. There is
4 hereby authorized \$4,000,000 in agency bonds in fiscal year 2009-2010 for the
5 Department of Military Affairs to construct a hangar at Bluegrass Station.

6 ➔Section 2. Whereas time is of the essence and this project must be commenced
7 by March 1, 2010, to meet contractual timelines, an emergency is declared to exist, and
8 this Act takes effect upon its passage and approval by the Governor or upon its otherwise
9 becoming law.

Legislative Branch

House Bill 511

Legislative Branch

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Enacted FY 2011	Enacted FY 2012
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	55,452,600	61,102,200	66,787,600	50,883,800	53,800,100
Continuing Approp.-General Fund	9,658,700	7,574,200	7,910,800	7,574,200	7,910,800
Budget Reduction-General Fund	-3,176,000				
Total General Fund	61,935,300	68,676,400	74,698,400	58,458,000	61,710,900
Restricted Funds					
Balance Forward	1,265,900	1,078,900	978,900	1,078,900	1,025,900
Total Restricted Funds	1,265,900	1,078,900	978,900	1,078,900	1,025,900
TOTAL SOURCE OF FUNDS	63,201,200	69,755,300	75,677,300	59,536,900	62,736,800
EXPENDITURES BY CLASS					
Personnel Costs	44,791,000	50,458,900	57,851,200	41,742,800	47,146,400
Operating Expenses	9,603,100	8,704,900	6,638,000	8,637,400	6,503,000
Capital Outlay	154,000	220,000	270,000	220,000	270,000
TOTAL EXPENDITURES	54,548,100	59,383,800	64,759,200	50,600,200	53,919,400
EXPENDITURES BY FUND SOURCE					
General Fund	54,361,100	60,765,600	68,783,700	50,547,200	53,800,100
Restricted Funds	187,000	100,000	197,000	53,000	119,300
TOTAL EXPENDITURES	54,548,100	60,865,600	68,980,700	50,600,200	53,919,400
EXPENDITURES BY UNIT					
Legislative Branch	54,548,100	60,865,600	68,980,700	50,600,200	53,919,400
TOTAL EXPENDITURES	54,548,100	60,865,600	68,980,700	50,600,200	53,919,400

The legislative powers of the Commonwealth of Kentucky are vested in the General Assembly and found in Sections 29 through 62 of the Kentucky Constitution. The purpose of the Legislature is to make the state's laws, to determine the duties and services of government, to provide for their execution, and to levy taxes and appropriate funds for the support of government operations.

The General Assembly, as specified by the Constitution, consists of 38 Senators and 100 Representatives, each representing districts as nearly equal as possible as prescribed by Section 33 of the Kentucky Constitution. Members of the House of Representatives are elected for two-year terms. Members of the Senate serve four-year terms, with one-half of the Senate elected every two years.

The Legislative Research Commission is a fact-finding and service agency for the Kentucky General Assembly. It is a statutory body created and maintained since 1948. The Commission is bipartisan and is composed of the leadership of both the House and Senate with the Senate President and House Speaker serving as co-chairman. The LRC staff provides research, bill drafting, and other administrative functions for the legislature.



GENERAL ASSEMBLY

COMMONWEALTH OF KENTUCKY

2010 REGULAR SESSION

HOUSE BILL NO. 511

AS ENACTED

THURSDAY, APRIL 1, 2010

RECEIVED AND FILED
DATE April 13, 2010
10:21pm

TREY GRAYSON
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY R. Adles

AN ACT making appropriations for the operations, maintenance, and support of the Legislative Branch of the Commonwealth of Kentucky.

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

PART I

OPERATING BUDGET

Funds Appropriations: Funds are appropriated to the Legislative Research Commission for the Legislative Branch of government out of the General Fund and Restricted Funds accounts for the fiscal year beginning July 1, 2010, and ending June 30, 2011, and for the fiscal year beginning July 1, 2011, and ending June 30, 2012, in the following discrete sums, or so much thereof as may be necessary. Each appropriation is made by the source of respective fund or funds accounts to be used for the purposes of the Legislative Branch of government of the Commonwealth of Kentucky.

	2010-11	2011-12
1. General Assembly		
General Fund	18,097,700	18,883,200
Restricted Funds	53,000	119,300
TOTAL	18,150,700	19,002,500

(1) Legislators Retirement and Compensation: Notwithstanding KRS 6.500 to 6.577 and 21.345 to 21.580, included in the above General Fund appropriation are sufficient funds to pay 44 percent of the actuarially required contribution in fiscal year 2010-2011 and 48 percent of the actuarially required contribution in fiscal year 2011-2012 for the Legislators Retirement Plan. Notwithstanding KRS 6.190 and 6.213, the daily compensation provided by KRS 6.190 and the interim expense allowance provided by KRS 6.213 for members of the General Assembly shall remain at the January 1, 2010, level.

(2) Kentucky Legislative Ethics Commission: Included in the above General Fund appropriation is \$388,500 in fiscal year 2010-2011 and \$388,600 in fiscal year

1 2011-2012 for the Kentucky Legislative Ethics Commission. Included in the above
 2 Restricted Funds appropriation is \$48,000 in fiscal year 2010-2011 and \$114,300 in fiscal
 3 year 2011-2012 for the Kentucky Legislative Ethics Commission.

4 **(3) Kentucky Long-Term Policy Research Center:** Notwithstanding KRS
 5 7B.010 to 7B.090, operation of the Kentucky Long-Term Policy Research Center and its
 6 governing board shall be suspended effective July 1, 2010, and shall remain suspended
 7 for the 2010-2012 fiscal biennium or until funding is restored. No funds are appropriated
 8 for the Kentucky Long-Term Policy Research Center for fiscal year 2010-2011 and fiscal
 9 year 2011-2012.

	2010-11	2011-12
11 2. Legislative Research Commission		
12 General Fund	32,786,100	34,916,900
13 Restricted Funds	-0-	-0-
14 TOTAL	32,786,100	34,916,900

15 **Permanent Full-time Employees:** The total number of permanent full-time
 16 employees hired by the Legislative Research Commission with the above appropriation,
 17 and not assigned specifically to the House and Senate members of the Legislative
 18 Research Commission, shall not exceed 232 in fiscal year 2010-2011 and 232 in fiscal
 19 year 2011-2012. In addition to this number, the total number of permanent full-time
 20 employees assigned specifically to the House members of the Legislative Research
 21 Commission shall not exceed 19 and the permanent full-time employees assigned
 22 specifically to the Senate members of the Legislative Research Commission shall not
 23 exceed 10.

24 **TOTAL - OPERATING BUDGET**

	2010-11	2011-12
26 General Fund	50,883,800	53,800,100
27 Restricted Funds	53,000	119,300

1 conform to KRS 48.311. If any section, any subsection, or any provision thereof shall be
2 invalid or unconstitutional, the decision of the courts shall not affect or impair any of the
3 remaining sections, subsections, or provisions.

4 **4. Duplicate Appropriation:** Any appropriation item and sum in this Act and in
5 an appropriation provision in another Act of the 2010 Regular Session of the General
6 Assembly which constitutes a duplicate appropriation shall be governed by KRS 48.312.

7 **5. Priority of Individual Appropriations:** KRS 48.313 shall control when a
8 total or subtotal figure in this Act conflicts with the sum of the appropriations of which it
9 consists.

10 **6. Appropriations Revisions:** Proposed revisions to Restricted Funds
11 appropriations in this Act shall be made and reported pursuant to KRS 48.630(10). The
12 Director of the Legislative Research Commission may transfer any available funds
13 between all appropriation units as needed to meet the constitutional requirements of the
14 Legislative Branch for fiscal years 2009-2010, 2010-2011, and 2011-2012.

15 **7. Allowance in Lieu of Stationery:** Notwithstanding KRS 6.220, in lieu of
16 stationery, there shall be allowed to each member of the House of Representatives the
17 sum of \$250 and to each member of the Senate the sum of \$500. This allowance shall be
18 paid out of the State Treasury at the beginning of each legislative session.

19 **8. Non-Merit Employee Reductions:** It is the intent of the General Assembly to
20 reduce the number of non-merit employees in state government and to reduce the number
21 of non-merit employees in the Legislative Branch in an amount which approximates the
22 reduction obligation of the Executive Branch. The Director of the Legislative Research
23 Commission shall therefore cause the number of non-merit employees employed by the
24 Legislative Branch to be reduced by 23 from the effective date of this Act through the end
25 of fiscal year 2010-2011 and shall keep the positions vacant in fiscal year 2011-2012.

26 **9. Issuance of Employee Paychecks:** Notwithstanding any statute or
27 administrative regulation to the contrary, the state payroll that would normally be

1 scheduled to be paid on June 30, 2012, shall not be issued prior to July 1, 2012. The
2 associated cost of this payroll shall be paid from fiscal year 2012-2013 resources.

3 **PART III**

4 **BUDGET REDUCTION OR SURPLUS EXPENDITURE PLAN**

5 The Legislative Branch shall participate in any Budget Reduction Plan or Surplus
6 Expenditure Plan in accordance with the provisions of KRS Chapter 48.

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Judicial Branch

House Bill 293

Judicial Branch

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Enacted FY 2011	Enacted FY 2012
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	295,885,800	337,294,400	379,412,800	290,849,100	316,338,800
Continuing Approp.-General Fund	13,350,900	15,417,700	236,600	15,417,700	15,417,700
Budget Reduction-General Fund	-24,294,900				
Total General Fund	284,941,800	352,712,100	379,649,400	306,266,800	331,756,500
Restricted Funds					
Balance Forward	34,469,700				
Current Receipts	18,830,800	18,810,800	18,810,800	26,244,400	26,570,700
Non-Revenue Receipts	14,507,200	9,407,200	9,407,200	8,973,600	8,647,300
Total Restricted Funds	67,807,700	28,218,000	28,218,000	35,218,000	35,218,000
Federal Funds					
Current Receipts	2,285,900	1,948,500	2,011,600	2,707,700	2,707,700
Total Federal Funds	2,285,900	1,948,500	2,011,600	2,707,700	2,707,700
TOTAL SOURCE OF FUNDS	355,035,400	382,878,600	409,879,000	344,192,500	369,682,200
EXPENDITURES BY CLASS					
Personnel Costs	206,722,400	228,000,000	242,175,800	199,801,200	197,850,900
Operating Expenses	132,670,300	154,417,000	167,241,600	128,748,600	156,188,600
Capital Outlay	225,000	225,000	225,000	225,000	225,000
TOTAL EXPENDITURES	339,617,700	382,642,000	409,642,400	328,774,800	354,264,500
EXPENDITURES BY FUND SOURCE					
General Fund	269,524,100	352,475,500	379,412,800	290,849,100	316,338,800
Restricted Funds	67,807,700	28,218,000	28,218,000	35,218,000	35,218,000
Federal Funds	2,285,900	1,948,500	2,011,600	2,707,700	2,707,700
TOTAL EXPENDITURES	339,617,700	382,642,000	409,642,400	328,774,800	354,264,500
EXPENDITURES BY UNIT					
Court of Justice	333,838,600	371,133,200	398,121,700	322,995,700	348,485,400
Judicial Form Retirement System	5,779,100	11,508,800	11,520,700	5,779,100	5,779,100
TOTAL EXPENDITURES	339,617,700	382,642,000	409,642,400	328,774,800	354,264,500

The judicial powers of the Commonwealth of Kentucky are vested in one Court of Justice under Section 109 of the Kentucky Constitution. Fully implemented in 1978, the Court constitutes a Unified Judicial System for operation and administration. The purpose of the Kentucky Judicial Branch of government is to provide equal justice for all persons who become involved in the Kentucky court system through due process of law, administered without favor, denial or delay, and to carry out all provisions of the Judicial Article of the Constitution.

The Kentucky court system is a four-tiered system of adjudication including a Supreme Court, Court of Appeals, Circuit Court, and District Court. Moreover, in 2002, a constitutional amendment was approved formally sanctioning the creation of Family Courts. The goal of these courts is to hear and determine expeditiously all cases which may come before the Court of Justice to interpret the laws of the Commonwealth, make decisions and issue opinions related thereto.

The Circuit Clerks' offices in each county have as their goal the provision of an effective and manageable system of clerical support and maintenance of court records for the circuit and district courts.

The Administrative Office of the Courts, Juvenile Services, Pretrial Services, State Law Library, the ancillary boards and

commissions, and the local court facilities program have the following goals:

To provide the administrative support necessary to carry on the operation of the Court of Justice and to have adequate personnel, facilities, equipment, and operating expenditures to carry out the Judicial Branch's constitutional and statutory responsibilities.

To ensure a system of financial management and accountability for the Court of Justice.

To carry on a continuous survey of the organization, operation, and other aspects of the Court of Justice and to make improvements thereof.



GENERAL ASSEMBLY COMMONWEALTH OF KENTUCKY

2010 REGULAR SESSION

HOUSE BILL NO. 293

AS ENACTED

THURSDAY, APRIL 1, 2010

RECEIVED AND FILED
DATE April 13, 2010
10:19 pm

TREY GRAYSON
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY R. Adles

AN ACT making appropriations for the operations, maintenance, support, and functioning of the Judicial Branch of the government of the Commonwealth of Kentucky and its various officers, boards, commissions, subdivisions, and other state-supported activities.

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

PART I

OPERATING BUDGET

(1) Funds Appropriations: There is appropriated out of the General Fund, Restricted Funds accounts, or Federal Funds accounts for the fiscal year beginning July 1, 2010, and ending June 30, 2011, and for the fiscal year beginning July 1, 2011, and ending June 30, 2012, in the following sums to be used for the purposes of the Judicial Branch of the government of the Commonwealth of Kentucky, including the Supreme Court, Court of Appeals, Circuit Court, Family Court, District Court, the Administrative Office of the Courts, Judicial Retirement, Local Facilities Fund, Local Facilities Use Allowance Contingency Fund, and for services performed by the Circuit Court Clerks' offices, including both Circuit and District Court support.

1. Court of Justice

a. Court Operations and Administration

	2010-11	2011-12
General Fund	195,030,000	193,079,700
Restricted Funds	35,218,000	35,218,000
Federal Funds	2,707,700	2,707,700
TOTAL	232,955,700	231,005,400

(1) Salary Adjustments: No funds are provided in fiscal year 2010-2011 and fiscal year 2011-2012 for salary adjustments for non-elected court personnel, Justices, Judges, and Circuit Court Clerks.

(2) Issuance of Employee Paychecks: Notwithstanding any statute or

1 administrative regulation to the contrary, the state payroll that would normally be
 2 scheduled to be paid on June 30, 2012, shall not be issued prior to July 1, 2012. The
 3 associated cost of this payroll shall be paid from fiscal year 2012-2013 resources. The
 4 Chief Justice shall transfer any Restricted Funds, that become excess as the result of this
 5 action, to the General Fund.

6 **(3) Funds Carry Forward:** Notwithstanding KRS 45.229, any unexpended
 7 balance remaining at the close of fiscal year 2009-2010 shall not lapse and shall continue
 8 into fiscal year 2010-2011, and any unexpended balance remaining at the close of fiscal
 9 year 2010-2011 shall not lapse and shall continue into fiscal year 2011-2012.

10 **(4) Civil Filing Fees:** Pursuant to its authority, if the Supreme Court retains the
 11 increase from 2008 in civil filings fees, the additional income resulting from the fee
 12 increases, not to exceed \$5,000,000 in each fiscal year of the biennium, shall be deposited
 13 into a trust and agency account for court operations. Any revenue generated by these
 14 increases in excess of \$5,000,000 in each fiscal year of the biennium shall be deposited
 15 into the General Fund.

16 **(5) Night Court in Jefferson County:** The Administrative Office of the Courts
 17 shall continue the operations and current schedule of night court in Okolona and
 18 Middletown in Jefferson County in fiscal year 2010-2011 and fiscal year 2011-2012.

19 **b. Local Facilities Fund**

	2010-11	2011-12
20		
21	General Fund	90,500,000 117,500,000

22 **(1) Local Court Facility Compensation:** Included in the above General Fund
 23 appropriation are moneys to compensate local units of government for providing court
 24 space and for costs incurred in the development of local court facilities as defined in KRS
 25 Chapter 26A and provided in Part II of this Act, and to perform all other acts required or
 26 authorized by KRS Chapter 26A.

27 **(2) Funds Carry Forward:** Notwithstanding KRS 45.229, any unexpended

1 balance remaining at the close of fiscal year 2009-2010 shall not lapse and shall continue
 2 into fiscal year 2010-2011, and any unexpended balance remaining at the close of fiscal
 3 year 2010-2011 shall not lapse and shall continue into fiscal year 2011-2012.

4 **(3) Fayette County Courthouse Use Allowance:** The use allowance for the
 5 Fayette County Courthouse is contingent upon Short Street in Lexington, Kentucky,
 6 remaining open to traffic.

7 **c. Local Facilities Use Allowance Contingency Fund**

	2010-11	2011-12
8 General Fund	-0-	-0-

10 **(1) Funds Carry Forward:** Notwithstanding KRS 45.229, any unexpended
 11 balance remaining at the close of fiscal year 2009-2010 shall not lapse and shall continue
 12 into fiscal year 2010-2011, and any unexpended balance remaining at the close of fiscal
 13 year 2010-2011 shall not lapse and shall continue into fiscal year 2011-2012 to provide
 14 for cost overruns in authorized court facilities projects not to exceed 15 percent of the use
 15 allowance in accordance with KRS Chapter 26A.

16 **TOTAL - COURT OF JUSTICE**

	2010-11	2011-12
17 General Fund	285,530,000	310,579,700
18 Restricted Funds	35,218,000	35,218,000
19 Federal Funds	2,707,700	2,707,700
20 TOTAL	323,455,700	348,505,400

22 **2. Judicial Retirement System**

	2010-11	2011-12
23 General Fund	5,319,100	5,759,100

25 **(1) Judicial Retirement Benefits:** Notwithstanding KRS 21.345 to 21.580,
 26 included in the above General Fund appropriation is \$4,840,000 in fiscal year 2010-2011
 27 and \$5,280,000 in fiscal year 2011-2012 to fund 44 percent in fiscal year 2010-2011 and

1 48 percent in fiscal year 2011-2012 of the actuarial assessed judicial retirement benefits.

2 **TOTAL - OPERATING BUDGET**

3		2010-11	2011-12
4	General Fund	290,849,100	316,338,800
5	Restricted Funds	35,218,000	35,218,000
6	Federal Funds	2,707,700	2,707,700
7	TOTAL	328,774,800	354,264,500

8 **PART II**

9 **CAPITAL PROJECTS BUDGET**

10	Budget Unit	2010-11	2011-12
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11 **1. Local Facilities**

12 **(1) Local Facilities Projects - Authorized:** Nothing in this Act shall reduce
 13 funding of court facility projects authorized by the General Assembly.

14 **(2) Local Facilities Use Allowance Contingency Fund:** For any court facility
 15 project which is occupied and use allowance funding is insufficient, the use allowance
 16 payments shall be approved from the Local Facilities Use Allowance Contingency Fund.
 17 If funds are not available in the Local Facilities Use Allowance Contingency Fund, the
 18 use allowance payments shall be deemed a necessary governmental expense (General
 19 Fund Surplus Account, KRS 48.700).

20 **2. Lease Authorizations**

21 **001.** Franklin County - Lease - Office Space

22 **002.** Franklin County - Lease - Court of Appeals

23 **003.** Jefferson County - Courts Parking Lease

24 **TOTAL - JUDICIAL BRANCH BUDGET**

25		2010-11	2011-12
26	General Fund	290,849,100	316,338,800
27	Restricted Funds	35,218,000	35,218,000

1	Federal Funds	2,707,700	2,707,700
2	TOTAL	328,774,800	354,264,500

PART III

GENERAL PROVISIONS

5 **1. Expenditure Authority:** The Director of the Administrative Office of the
6 Courts, with the approval of the Chief Justice, may expend any of the funds appropriated
7 for the court operations and administration in any lawful manner and for any legal
8 purpose that the Chief Justice shall authorize or direct. No executive agency of state
9 government shall have the power to restrict or limit the expenditure of funds appropriated
10 to the Judicial Branch of government.

11 **2. Severability of Budget Provisions:** Appropriation items and sums in this Act
12 conform to KRS 48.311. If any section, any subsection, or any provision thereof shall be
13 invalid or unconstitutional, the decision of the courts shall not affect or impair any of the
14 remaining sections, subsections, or provisions.

15 **3. Duplicate Appropriations:** Any appropriation item and sum in this Act and
16 in an appropriation provision in another Act of the 2010 Regular Session of the General
17 Assembly which constitutes a duplicate appropriation shall be governed by KRS 48.312.

18 **4. Priority of Individual Appropriations:** KRS 48.313 shall control when a
19 total or subtotal figure in this Act conflicts with the sum of the appropriations of which it
20 consists.

21 **5. Carry Forward of Restricted and Federal Funds:** Notwithstanding KRS
22 45.229, any unexpended balance remaining in the Court's Restricted Funds accounts or
23 Federal Funds accounts at the close of the fiscal years ending June 30, 2010, and June 30,
24 2011, shall not lapse and shall continue into the next fiscal year.

25 **6. Final Budget Document:** The Chief Justice shall cause the Director of the
26 Administrative Office of the Courts to prepare a final budget document reflecting the
27 2010-2012 biennial budget of the Court of Justice. A copy shall be provided to the

1 Legislative Research Commission and an informational copy shall be furnished to the
2 Finance and Administration Cabinet within 60 days of the adjournment of the 2010
3 Regular Session of the General Assembly.

4 **7. Transferability of Funds:** The Chief Justice of the Commonwealth of
5 Kentucky shall have the ability to transfer funds to other programs and budget units
6 within the Judicial Branch. Any funds transferred to other budget units within the Judicial
7 Branch may be used to support any activity, program, or operation of the budget unit or
8 program receiving the respective funds.

9 **8. Appropriations Revisions:** Proposed revisions to Restricted Funds and
10 Federal Funds appropriations in this Act shall be made and reported pursuant to KRS
11 48.630(10). The Director of the Administrative Office of the Courts shall notify on a
12 timely basis the Legislative Research Commission of the most current estimates of
13 anticipated receipts for the affected fiscal year and an accompanying statement which
14 explains such variations from the anticipated amount.

15 **9. Maximum Salary of Trial Commissioners:** Notwithstanding KRS
16 24A.100(3), funds are included to continue the statutory maximum salary of trial
17 commissioners as provided for in the Judicial Branch Budget Recommendation.

18 **PART IV**

19 **BUDGET REDUCTION OR SURPLUS EXPENDITURE PLAN**

20 The Judicial Branch shall participate in any Budget Reduction Plan or Surplus
21 Expenditure Plan in accordance with the provisions of KRS Chapter 48.

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COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR

State of the Commonwealth
January 6, 2010
Gov. Steve Beshear

Mr. President, Mr. Speaker, distinguished members of the Kentucky General Assembly, Lt. Governor Mongiardo, Constitutional officers, honorable members of the Court of Justice, honored guests, including Kentucky's First Lady and my fellow Kentuckians ...

I stand here as your governor to report once again on the State of our Commonwealth, and I do so feeling both pride and resolve.

When I became governor two years ago, state government was broke.

Not just "broke," but "broken" – in every sense of those two words.

Financially. Functionally. And spiritually.

Kentucky's budget was a red-inked disaster.

Rivalries and rank partisanship had poisoned the ability of political parties and branches of government to work with each other.

And across this state, Kentuckians who invest tax money and trust in government had lost confidence that their elected leaders will use that investment wisely to make this a better place to live, work and raise a family.

In short, the people of Kentucky had concluded that the culture of state government had devolved into a culture of failure.

For the last two years I have fought to make government work again.

And I've done so by adopting two strategies.

First, I have established a new culture, one founded on integrity and accountability ... and we have pursued, day by day, a leaner, more efficient operation that holds sacred our families' hard-earned tax dollars.

And second, I have reached out to leaders of all parties and philosophies, bringing us together to realize that the problems we face are not Republican or Democratic problems but Kentucky problems.

These approaches have created indisputable success.

By cleaning up the Transportation Cabinet, strengthening ethics policies and creating a public Web site that tracks and explains spending, we have made government work again ethically.

By cutting nearly \$900 million in spending and reducing the executive branch by almost 1,600 employees, the smallest it's been in two decades, we have made government work again efficiently.

And with a mind-set of cooperation, we've made government work again for the people.

Six times the General Assembly and I have fixed budget shortfalls inflicted upon us by a national recession born of reckless spending in Washington and corrupt practices on Wall Street.

And we've done so in a thoughtful, strategic manner that has enabled us to protect the core mission of state government – even as other states have retreated from that mission.

To speed Kentucky's recovery from this recession, last summer the legislature and I overhauled our economic incentives program.

This improvement already is paying huge dividends. We have used it not only to recruit new businesses and jobs to Kentucky but also to help struggling Kentucky companies retain jobs.

I have also joined with the General Assembly to protect the pensions of our teachers, police officers and other public servants, as well as to move forward on critical bridge projects between Kentucky and Indiana.

The list of accomplishments goes on.

All of us – governor and legislator, Democrat and Republican – have played a role in these accomplishments.

We haven't always agreed. On many things, we still don't agree.

But we've developed a mutually respectful relationship which has allowed us to put aside rank partisanship and philosophical differences to focus on what's important: the future of Kentucky.

Tonight, in the midst of an economic recession of historic proportions, with conditions as bad as many of us have seen in our lifetimes, I pledge to Kentuckians from west to east that I will continue to operate in this spirit of cooperation.

And I call on every legislator in this chamber to join with me in this vow.

The respectful relationship we've developed is founded on our recognition of the difference between campaigning and governing.

There is a time for political combat. The collision of ideas and personalities that occurs during campaigns is a big physics experiment that most of the time produces the best leaders and focuses them on the most pressing problems.

But the American political system does not work unless – after the heat of the campaign is over – people of opposing philosophical belief can silence the voices of division and derision and work together for the good of the people they serve.

Yes, I've fought hard for my candidates, as political leaders of both parties nationwide have done for centuries.

And yes, come Feb. 2, I'll be fighting for the 24th House district candidate I deem will best help me move Kentucky forward.

But come Feb. 3, I will put the special election aside and work with the winner, no matter what party he is from.

And I fully expect others to do likewise.

The people expect it too.

After all, someone needing a job doesn't care whether it's a Republican job or a Democratic job.

Someone struggling to put food on the table doesn't look for a party label.

Someone trying to keep a roof over their family's head or send his or her children to college doesn't have patience for partisan bickering.

In these troubled times, Kentuckians need hope and they need help.

In the mountains, on the farms, in small towns, suburbs and cities, Kentuckians are frustrated.

Many are scared and desperate. Some are angry.

And all of us want to know how and when things are going to get better.

Now, our immediate future holds difficult challenges.

No rhetoric, no eloquence changes that reality.

In two weeks I will return to this chamber with a proposed two-year budget with stark numbers that leave little room for maneuvering.

We are facing a huge deficit that will require us to make painful decisions about where we spend money. It *will* require sacrifice and restraint.

We face this challenge even though it appears that our national economy is beginning to slowly improve. The unfortunate reality is that tax revenues are traditionally one of the last things to recover at the end of a recession.

But this challenge can be overcome.

I'm confident that together we can write and pass a balanced, biennial budget, as we are legally required to do, and that we can do so in a responsible manner.

And I'm confident that at the same time we can focus on the future by addressing fundamental problems impeding Kentucky's progress.

I did not become governor merely to solve budget shortfalls.

I became governor to better this state, to make sure that our children and grandchildren do not have to confront the same problems that our grandparents and parents faced and that, unfortunately, many of us still face.

I refuse to use this recession as an excuse not to move forward.

I refuse to hunker down and hide, to just wait out this storm and to passively accept the economic situation that others have created for us.

Kentucky is not alone.

Other states are facing similar revenue problems, and many are in worse shape. Many have undertaken radical solutions involving cuts to core priorities, mass layoffs and broad-based tax increases.

Because of fiscal restraint and strategic thinking in the early days of the recession, Kentucky is in better condition.

But our work has only begun.

Tonight, I want to discuss what we have been doing, and what we will continue to do, to not only pull Kentucky out of this recession but also to position it for future success.

The same four goals that I set for this state when I became governor will continue to guide my decisions.

- One, to create and retain jobs.
- Two, to help families survive this recession.
- Three, to find ways to attack the fundamental problems holding this state back.
- And four, to make government as lean, efficient and open as possible.

Now let me elaborate on those goals.

No. 1, jobs.

Nothing is more important to our economic recovery than creating and saving jobs.

For families, a job is the foundation for financial security.

For the state, jobs are the foundation for funding programs and services needed by our people.

Two tools have helped us tremendously.

Through strategic use of federal stimulus funds we have created or saved some 4,200 jobs that otherwise could have been lost.

This includes teachers and other school professionals, construction workers, correctional officers, child care providers, carpenters and truck drivers.

We will continue to use those funds wisely.

The other tool was the bipartisan overhaul of Kentucky's tax incentive programs, which I proposed and worked with the legislature to get passed last summer.

The new program streamlined and modernized existing business development tools, added flexibility, updated incentives, and improved our ability to nurture existing Kentucky businesses and reach out to smaller businesses.

The pay-off has been dramatic.

Between July and December, 66 projects were approved under the revised incentive programs, 44 of them were existing industries.

The December agenda of the Kentucky Economic Development Finance Authority – with 29 projects – was one of the largest agendas in a long time.

Those projects could create more than 1,135 jobs, save another 1,450 jobs and result in a capital investment of almost \$130 million.

In the last six months, General Electric announced plans to bring, for the first time in 25 years, not one but three new products to Louisville's Appliance Park, creating 830 new jobs.

In addition, we have announced:

- 22 new jobs at Summit Biosciences in Lexington.
- 106 new jobs at Kentucky Copper in Butler County.
- 100 new jobs at DEFENDER Direct in Newport.
- 35 new jobs and 182 saved jobs at MESA Foods in Louisville.
- 20 new jobs at Price Solutions in Greenup County.
- 460 jobs saved at Berry Plastics in Simpson County.
- 89 new jobs at Sazerac North America distilleries in Owensboro and Frankfort.
- 150 new jobs at Safetran Systems in Crittenden County.
- 100 new jobs at EQT in Pikeville.
- 200 new jobs at Presidium Inc. in Pulaski County.
- 203 jobs retained at National Office Furniture in Ohio County.

The list, as you can see, goes on and on.

And it's growing by the day.

Tomorrow I will be in Marion County to announce that we have been able to work with the Curtis Maruyasu (*Mary-ah-sue*) America company to retain 416 jobs in Lebanon.

The company is making an \$11 million investment in the state, an investment we helped elicit with the help of our new incentives program.

Together, these jobs announcements are tangible signs that the economic recovery has begun.

And they are the kind of successes we can have when we are aggressive and when we put aside differences to work together.

We also made Kentucky history this past year by attracting a national research facility that will put this state at the forefront of the push for a domestic supply of advanced battery technologies.

Finding ways to more efficiently power the cars of the future will help secure U.S. energy independence, reduce greenhouse gas emissions and strengthen the national economy.

I also sought to build on our automotive strength and our ties to Asia by again taking an economic development trip to Japan and China.

Just like last year the trip had an immediate payoff, with Hitachi Automotive Products' decision to invest more than \$20 million and add 100 jobs in Mercer County.

Also this year, we awarded a fourth round of funding to match federal grants that attract and support technology-based small businesses.

Even while we're strengthening our manufacturing and agricultural communities, we must foster growing efforts that push what I call the "I" words – ingenuity, imagination, innovation, invention and intellect.

This match has helped us do that.

Also in 2009, we began \$100 million of transportation and infrastructure projects in Hardin and Meade counties to help accommodate growth expected from the realignment at Fort Knox.

Known as BRAC, it will eventually create 5,000 new military and civilian jobs, many of them high-tech, upper-level professional and management positions.

Already, the realignment has created close to a thousand construction jobs.

Now more than ever, we must have a modern military to keep this country safe at home and abroad.

Kentuckians are a key part of that mission, not only with our military bases but through the Kentucky National Guard.

We have 400 members of the Guard overseas in places like Iraq, Afghanistan and Kosovo. Since Sept. 11, 2001, more than 12,000 Kentucky National Guard Soldiers and Airmen have deployed in defense of this country.

Seventeen of these men and women have died.

Our troops have been in the thick of the fight. The 201st Engineer Battalion, which returned last March, took part in 467 engagements with enemy forces.

And our Guard has done this in a year in which I ordered the largest call-up in history in response to last January's devastating ice storm.

Ladies and gentlemen, their courage and commitment demands our gratitude.

My second priority is to help beleaguered Kentucky families survive this economic upheaval with immediate, safety-net help.

Our approach has been multidimensional.

With help from the federal stimulus, we closed the deficit in our Medicaid program, allowing us to fully provide all benefits to the increasing number of Kentuckians who qualify for needed medical care during this recession.

To help those who can't find a job, we have aggressively supported the repeated extension of unemployment insurance benefits. And we have created a task force to return solvency to a program that – like those in most other states – has required us to borrow from the federal government.

That task force – composed of representatives of business and labor, as well as members of the House and the Senate – recently came forward with unanimous recommendations that I hope we can pass in this session.

To link families with assistance, we created a Web site detailing where to go for help.

Because prescription drugs are expensive, we helped seniors and needy Kentuckians secure, so far, over \$17 million worth of free and reduced cost prescription drugs.

We began a \$2.9 million overhaul of our food stamp program to get aid to families quicker.

And to help families avoid foreclosure and stay in their homes, the General Assembly and I created the Homeownership Protection Center.

The bottom line is that for two years I have been fighting for Kentucky's families, and I will continue to do so.

At the same time, I have been and will continue to find ways to invest in the future, to increase Kentucky's competitive capacity and to make progress on fundamental problems holding this state back.

When we emerge from this recession, Kentucky must emerge not shell-shocked and shattered but ambitious and able.

That is my third priority.

I've already discussed the substantial progress we are making in creating and maintaining jobs.

I also have been working diligently to make sure our children – all of our children, regardless of where they live – begin their early years better prepared for a life of promise.

Through my KCHIP initiative, we have brought health care coverage to more than 35,000 previously uninsured Kentucky children.

This is a fundamental change that will pay off in a myriad of ways, from better school performance to fewer chronic medical conditions.

We've done this not by expanding eligibility but by aggressively searching for eligible children and by making it easier for them to sign up.

To make our efforts even more effective, I will be pushing for us to remove the requirement that our poorest families pay a premium to participate.

Over 700 children a month lose KCHIP insurance because their families can't pay even a small premium. At a minimal cost to the state, we can remove that requirement and increase accessibility.

We've also begun a \$2 million initiative to improve dental care for children in our poorest counties. And we've created an Early Childhood Development and Education Task Force to streamline and tie together our existing programs.

Taking care of our children is not only a moral obligation but a long-term investment in the intellectual capital Kentucky must have to compete.

Another long-standing, costly problem for Kentucky continues to be our smoking rate, among the highest in the nation and directly responsible for \$1.5 billion in health-care costs.

The negative impact of our smoking rates – among adults, teens and pregnant women – has been tremendous.

Through various efforts, we've shown improvement – our smoking rate is now 25 percent instead of 28 percent.

But we can do more. We must do more.

Many smokers want to quit but need help to do so.

So I will be proposing to use Medicaid funds for smoking cessation programs.

We believe the long-term payoffs in reduced health care costs, fewer chronic problems for children, increased worker productivity and a better image for the state will be substantial.

One of the biggest and most important investments in our future has been our steadfast resolve throughout this financial crisis to protect education funding for our children. Despite \$900 million in cuts, we have maintained support for our teachers and students through the SEEK formula, and we must continue to do so.

Similarly, I've begun a new effort to re-energize our schools and gauge whether they're prepared for 21st Century challenges.

The Transforming Education in Kentucky initiative comes 20 years after our landmark reform effort and will weave together efforts to improve curriculum, dropout rates, graduation rates and teacher retention, including the requirements of Senate Bill 1 passed by this body last year.

We need a cohesive strategy for our schools.

As part of this effort I will be supporting legislation in this session to raise the dropout age.

Letting our children leave school early – in a world where more education, not less, is what is needed – denies them a chance for a bright and rewarding future.

Without education, many of our dropouts are doomed to mediocrity, or worse.

Let us commit ourselves to their success instead of enabling their failure.

We also need to continue pursuing a more affordable, more accessible and more efficient system of higher education.

I worked hard to hold down tuition increases this past year in an attempt to maintain our promising 10-year trends in undergraduate enrollment and degrees awarded.

But incremental improvement is not enough. Other states are not standing still. Our momentum must accelerate.

One thing we need to do is to make the transition between all of our institutions – our community and technical colleges as well as our four-year institutions – more seamless.

I will be supporting legislation that will pursue more formal cooperation, including the transfer of course credits for approved areas from KCTCS to our four-year public schools and among our four-year institutions.

One of the best ways to improve graduation rates and lower the cost of attending college is to help our kids move through the system as efficiently as possible.

The time for delays and red tape is over.

It is time to act.

A year and a half ago, I declared Kentucky's intention to become the Energy Capital of the Nation, and I unveiled a comprehensive seven-point strategy to move us in that direction.

Since then, we together have created an array of initiatives to further that goal, including conservation and efficiency measures and the potential for a viable alternative energy industry that relies on biomass and biofuels.

As part of our efforts, my agricultural policy team has developed numerous opportunities for Kentucky's farmers to participate in agri-energy projects.

Farms have long been a cornerstone of Kentucky's economy, and they will have an important place in our future.

I will also continue to vigorously support the production of Kentucky coal to fuel this nation's industrial might. Coal is critical to the security of our country, and it can be mined and will be mined in Kentucky in an environmentally acceptable and safe manner.

The safety of our citizens is also of paramount importance.

Last year I saved funding for a new state police class that put more troopers on the roads and in our communities.

By the way, for the first time since 1906, not one sworn peace officer was killed in the line of duty in Kentucky in 2009. We hope and pray we can say the same at the end of 2010.

Also this session we should look to strengthen laws related to domestic violence.

The tragic death of Amanda Ross, a state employee, has highlighted the need to look at the protections we offer victims of domestic abuse.

We must do better to protect all Kentuckians.

These goals – education, health care, public safety and employment opportunity – represent our core mission.

My fourth priority is to continue efforts to run a leaner, more efficient and more ethical state government.

Families across the Commonwealth are lowering the thermostat, foregoing a vacation, taking the bus, packing leftovers for lunch and suffering through an illness rather than going to the doctor.

In ways big and small, they're cutting expenses and stretching their dollars.

State government has been doing the same.

From restructuring bonds to cutting travel expenses to reducing mailing costs by increasing use of online documents, we've been operating more efficiently.

2010-2012 Budget Address
Jan. 19, 2010
Governor Steve Beshear

Mr. President, Mr. Speaker, distinguished members of the Kentucky General Assembly, Lt. Governor Mongiardo, other Constitutional officers, honorable members of the Court of Justice, honored guests, including Kentucky's First Lady and my fellow Kentuckians ...

As your governor I come tonight during a time of unprecedented financial hardship in our country to present my plan for funding state government over the next two years.

This financial crisis was created by forces beyond our control, but it has been my job to lead our people through it.

Six times since I became governor in December 2007 the General Assembly and I have acted together to fill budget shortfalls ranging from \$100 million to nearly a billion dollars.

This budget I unveil tonight fills a seventh gap between expected revenues and critical needs, the largest shortfall in the history of the Commonwealth.

And it does so by continuing the same strategic approach that I have used to guide Kentucky through these last two years of economic turmoil, an approach that has strengthened, day by day, how we serve our people.

My approach has been a steady, pragmatic one that addresses short-term challenges with an eye toward the future, and that has allowed us to make progress - not as much progress as we all want to make - but tangible and measurable advances on persistent challenges facing Kentucky.

Thus this budget ...

- ... is responsibly balanced.
- This budget says "no" to raising taxes on our struggling families and businesses.
- This budget creates and retains jobs.
- This budget guides state spending through the next two years, as required by law and as needed by agencies, universities and schools so they can plan for expenses and personnel.

Some say we should pass a one-year budget and pray that things get better before the second year. I say we must not hide from difficult decisions, and we must not sidestep our duty.

This budget protects core priorities, such as the basic funding formula for our classrooms and children, public safety, and health care for our most vulnerable populations, while minimizing cuts to other critical areas, such as higher education and environmental protection.

This budget continues to reduce costs - in the last two years we've already cut about a billion dollars in spending by eliminating unnecessary expenses, increasing efficiencies, trimming staff and rethinking how government operates.

It requires additional 2 percent cuts in many agencies, a figure that comes on top of 20 percent to 25 percent cuts over the previous two years.

It also contains savings from a new Smart Government Initiative I announced last week, which includes reviews of property management, information technology, the transportation fleet, contracts and procurement.

We expect to reap savings of \$77 million over the biennium, including \$33 million in the General Fund.

This budget features the same flexibility and maneuverability that has allowed us to fight this recession one step at a time, leaving Kentucky in better financial condition than most other states.

And finally, this budget contains a new source of recurring revenue, revenue that currently is being carried across our borders to fund schools, roads, health care and other needs in our neighboring states ... revenue that would begin moving us away from the habit of using one-time monies to fund recurring expenses.

Numerous times over the past month, people have asked whether my budget plan would include money from an expansion of gaming.

My answer - each of those times -- was the same: Everything is on the table for discussion.

In fact, up until the very last minute we have been investigating every option of funding Kentucky's priorities ... every option, that is, except for a broad-based increase of the tax burden on Kentucky families and businesses - an approach that would be counter-productive to our economic recovery.

My friends, the analysis is now over, and the conclusion is clear: Gaming revenue is the only practical option to begin funding long-term priorities with recurring revenue.

For too long, state government has been relying on one-time solutions to balance its budgets, all the while increasing what's called a structural deficit, meaning our expenditures each year exceed our recurring revenues.

Revenue from a limited expansion of gaming will help us begin to reverse that trend.

It will provide a reliable source of income we can use year after year after year to make investments in the institutions and people of this state, to strengthen our efforts to emerge from this recession not shell-shocked and shattered, but ambitious and able.

Now, what sorts of investments are we making?

Let me tell you what this budget proposes:

In the area of education, which must be our highest priority:

- This budget maintains the General Fund appropriation for SEEK, the basic funding formula for teaching in the classroom which represents some 77 percent of our K-12 spending.
- It authorizes \$150 million in bonds for building and renovating school facilities.
- This budget repays the teachers' pension fund the \$476 million the state borrowed to pay teacher retiree health insurance and realizes \$96 million in savings by financing at a cheaper rate.
- It partially funds the standards, assessment, accountability and professional development for both K-12 and Postsecondary Education required by Senate Bill 1 from the 2009 session.

The rest of the funding would come from Kentucky's Race to the Top application for additional federal funds, which was enabled by the passage of House Bill 176 just last week.

- And this budget identifies teacher raises as the No. 1 priority should we get another round of federal stimulus funding.

In the area of higher education:

- This budget protects our institutions from cuts in the first year of the biennium and limits them to a 2 percent cut in the second year, when the current federal stimulus is exhausted.
- It uses \$584 million in General Fund bonds to fund the highest priority capital construction project at each of our eight public universities, plus two buildings on our community and technical college campuses.
 - I'm talking about constructing phase II of the Eastern Kentucky University science building.
 - At Kentucky State University, expanding and renovating the Betty White Nursing Building.
 - At Morehead State University, renovating and expanding the Student Center.
 - At Murray State University, constructing the final phase of the New Science Center Complex.
 - At Northern Kentucky University, constructing the Health Innovations Center and renovating the old science building.
 - At the University of Kentucky, building a Science Research facility to further UK's efforts to be a Top 20 research institution.
 - At the University of Louisville, constructing a classroom building.
 - At Western Kentucky University, renovating the Science complex.
 - At Jefferson Community and Technical College, constructing a building that will become the Carrollton campus.
 - And at Owensboro Community and Technical College, constructing phase II of the Owensboro Advanced Technology Center.
- This Budget recommends \$323 million in agency bonds, bonds that you and I know require no debt service from the state, to construct buildings and renovations that the universities have requested and expressed the ability to pay for.
- And it uses 100 percent of lottery revenues for student financial aid, fully funding the KEES scholarship program, increasing funding for need-based scholarships by 27 percent and fully funding the National Guard Tuition Assistance Program.

In the area of health care:

- In the Medicaid program, we are instituting a range of initiatives to contain costs in utilization and benefit management as well as improving program integrity and increasing revenue collections. We estimate savings from those efficiencies of \$244 million in the first year and \$117 million in the second year, including 75 million in General Fund dollars in year one and \$33 million in year two.

However, Medicaid costs will continue to increase because of higher health care costs; the loss of the increased federal match rate; and eligibility rolls that are expanding by 3,400 Kentuckians a month because of the recession.

That number - 3,400 per month - shows in a dramatic way the impact of this recession. In the previous biennium, the increase to our Medicaid rolls was 930 a month.

We now have over 789,000 Kentuckians in the Medicaid program. That's nearly one in five of our citizens depending on us for their health care. We're talking about Kentucky's most vulnerable citizens - the blind, the disabled, pregnant women and children in our lowest-income families.

This budget also requires an additional \$50 million in General Fund savings from the Medicaid program each year of the biennium. We will be reviewing that program from top to bottom to identify areas of additional cost savings.

- This budget for the first time funds smoking cessation programs in the Medicaid budget in an attempt to drive down Kentucky's historically high smoking rates, a major drain on our health care budget. This step alone could have significant, long-term payoffs in reduced health care costs, fewer chronic problems for our children, increased worker productivity and an improved image for our state.
- This budget also removes a barrier to KCHIP, the health insurance program for low-income children, by eliminating the requirement that our poorest families pay a premium. It's estimated that this requirement denies health insurance to 700 children a month. For only about \$370,000 a year, we can provide health insurance to thousands of additional Kentucky children who need it.

Already we've brought health care to 35,000 previously uninsured children. This is both a moral obligation and a strategic one, because it will pay off in lower long-term health care costs and children better prepared for school and life.

- This budget authorizes \$129 million in General Fund bonds to build a new Eastern State Hospital mental health facility to replace a complex in Lexington whose buildings pre-date the Civil War.
- And it replaces the Glasgow State Nursing Facility, a long-term care nursing facility for seniors with mental illness or mental retardation. This building has structural problems and must be replaced, and this budget funds construction.

In the area of public safety:

- This budget maintains the safety and security of the public by providing funding for growing prison populations, but it also holds down costs with a variety of measures: Continued use of the parole credit for certain offenders; expanded use of home incarceration; the switch that moves female inmates out of Otter Creek; and increased use of community-based substance abuse programs like halfway houses and the Recovery Kentucky Centers.

- This budget maintains funding for the Kentucky State Police, allowing them to fund another cadet class so that Kentuckians can continue to feel safe in their homes and on the streets. Our number of sworn officers is at its lowest since 1995 due to retirements and lack of additional funding.
- And it provides funding to keep our justice system operating by addressing part of the shortfall in state court operations and maintaining funding for our prosecutors and public advocates.

In the areas of economic development and transportation:

- It reinvests in programs to create and retain jobs, including \$50 million in KEDFA and economic development bond funds and \$10 million in grants and loans to high-tech companies.
- It includes \$38 million in General Fund Economic Development bonds to fund infrastructure needs related to the military base realignment at Fort Knox to prepare for 5,000 new jobs.
- And it proposes \$112 million in Road Fund bonds to finish projects initiated in the last budget cycle related to BRAC.
- This budget also proposes the authorization of \$300 million in bonds to fund critical state highway projects.
- And it dedicates an additional \$50 million in federal highway funds each year for the Louisville bridges project. This is on top of the \$231 million in GARVEE bonds already authorized.

Maintaining existing jobs and creating new jobs is the fastest way for Kentucky to emerge from this recession, and this budget helps accomplish that.

In the area of public employees and retirees:

- In 2008 the General Assembly and I came together in a special session to save the retirements of our state police and state employees. This budget honors that commitment by fully funding the promised increase in employer contribution rates over the next two years for both current and future retirees.
- This budget also funds health insurance for our teachers, school employees and other state employees, even as we continue efforts to control costs by promoting wellness programs.
- And if we get another round of federal stimulus funding, I propose we fund 1 percent raises for state employees.

And finally, unlike other states this budget keeps our parks system open. But we believe we can manage them better. We've conducted a comprehensive review of our system and will be implementing cost savings and management improvements to serve our customers better with fewer tax dollars.

My friends, these investments in our future are ours to make.

We just need the courage and commitment to make them happen.

I'm confident that everyone in this chamber shares most if not all of the priorities we propose to fund in this budget.

But I also understand that some of you disagree with my proposal to fund these priorities and balance this budget using recurring gaming revenues.

Unfortunately, our options are limited. In fact, there are only four possibilities or some combination thereof.

First, we could make cuts sufficient to balance our budget without any additional revenue.

But to those of you who think we can simply cut our way to prosperity, a word of caution:

If you take this approach but want to maintain the priorities set forth in this budget, the cuts to the rest of government would not be 2 percent over the biennium - instead those cuts would be over 12 percent in the first year of the biennium and 34 percent in the second year, compared to the current year.

And that's on top of the 20 percent to 25 percent in cuts that many of these agencies have already experienced in the last two years.

Cuts of this magnitude would undoubtedly lead to mass layoffs and would inflict devastating damage on literally hundreds of critical services to communities and individuals around the Commonwealth, such as prenatal care, water permits, air quality inspections, social workers and fire inspections of public facilities like day-care centers and schools.

A second option for balancing our budget is the possibility of an additional round of stimulus funding from Washington.

We've all been watching as Congress debates whether to provide additional stimulus help for states in the form of more stabilization funds, an extended higher Medicaid match and highway project funding.

My budget office is monitoring that situation closely.

But the bottom line is we cannot control what happens in Washington, and thus my budget does not count on that money.

Attached to my budget is a contingency plan that suggests strategic use of that money over the next two years should we get it.

But if we do get it, it is absolutely imperative that we do not squander those funds in the first year of this biennium by front-loading this budget with projects.

During the last round of stimulus funding, many states were forced to use all of their State Fiscal Stabilization Funds right away.

But in Kentucky, the General Assembly and I followed a strategic plan for using those funds that allowed us to carry over money not only to help balance the 2010 budget but also to use \$268 million for the coming fiscal year.

I urge you to join me in adopting a similar approach should those federal funds materialize again.

My priorities for this money would be:

- Funding 1 percent pay increases for teachers and state employees.
- Restoring cuts to higher education.
- Restoring cuts to the Department for Community-based Services.
- Creating a buffer in case revenues do not materialize.
- And beginning to build a rainy day fund to return us to some semblance of solvency.

Some people might see the possibility of receiving that federal money as an excuse to avoid decisions on recurring revenue. That approach takes into account neither recent history nor the future, and it unbalances even further the spending versus revenues equation.

The fact is, one-time federal stimulus assistance doesn't change the reality that without a dependable recurring revenue stream it will be extremely difficult to protect our priorities.

In fact, to balance this budget - even with recurring gaming revenue - we are using a range of one-time budget solutions, including one-time fund transfers, debt restructuring and alternative financing.

The latter includes the use of bonds for certain long-term expenses, such as student financial aid and maintenance.

Now, the third option for balancing this budget is a broad-based tax increase, and that indeed would be a source of recurring revenue.

But that would accomplish the exact opposite of what we need during these difficult times by increasing the burden on the very people and the very businesses we are relying on to grow us out of this recession.

Our economy has begun to turn around, as seen by recent job announcements and the December revenue forecast that predicted revenue growth of 3.6 percent in the first year and 3.7 percent in the second.

A broad-based tax increase would throw cold water on those sparks of recovery.

Some people also think that it is time to talk about reinventing our tax system to make it more modern and make it more fair.

I am open to those conversations.

But we are not in this financial crisis because of our tax structure, and changing our tax structure isn't going to get us out of this financial crisis.

Look around the country.

Regardless of what tax system a state has, every state is in trouble - many of them in worse shape than we are.

And finally, our fourth option to balance our budget is the use of tax revenues and license fees from a limited expansion of gaming at our Kentucky horse tracks.

Some say it would be unprecedented for a governor to propose a budget that depends on revenue from other legislation.

That is simply not the case.

In fact, three previous governors - on four different occasions since 1984 - have done the same thing.

And people who may propose substantial tax increases to help balance this budget will be taking the same approach.

Now, my views on gaming have been clear for some time.

As I've said before, this is a recurring source of revenue that will help us begin to minimize the gap between the revenue we bring in this year and our expenditures.

The House passed a version of this bill in 2009.

A bill has been introduced today with language authorizing video lottery terminals at racetracks.

The appropriation and revenue language will be reflected in my proposed budget.

The only difference in the content of this year's bill and the House bill of 2009 is where the revenue is allocated.

I propose bringing the revenue into the General Fund to help balance the budget and fund our priorities.

Now, in 2009, the House proposed that we use this recurring revenue to replace dilapidated school buildings.

Ordinarily, that's a good use of state money, and I support that concept. But frankly I'm more concerned right now about keeping our existing classrooms open and our existing teachers on the job.

So there you have it.

I've put forth my plan - a conservative, responsible plan that would not only help the state survive but also help it move forward.

Now what's needed is honest, thoughtful and open discussion of how to make that happen.

We've worked together to solve budget shortfalls before.

Together we protected the pensions of teachers, firefighters, police officers and other public employees. Together we moved forward on bridges legislation.

Together we revamped Kentucky's economic development tools. And together - just the other day - we took a stand toward helping our lowest-performing schools succeed.

I'm confident that - together -- we can get the job done once again.

In closing, let me share an anonymous note we recently received.

*"Kentucky has been good to me," it read. "...
a pleasant place to live, a low cost of living, reasonable tax rates etc.*

I wish this could be more, but every little bit helps. Thank you Kentucky."

Enclosed in the envelope with the note was a money order, payable to the state treasurer, for \$200.

My friends, that Kentuckian and many others across this state know what a special place Kentucky is. It's our job to keep it that way.

Thank you, God bless you and God bless this beloved commonwealth.

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