

# Health and Family Services

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**Health and Family Services**

	<b>Revised FY 2010</b>	<b>Requested FY 2011</b>	<b>Requested FY 2012</b>	<b>Recommended FY 2011</b>	<b>Recommended FY 2012</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,023,761,500	2,006,252,800	2,462,018,600	1,732,182,900	2,145,113,900
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				
<b>Total General Fund</b>	<b>1,549,056,200</b>	<b>2,006,252,800</b>	<b>2,462,018,600</b>	<b>1,732,182,900</b>	<b>2,145,113,900</b>
<b>Tobacco Fund</b>					
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				
<b>Total Tobacco Fund</b>	<b>34,585,500</b>	<b>28,861,700</b>	<b>27,217,300</b>	<b>27,192,300</b>	<b>24,930,100</b>
<b>Restricted Fund</b>					
Balance Forward	36,315,500	38,571,500	21,480,000	38,329,200	21,490,800
Current Receipts	570,105,400	517,114,800	520,750,800	515,194,400	515,537,700
Non-Revenue Receipts	364,105,000	383,554,600	383,203,300	383,839,400	384,693,400
Fund Transfers	-10,263,700				
<b>Total Restricted Fund</b>	<b>960,262,200</b>	<b>939,240,900</b>	<b>925,434,100</b>	<b>937,363,000</b>	<b>921,721,900</b>
<b>Federal Fund</b>					
Balance Forward	22,767,600				
Current Receipts	4,534,621,600	5,382,739,900	5,720,376,400	4,862,510,800	5,319,633,100
ARRA Receipts	570,475,500	260,397,200		260,217,900	
<b>Total Federal Fund</b>	<b>5,127,864,700</b>	<b>5,643,137,100</b>	<b>5,720,376,400</b>	<b>5,122,728,700</b>	<b>5,319,633,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>7,671,768,600</b>	<b>8,617,492,500</b>	<b>9,135,046,400</b>	<b>7,819,466,900</b>	<b>8,411,399,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	610,061,300	692,757,400	728,437,500	622,994,200	619,462,600
Operating Expenses	136,992,100	146,662,200	143,250,100	132,790,000	131,182,500
Grants Loans Benefits	6,881,760,100	7,752,445,500	8,224,340,800	7,032,449,800	7,640,096,800
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
<b>TOTAL EXPENDITURES</b>	<b>7,630,408,200</b>	<b>8,596,012,500</b>	<b>9,132,164,000</b>	<b>7,797,976,100</b>	<b>8,409,113,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,549,056,200	2,006,252,800	2,462,018,600	1,732,182,900	2,145,113,900
Tobacco Fund	31,554,300	28,861,700	27,217,300	27,192,300	24,930,100
Restricted Fund	921,933,000	917,760,900	922,551,700	915,872,200	919,435,900
Federal Fund	5,127,864,700	5,643,137,100	5,720,376,400	5,122,728,700	5,319,633,100
<b>TOTAL EXPENDITURES</b>	<b>7,630,408,200</b>	<b>8,596,012,500</b>	<b>9,132,164,000</b>	<b>7,797,976,100</b>	<b>8,409,113,000</b>
<b>EXPENDITURES BY UNIT</b>					
General Administration and Program Support	79,780,100	91,130,700	94,798,400	80,059,400	82,181,000
Comm for Children with Special Health Care Needs	17,003,100	17,956,400	18,675,300	16,797,800	16,948,500
Medicaid Services	5,442,089,500	6,279,192,300	6,741,093,800	5,636,067,300	6,247,611,900
Behavioral Health, Developmental and Intellectual Disabilities	468,142,700	524,058,000	538,596,100	474,963,200	480,975,500

Public Health	429,529,200	446,414,500	453,040,700	433,052,400	430,924,600
Health Policy	1,214,100	1,351,400	1,402,000	1,325,100	1,320,100
Family Resource Centers and Volunteer Services	4,595,800	3,922,900	3,896,000	3,913,600	3,874,800
Income Support	107,539,500	109,431,800	115,901,300	107,500,300	108,477,300
Community Based Services	1,014,479,200	1,049,615,600	1,088,117,400	980,646,800	974,113,200
Aging and Independent Living	66,035,000	72,938,900	76,643,000	63,650,200	62,686,100
<b>TOTAL EXPENDITURES</b>	<b>7,630,408,200</b>	<b>8,596,012,500</b>	<b>9,132,164,000</b>	<b>7,797,976,100</b>	<b>8,409,113,000</b>

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.

**Health and Family Services**  
**General Administration and Program Support**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	35,206,000	42,154,800	45,473,600	35,030,500	35,298,000
Salary and Health Insurance Adjustments	643,000				
Budget Reduction-General Fund	-1,177,500				
<b>Total General Fund</b>	34,671,500	42,154,800	45,473,600	35,030,500	35,298,000
<b>Restricted Fund</b>					
Balance Forward	1,043,700	288,200		288,200	475,200
Current Receipts	3,508,900	3,708,800	3,708,800	3,708,800	3,708,800
Non-Revenue Receipts	5,499,800	5,699,800	5,499,800	5,699,800	5,499,800
<b>Total Restricted Fund</b>	10,052,400	9,696,800	9,208,600	9,696,800	9,683,800
<b>Federal Fund</b>					
Balance Forward	2,858,600				
Current Receipts	32,485,800	39,279,100	40,116,200	35,807,300	37,199,200
<b>Total Federal Fund</b>	35,344,400	39,279,100	40,116,200	35,807,300	37,199,200
<b>TOTAL SOURCE OF FUNDS</b>	80,068,300	91,130,700	94,798,400	80,534,600	82,181,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	48,971,700	55,620,200	60,009,000	49,365,700	52,723,800
Operating Expenses	29,835,100	32,155,400	31,159,100	29,581,400	28,077,400
Debt Service			2,419,000	139,000	406,500
Capital Outlay	850,400	3,232,200	1,088,400	850,400	850,400
Construction	122,900	122,900	122,900	122,900	122,900
<b>TOTAL EXPENDITURES</b>	79,780,100	91,130,700	94,798,400	80,059,400	82,181,000
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	34,671,500	42,154,800	45,473,600	35,030,500	35,298,000
Restricted Fund	9,764,200	9,696,800	9,208,600	9,221,600	9,683,800
Federal Fund	35,344,400	39,279,100	40,116,200	35,807,300	37,199,200
<b>TOTAL EXPENDITURES</b>	79,780,100	91,130,700	94,798,400	80,059,400	82,181,000
<b>EXPENDITURES BY UNIT</b>					
Administrative Support	61,270,100	71,624,400	74,045,400	61,993,200	64,914,000
Inspector General	18,510,000	19,506,300	20,753,000	18,066,200	17,267,000
<b>TOTAL EXPENDITURES</b>	79,780,100	91,130,700	94,798,400	80,059,400	82,181,000

General Administration and Program Support consists of Administrative Support, the Office of the Inspector General, and the Governor's Office of Electronic Health Information.

The Administrative Support area includes the Office of the Secretary, the Office of Legal Services, the Office of Communications and Administrative Review, the Office of Human Resource Management, the Office of Policy and Budget, the Office of Administrative and Technology Services, and the Office of the Ombudsman. These offices provide policy, administrative, legal, financial, technological, and personnel support services to the program areas of the Cabinet.

The Office of the Inspector General (OIG) provides support to other programs in the Cabinet for Health and Family Services as well as its programmatic functions of health care facility licensure and child care facility regulation. The OIG consists of the Division of Audits and Investigations.

The Governor's Office of Electronic Health Information was created by Executive Order 2009-770 in August of 2009 to serve as a focal point for e-health initiatives in the Commonwealth in light of the health information provisions of the American Recovery and Reinvestment Act.

**Health and Family Services  
General Administration and Program Support  
Administrative Support**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	29,206,000	35,876,800	38,544,400	29,388,300	31,222,300
Salary and Health Insurance Adjustments	398,700				
Budget Reduction-General Fund	-993,100				
<b>Total General Fund</b>	28,611,600	35,876,800	38,544,400	29,388,300	31,222,300
<b>Restricted Fund</b>					
Balance Forward	876,900	121,300		121,300	363,500
Current Receipts	2,283,800	2,483,800	2,483,800	2,483,800	2,483,800
Non-Revenue Receipts	5,524,800	5,724,800	5,524,800	5,724,800	5,524,800
<b>Total Restricted Fund</b>	8,685,500	8,329,900	8,008,600	8,329,900	8,372,100
<b>Federal Fund</b>					
Balance Forward	1,327,000				
Current Receipts	22,767,300	27,417,700	27,492,400	24,638,500	25,319,600
<b>Total Federal Fund</b>	24,094,300	27,417,700	27,492,400	24,638,500	25,319,600
<b>TOTAL SOURCE OF FUNDS</b>	61,391,400	71,624,400	74,045,400	62,356,700	64,914,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	33,027,600	38,656,500	41,809,400	33,828,900	36,888,000
Operating Expenses	27,277,300	29,620,900	28,613,800	27,060,100	26,654,300
Debt Service			2,419,000	139,000	406,500
Capital Outlay	842,300	3,224,100	1,080,300	842,300	842,300
Construction	122,900	122,900	122,900	122,900	122,900
<b>TOTAL EXPENDITURES</b>	61,270,100	71,624,400	74,045,400	61,993,200	64,914,000
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	28,611,600	35,876,800	38,544,400	29,388,300	31,222,300
Restricted Fund	8,564,200	8,329,900	8,008,600	7,966,400	8,372,100
Federal Fund	24,094,300	27,417,700	27,492,400	24,638,500	25,319,600
<b>TOTAL EXPENDITURES</b>	61,270,100	71,624,400	74,045,400	61,993,200	64,914,000

Administrative Support provides funding for eight organizational units within the Cabinet for Health and Family Services including the Office of the Secretary, the Office of Legal Services, the Office of Communications and Administrative Review, the Office of Human Resource Management, the Office of Policy and Budget, the Office of Administrative and Technology Services, the Office of the Ombudsman and the Governor's Office of Electronic Health Information.

The Office of the Secretary provides oversight and leadership for the Cabinet and its programs.

The Office of Legal Services provides legal advice and assistance to all units of the Cabinet in any legal action in which it may be involved. This office provides legal representation for the Cabinet in federal courts, state courts, and before quasi-judicial and administrative bodies; administers all personal service contracts of the Cabinet for legal services; assists in drafting and reviewing legislation, regulations, statutes, and other legal documents and instruments; and provides the Secretary, Commissioners, and Directors in the Cabinet with the legal advice and representation necessary for them to properly administer the Cabinet's programs.

The Office of Communications and Administrative Review is responsible for providing qualified administrative law

judges/hearing officials to conduct administrative hearings related to Cabinet matters, overseeing and monitoring legislative activities, and representing the Cabinet in matters of public information, including media inquiries, open records requests, press releases, public relations, and internal communications.

The Office of Human Resource Management serves all Cabinet employees and programs and provides payroll and health benefits administration, equal employment opportunity compliance, and professional development and training activities. This office serves as the Cabinet's appointing authority and performs all the duties, responsibilities and functions required to maintain an effective and efficient personnel management system in accordance with the Kentucky Revised Statutes, Kentucky Administrative Regulations, and the policy guidelines of the Secretary of the Cabinet.

The Office of Policy and Budget is responsible for the coordination of budgetary, administrative and legislative activities of the Cabinet's agencies on behalf of the Office of the Secretary. This Office reviews and coordinates activities related to programmatic issues across agency lines within the Cabinet as well as with other agencies in state government outside the Cabinet, including the Governor's Office for Policy and Management, the Finance and Administration Cabinet and the Legislative Branch of government. Functional areas of oversight include contract monitoring, grants, administrative regulations, legislation and budget.

The Office of Administrative and Technology Services consists of Cabinet functions related to accounting, facilities management, procurement, and technology services. Accounting services is responsible for tracking of accounting and payments including travel for the Cabinet; filing required financial reports, including federal cash management activities; responding to audits of the Cabinet's programs, and providing maintenance and security of the accounting systems. Facility Services is responsible for monitoring all facilities of the Cabinet, including space design and utilization, establishment, monitoring, and reporting on safety programs, property insurance, claims processing, preparation and maintenance of the Cabinet's Six-Year Capital Plan; coordinating, tracking, and monitoring capital construction projects; tracking and reporting on the Cabinet's physical assets and public records. Procurement services oversees the purchasing and procurement process, provides technical support to Cabinet staff in procurement and contracting procedures, and ensures compliance with all applicable statutes, regulations, policy, and procedures related to procurement. Technology services provides strategic direction and oversight of technology resources for the Cabinet, including technical support services, system security, statewide system services, monitoring technology purchase requests, and other technology-related services and initiatives. Technology services is also responsible for maintaining high quality technology, managing and maintaining the Cabinet's network, installing and supporting voice communication systems, and supervising the development, operation, and security of the extensive statewide application systems that support direct delivery of statewide services.

The Office of the Ombudsman answers questions from recipients of CHFS programs and provides information to the public about CHFS programs. The Office also investigates customer complaints and works with CHFS management to resolve them. The Ombudsman advises CHFS management regarding patterns of complaints and recommends corrective action when appropriate. Staff conducts federally mandated management evaluation and access reviews for the food stamp program and assists in writing county and regional corrective action plans. The Office is responsible for determining administrative hearing eligibility related to service complaints regarding the Department for Community Based Services Protection and Permanency cases and requests to appeal child abuse and/or child neglect substantiations. The CHFS Institutional Review Board for the Protection of Human Subjects is housed within the Office of the Ombudsman. The Board reviews and approves all research projects conducted by CHFS or involving CHFS clients or employees as subjects to ensure that the safety and welfare of the research subjects is protected.

## **Policy**

The Executive Budget includes General Fund in the amount of \$139,000 in fiscal year 2011 and \$406,500 in fiscal year 2012 to support \$3,500,000 in bonds for the cabinet's 2010-2012 Maintenance Pool project..

**Health and Family Services**  
**General Administration and Program Support**  
**Inspector General**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	6,000,000	6,278,000	6,929,200	5,642,200	4,075,700
Salary and Health Insurance Adjustments	244,300				
Budget Reduction-General Fund	-184,400				
<b>Total General Fund</b>	<b>6,059,900</b>	<b>6,278,000</b>	<b>6,929,200</b>	<b>5,642,200</b>	<b>4,075,700</b>
<b>Restricted Fund</b>					
Balance Forward	166,800	166,900		166,900	111,700
Current Receipts	1,225,100	1,225,000	1,225,000	1,225,000	1,225,000
Non-Revenue Receipts	-25,000	-25,000	-25,000	-25,000	-25,000
<b>Total Restricted Fund</b>	<b>1,366,900</b>	<b>1,366,900</b>	<b>1,200,000</b>	<b>1,366,900</b>	<b>1,311,700</b>
<b>Federal Fund</b>					
Balance Forward	1,531,600				
Current Receipts	9,718,500	11,861,400	12,623,800	11,168,800	11,879,600
<b>Total Federal Fund</b>	<b>11,250,100</b>	<b>11,861,400</b>	<b>12,623,800</b>	<b>11,168,800</b>	<b>11,879,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>18,676,900</b>	<b>19,506,300</b>	<b>20,753,000</b>	<b>18,177,900</b>	<b>17,267,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	15,944,100	16,963,700	18,199,600	15,536,800	15,835,800
Operating Expenses	2,557,800	2,534,500	2,545,300	2,521,300	1,423,100
Capital Outlay	8,100	8,100	8,100	8,100	8,100
<b>TOTAL EXPENDITURES</b>	<b>18,510,000</b>	<b>19,506,300</b>	<b>20,753,000</b>	<b>18,066,200</b>	<b>17,267,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	6,059,900	6,278,000	6,929,200	5,642,200	4,075,700
Restricted Fund	1,200,000	1,366,900	1,200,000	1,255,200	1,311,700
Federal Fund	11,250,100	11,861,400	12,623,800	11,168,800	11,879,600
<b>TOTAL EXPENDITURES</b>	<b>18,510,000</b>	<b>19,506,300</b>	<b>20,753,000</b>	<b>18,066,200</b>	<b>17,267,000</b>

The Office of the Inspector General has three divisions: the Division of Audits and Investigations, the Division of Regulated Child Care, and the Division of Health Care. The general authority for the Office of the Inspector General is codified within KRS 194A.030.

The Division of Audits and Investigations examines Cabinet programs to assess contractor compliance with state and federal laws and regulations. In accordance with KRS 194A.030, the Division is responsible for conducting audits of programs within the Cabinet for Health and Family Services, their grantees and contractors. The Division conducts investigations to detect fraud or abuse of any program by any client, or vendor of services with whom the Cabinet has contracted. Special investigations may be requested by the Secretary, commissioners, or agency heads into matters related to the Cabinet and its programs. The Division notifies and forwards any information relevant to possible criminal violations to the appropriate prosecuting authority. The agency operates a toll-free welfare and Medicaid fraud and abuse hotline (mandated by KRS 205.8483 and 42 CFR 455), conducts investigations of Women, Infants, and Children program vendors, and collects and reports data on assistance program fraud investigations by the Office of the Inspector General and the Office of the Attorney General.

The Division of Regulated Child Care is charged with licensing certified Family Day Care homes, licensed day care centers (Type I and II), child caring facilities, child-placing agencies, and private adoptive service agencies. This includes initial licensure surveys, yearly re-licensure surveys, and complaint surveys.

The Division of Health Care conducts on-site inspections of all health facilities and services throughout the state (including nursing homes, hospitals and over 2,600 laboratories) to determine compliance with state licensing standards and federal Medicare and Medicaid certification requirements. The Division also investigates allegations of abuse and neglect that may occur in a licensed health facility.



**Health and Family Services**  
**Commission for Children with Special Health Care Needs**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	6,038,400	6,060,100	6,779,000	5,060,500	5,060,500
Salary and Health Insurance Adjustments	88,400				
Budget Reduction-General Fund	-2,026,300				
<b>Total General Fund</b>	4,100,500	6,060,100	6,779,000	5,060,500	5,060,500
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	352,000	350,000	350,000	350,000	350,000
<b>Total Tobacco Fund</b>	352,000	350,000	350,000	350,000	350,000
<b>Restricted Fund</b>					
Balance Forward	1,288,400				
Current Receipts	5,683,500	6,971,900	6,971,900	6,971,900	6,971,900
Non-Revenue Receipts	1,400,000				
<b>Total Restricted Fund</b>	8,371,900	6,971,900	6,971,900	6,971,900	6,971,900
<b>Federal Fund</b>					
Current Receipts	4,178,700	4,574,400	4,574,400	4,415,400	4,566,100
<b>Total Federal Fund</b>	4,178,700	4,574,400	4,574,400	4,415,400	4,566,100
<b>TOTAL SOURCE OF FUNDS</b>	17,003,100	17,956,400	18,675,300	16,797,800	16,948,500
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	9,641,900	10,371,500	11,090,800	9,915,900	10,067,000
Operating Expenses	1,778,500	1,654,700	1,653,800	1,632,700	1,631,800
Grants Loans Benefits	5,360,000	5,777,700	5,778,200	5,197,700	5,198,200
Capital Outlay	222,700	152,500	152,500	51,500	51,500
<b>TOTAL EXPENDITURES</b>	17,003,100	17,956,400	18,675,300	16,797,800	16,948,500
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	4,100,500	6,060,100	6,779,000	5,060,500	5,060,500
Tobacco Fund	352,000	350,000	350,000	350,000	350,000
Restricted Fund	8,371,900	6,971,900	6,971,900	6,971,900	6,971,900
Federal Fund	4,178,700	4,574,400	4,574,400	4,415,400	4,566,100
<b>TOTAL EXPENDITURES</b>	17,003,100	17,956,400	18,675,300	16,797,800	16,948,500
<b>EXPENDITURES BY UNIT</b>					
Children's Health Services	17,003,100	17,956,400	18,675,300	16,797,800	16,948,500
<b>TOTAL EXPENDITURES</b>	17,003,100	17,956,400	18,675,300	16,797,800	16,948,500

The Commission for Children with Special Health Care Needs (CCSHCN) has over 80 years experience in providing care for children with a variety of special needs. Through the years, the Commission has evolved from providing surgeries for "crippled children" to offering comprehensive medical care for children with a range of complex needs. A family-centered approach ensures that the family is valued as an integral part of the care plan and services are provided to assist the family in meeting children's needs.

The Commission is charged with planning, developing, providing, and evaluating the public statewide system of care for children with special health care needs and providing early hearing and detection intervention services. The Commission for Children with Special Health Care Needs works collaboratively with other agencies to assure services to children with

disabilities are comprehensive, community-based, family-centered, and coordinated, thus avoiding duplication and fragmentation of the service delivery system. Accessibility is a key component of the delivery system. The program provides an array of preventative, diagnostic, and treatment services for special needs children and youth under 21 including: medical care, hospitalization, medications, durable medical goods, case management, therapy, transportation, and nutritional education. Because rapid advances in medical science have enabled over 90 percent of youth with disabilities and chronic conditions to reach adulthood, the program has expanded its focus to include services and supports for academic achievement, transition from education to employment, from pediatric to adult health care, and to independent living. Because health care is so critical to learning and success in school, CSHCN has entered into an active partnership with the Kentucky Department of Education and other health, education, and social services providers to support children and youth and families and their schools. The Early Hearing Detection and Intervention Program provides surveillance and support for statewide screening for the early detection of hearing disorders and referral for follow-up treatment. The Hemophilia Program provides medical and social services to children and adults with blood disorders. The Foster Care Program represents a collaborative effort with the Department of Community Based Services to provide medical consultation services to the foster care support program by making regular home visits to the entire population of medically fragile foster care children and acting as onsite, medical resources for the social workers charged with responsibility for both children who are currently in the child welfare system and those who may be at risk for entering that system.

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

## Health and Family Services

### Medicaid Services

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,319,432,000	1,228,967,300	1,609,378,700	1,087,160,300	1,491,462,300
Salary and Health Insurance Adjustments	105,200				
Continuing Approp.-General Fund	2,053,200				
Budget Reduction-General Fund	-418,504,800				
Mandated Expenditure Reductions	-4,515,300				
<b>Total General Fund</b>	898,570,300	1,228,967,300	1,609,378,700	1,087,160,300	1,491,462,300
<b>Restricted Fund</b>					
Balance Forward	104,800				
Non-Revenue Receipts	378,991,300	380,068,300	381,473,800	380,068,300	381,473,800
<b>Total Restricted Fund</b>	379,096,100	380,068,300	381,473,800	380,068,300	381,473,800
<b>Federal Fund</b>					
Balance Forward	6,143,300				
Current Receipts	3,655,162,200	4,413,123,200	4,750,241,300	3,911,805,200	4,374,675,800
ARRA Receipts	503,117,600	257,033,500		257,033,500	
<b>Total Federal Fund</b>	4,164,423,100	4,670,156,700	4,750,241,300	4,168,838,700	4,374,675,800
<b>TOTAL SOURCE OF FUNDS</b>	5,442,089,500	6,279,192,300	6,741,093,800	5,636,067,300	6,247,611,900
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	72,526,700	102,034,200	105,013,200	97,864,300	76,879,700
Operating Expenses	966,500	1,041,400	1,041,400	1,041,400	1,041,400
Grants Loans Benefits	5,368,521,400	6,176,116,700	6,635,039,200	5,537,161,600	6,169,690,800
Capital Outlay	74,900				
<b>TOTAL EXPENDITURES</b>	5,442,089,500	6,279,192,300	6,741,093,800	5,636,067,300	6,247,611,900
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	898,570,300	1,228,967,300	1,609,378,700	1,087,160,300	1,491,462,300
Restricted Fund	379,096,100	380,068,300	381,473,800	380,068,300	381,473,800
Federal Fund	4,164,423,100	4,670,156,700	4,750,241,300	4,168,838,700	4,374,675,800
<b>TOTAL EXPENDITURES</b>	5,442,089,500	6,279,192,300	6,741,093,800	5,636,067,300	6,247,611,900
<b>EXPENDITURES BY UNIT</b>					
Medicaid Administration	111,211,300	127,797,800	130,776,800	123,627,900	102,643,300
Medicaid Benefits	5,330,878,200	6,151,394,500	6,610,317,000	5,512,439,400	6,144,968,600
<b>TOTAL EXPENDITURES</b>	5,442,089,500	6,279,192,300	6,741,093,800	5,636,067,300	6,247,611,900

Medicaid Services is comprised of two appropriation units: Administration and Benefits. Additionally, two major programs operate within each of those appropriation units: the Kentucky Medical Assistance program (regular Medicaid program) and the Kentucky Children's Health Insurance program (K-CHIP).

The Medical Assistance program provides for comprehensive physical and behavioral health services by reimbursing providers for health care provided to medically indigent Kentuckians. Eligibility for services is determined by staff in each county through a contractual agreement with the Department for Community Based Services offices. Individuals may automatically qualify for benefits if they are eligible for Supplemental Security Income benefits administered by the Social Security Administration.

K-CHIP provides for comprehensive physical and behavioral health services for uninsured children up to 200 percent of the federal poverty level who are not otherwise eligible for Medicaid.

**Health and Family Services  
Medicaid Services  
Medicaid Administration**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	36,779,400	38,336,100	50,308,400	36,856,000	36,856,000
Salary and Health Insurance Adjustments	105,200				
Budget Reduction-General Fund	-2,107,600				
<b>Total General Fund</b>	<b>34,777,000</b>	<b>38,336,100</b>	<b>50,308,400</b>	<b>36,856,000</b>	<b>36,856,000</b>
<b>Restricted Fund</b>					
Non-Revenue Receipts	12,480,000	24,590,300	14,096,900	24,590,300	14,096,900
<b>Total Restricted Fund</b>	<b>12,480,000</b>	<b>24,590,300</b>	<b>14,096,900</b>	<b>24,590,300</b>	<b>14,096,900</b>
<b>Federal Fund</b>					
Balance Forward	5,451,900				
Current Receipts	58,502,400	64,871,400	66,371,500	62,181,600	51,690,400
<b>Total Federal Fund</b>	<b>63,954,300</b>	<b>64,871,400</b>	<b>66,371,500</b>	<b>62,181,600</b>	<b>51,690,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>111,211,300</b>	<b>127,797,800</b>	<b>130,776,800</b>	<b>123,627,900</b>	<b>102,643,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	72,526,700	102,034,200	105,013,200	97,864,300	76,879,700
Operating Expenses	966,500	1,041,400	1,041,400	1,041,400	1,041,400
Grants Loans Benefits	37,643,200	24,722,200	24,722,200	24,722,200	24,722,200
Capital Outlay	74,900				
<b>TOTAL EXPENDITURES</b>	<b>111,211,300</b>	<b>127,797,800</b>	<b>130,776,800</b>	<b>123,627,900</b>	<b>102,643,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	34,777,000	38,336,100	50,308,400	36,856,000	36,856,000
Restricted Fund	12,480,000	24,590,300	14,096,900	24,590,300	14,096,900
Federal Fund	63,954,300	64,871,400	66,371,500	62,181,600	51,690,400
<b>TOTAL EXPENDITURES</b>	<b>111,211,300</b>	<b>127,797,800</b>	<b>130,776,800</b>	<b>123,627,900</b>	<b>102,643,300</b>
<b>EXPENDITURES BY UNIT</b>					
Medical Assistance Administration	109,983,800	124,551,000	127,504,500	122,400,400	101,415,800
KCHIP Administration	1,227,500	3,246,800	3,272,300	1,227,500	1,227,500
<b>TOTAL EXPENDITURES</b>	<b>111,211,300</b>	<b>127,797,800</b>	<b>130,776,800</b>	<b>123,627,900</b>	<b>102,643,300</b>

Administrative functions of the Medicaid program and the Kentucky Children's Health Insurance program (KCHIP) include determining applicant eligibility, formulating policy, processing claims, assuring appropriate utilization and collecting third party liabilities, overpayments and cost reimbursement settlements. Claims are paid through contracts with a fiscal agent and a pharmacy benefits administrator. The Medicaid program contracts for medical review of acute care admissions, level of care determinations for long-term care patients, and care reviews for recipients in mental hospitals and psychiatric facilities.

The Department for Community Based Services performs the eligibility determination function through contract. The Department also administers KCHIP, a program to provide health care services for uninsured children with family incomes below 200 percent of the federal poverty level but above the federal income level for the Medicaid Program.

**Health and Family Services**

**Medicaid Services**

**Medicaid Benefits**

	<b>Revised FY 2010</b>	<b>Requested FY 2011</b>	<b>Requested FY 2012</b>	<b>Recommended FY 2011</b>	<b>Recommended FY 2012</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	1,282,652,600	1,190,631,200	1,559,070,300	1,050,304,300	1,454,606,300
Continuing Approp.-General Fund	2,053,200				
Budget Reduction-General Fund	-416,397,200				
Mandated Expenditure Reductions	-4,515,300				
<b>Total General Fund</b>	<b>863,793,300</b>	<b>1,190,631,200</b>	<b>1,559,070,300</b>	<b>1,050,304,300</b>	<b>1,454,606,300</b>
<b>Restricted Fund</b>					
Balance Forward	104,800				
Non-Revenue Receipts	366,511,300	355,478,000	367,376,900	355,478,000	367,376,900
<b>Total Restricted Fund</b>	<b>366,616,100</b>	<b>355,478,000</b>	<b>367,376,900</b>	<b>355,478,000</b>	<b>367,376,900</b>
<b>Federal Fund</b>					
Balance Forward	691,400				
Current Receipts	3,596,659,800	4,348,251,800	4,683,869,800	3,849,623,600	4,322,985,400
ARRA Receipts	503,117,600	257,033,500		257,033,500	
<b>Total Federal Fund</b>	<b>4,100,468,800</b>	<b>4,605,285,300</b>	<b>4,683,869,800</b>	<b>4,106,657,100</b>	<b>4,322,985,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>5,330,878,200</b>	<b>6,151,394,500</b>	<b>6,610,317,000</b>	<b>5,512,439,400</b>	<b>6,144,968,600</b>
<b>EXPENDITURES BY CLASS</b>					
Grants Loans Benefits	5,330,878,200	6,151,394,500	6,610,317,000	5,512,439,400	6,144,968,600
<b>TOTAL EXPENDITURES</b>	<b>5,330,878,200</b>	<b>6,151,394,500</b>	<b>6,610,317,000</b>	<b>5,512,439,400</b>	<b>6,144,968,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	863,793,300	1,190,631,200	1,559,070,300	1,050,304,300	1,454,606,300
Restricted Fund	366,616,100	355,478,000	367,376,900	355,478,000	367,376,900
Federal Fund	4,100,468,800	4,605,285,300	4,683,869,800	4,106,657,100	4,322,985,400
<b>TOTAL EXPENDITURES</b>	<b>5,330,878,200</b>	<b>6,151,394,500</b>	<b>6,610,317,000</b>	<b>5,512,439,400</b>	<b>6,144,968,600</b>
<b>EXPENDITURES BY UNIT</b>					
Medicaid Benefits	5,180,380,000	5,926,233,800	6,363,881,300	5,350,478,700	5,965,532,900
KCHIP Benefits	150,498,200	225,160,700	246,435,700	161,960,700	179,435,700
<b>TOTAL EXPENDITURES</b>	<b>5,330,878,200</b>	<b>6,151,394,500</b>	<b>6,610,317,000</b>	<b>5,512,439,400</b>	<b>6,144,968,600</b>

The Kentucky Medicaid program, under Title XIX of the Social Security Act and KRS 205.520, provides for preventive and remedial medical care for financially and medically indigent citizens in Kentucky who meet the income and resource criteria for eligibility. The following services are currently provided by Kentucky's Medicaid program: inpatient hospital, physician services, nursing facility services, outpatient hospital, home health, family planning, screening, lab, dental, transportation (both non-emergency and emergency), vision care, hearing care, intermediate care facilities for the mentally retarded, pharmacy, Medicare premiums, community mental health, mental hospitals, psychiatric residential treatment facilities, renal dialysis services, primary care/rural health, podiatry, alternative intermediate services for mentally retarded (Supports for Community Living and Michelle P waivers), Brain Injury Waivers (Acute and Long Term Care), ambulatory surgical centers, home and community-based waiver, adult day care, nurse midwife, nurse anesthetist, Hospice, preventive services, targeted case management, school-based services, home-based services for children who are ventilator dependent, durable medical equipment, portable x-ray, nurse practitioners, chiropractor, and other medically necessary diagnostic and treatment services for children in the Early Periodic Screening Diagnostic and Treatment Program. In addition, co-payments and deductibles are paid for qualified Medicare beneficiaries receiving the following services: physical therapy, occupational therapy, psychological, licensed clinical social worker, physician assistant and comprehensive outpatient rehabilitative facility services.

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

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

**Categorically Eligible:** This group includes the following individuals: needy families with dependent children, foster care children, adults 65 years of age or older with income below eligibility thresholds, the needy blind, and the needy permanently and totally disabled. Individuals in this group may receive grant money from Temporary Assistance to Needy Families (TANF), State Supplementation, or the Supplemental Security Income (SSI) programs. Any SSI or State Supplementation recipient as well as individuals who meet the technical and financial requirements of the Aid to Families with Dependent Children program as it existed on July 16, 1996, can qualify for Medicaid.

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

<b>2009 Poverty Guidelines</b>	
<b><u>Family Size</u></b>	<b><u>Monthly Income</u></b>
1	\$903
2	\$1,215
3	\$1,526
4	\$1,838
5	\$2,150
6	\$2,461
7	\$2,773
8	\$3,085

Although the aged, blind, and disabled (both categorically and medically needy) represent only 33 percent of the recipient population, they account for approximately 64 percent of expenditures. The recommended budget assumes average monthly Medicaid eligibles of 742,971 in fiscal year 2011 and 764,054 in fiscal year 2012; and 54,924 in fiscal year 2011 and 55,307 in fiscal year 2012 for KCHIP eligibles.

### **Projecting Benefits Cost**

Several forecasting models were combined in the preparation of the Medicaid Benefits projections. Both the Office of State Budget Director (OSBD) and the Department for Medicaid Services (DMS) prepared service-by-service cash forecasts. These forecasts examine past trends in categorical spending to generate projections for future cash expenditures for each classification of medical service (the hypothesis is that the best predictor of future expenditures is past expenditures - adjusted for policy changes). In addition to the cash models, DMS and OSBD operate a more elaborate proprietary model developed by a third-party consulting firm, PriceWaterhouseCoopers (PWC). That model includes a separate forecast of eligibility for each class of Medicaid recipient: Aged, Blind, Disabled; TANF/SOBRA children (with and without Medicaid); TANF/SOBRA adults (with and without Medicare); categorical eligibility associated with foster care; and a residual category for all other eligibility categories. Eligibility is used to transform the expenditure data into a "cost per eligible" for seven bundles of Medicaid services.

### **Provider Taxes**

Although the majority of the funds that the Commonwealth uses to match federal Medicaid dollars are derived from the General Fund, approximately 25 percent of the program's fiscal year 2011 and 20 percent of the program's fiscal year 2012 expenditure match will be secured from dedicated provider assessments. The assessments are levied on hospitals, home health agencies, alternative community services, long-term care facilities. The recommended budget assumes continuation of the current level of provider tax collections to maintain existing reimbursement levels for hospitals established in state fiscal year 2006.

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

The fiscal year 2010 budget includes funding for Disproportionate Share Hospital (DSH) payments of \$211,113,800 and \$207,429,500 and \$215,726,700 in fiscal years 2011 and 2012, respectively. Disproportionate Share Hospital payments to state mental hospitals are budgeted at approximately \$34,559,900 in each year of the biennium. This budget includes matches from the university teaching hospitals in order to access the portion of DSH funds for those facilities.

### **Passport Managed Care Plan**

The recommended budget assumes that the Region Three Medicaid managed care partnership will continue to operate in Jefferson County and the 15 surrounding counties.

### **Benefit Match Rate**

The Governor's recommended budget assumes a federal medical assistance percentage of 75.93 for state fiscal year 2011 and 71.49 percent for state fiscal year 2012 for most budget items. The federal Medicaid match rate assumed for KCHIP is 79.95 percent in fiscal year 2011 and 80.04 percent in fiscal year 2012.

### **Quality and Charity Care Trust Fund**

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

### **Kentucky Children's Health Insurance Program (KCHIP)**

The Kentucky Children's Health Insurance program was initiated under Title XXI of the Social Security Act and serves eligible children up to 200 percent of the federal poverty level.

The CHIP program was officially reauthorized effective April 1, 2009 with enactment of the Children's Health Insurance Program Reauthorization Act (CHIPRA). CHIPRA restructured the funding formula in order to provide, to the extent possible, predictable and adequate federal funding for the program through September 2013.

### **Policy**

The Executive Budget provides additional General Fund in the amount of \$1,500,000 in fiscal year 2011 and fiscal year 2012 to establish a Smoking Cessation Treatment program in accordance with Centers for Disease Control's recommended program.

The Executive Budget provides additional funds totaling \$8,000,000 (200 slots) in fiscal year 2011 and \$24,000,000 (200 slots) in fiscal year 2012 for a total of 400 slots by the end of fiscal year 2012 to continue the roll-out of the Supports for Community Living program.

The Executive Budget provides additional General Fund totaling \$370,000 in each fiscal year that will enable the Department for Medicaid Services to suspend the KCHIP premium requirement.

**Health and Family Services**  
**Behavioral Health, Developmental and Intellectual Disabilities**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	198,212,400	238,596,300	255,380,900	191,175,800	199,537,300
Salary and Health Insurance Adjustments	273,400				
Reorganization Adjustment	-7,195,500				
Mandated Expenditure Reductions	-8,418,500				
<b>Total General Fund</b>	<b>182,871,800</b>	<b>238,596,300</b>	<b>255,380,900</b>	<b>191,175,800</b>	<b>199,537,300</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	975,000	900,000	900,000	900,000	900,000
<b>Total Tobacco Fund</b>	<b>975,000</b>	<b>900,000</b>	<b>900,000</b>	<b>900,000</b>	<b>900,000</b>
<b>Restricted Fund</b>					
Balance Forward	12,366,100				
Current Receipts	233,793,600	234,061,600	234,061,600	234,061,600	234,061,600
Non-Revenue Receipts	6,879,900	8,497,400	8,681,700	8,476,000	8,632,800
Fund Transfers	-10,220,000				
<b>Total Restricted Fund</b>	<b>242,819,600</b>	<b>242,559,000</b>	<b>242,743,300</b>	<b>242,537,600</b>	<b>242,694,400</b>
<b>Federal Fund</b>					
Current Receipts	41,476,300	42,002,700	39,571,900	40,349,800	37,843,800
<b>Total Federal Fund</b>	<b>41,476,300</b>	<b>42,002,700</b>	<b>39,571,900</b>	<b>40,349,800</b>	<b>37,843,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>468,142,700</b>	<b>524,058,000</b>	<b>538,596,100</b>	<b>474,963,200</b>	<b>480,975,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	115,725,700	128,313,200	132,251,100	114,681,500	114,407,100
Operating Expenses	25,566,000	25,609,700	25,630,500	25,597,700	25,618,500
Grants Loans Benefits	326,527,200	369,811,300	368,815,700	326,105,700	324,010,100
Debt Service			11,575,000	8,254,500	16,616,000
Capital Outlay	323,800	323,800	323,800	323,800	323,800
<b>TOTAL EXPENDITURES</b>	<b>468,142,700</b>	<b>524,058,000</b>	<b>538,596,100</b>	<b>474,963,200</b>	<b>480,975,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	182,871,800	238,596,300	255,380,900	191,175,800	199,537,300
Tobacco Fund	975,000	900,000	900,000	900,000	900,000
Restricted Fund	242,819,600	242,559,000	242,743,300	242,537,600	242,694,400
Federal Fund	41,476,300	42,002,700	39,571,900	40,349,800	37,843,800
<b>TOTAL EXPENDITURES</b>	<b>468,142,700</b>	<b>524,058,000</b>	<b>538,596,100</b>	<b>474,963,200</b>	<b>480,975,500</b>
<b>EXPENDITURES BY UNIT</b>					
Community Behavioral Health	127,923,900	141,115,000	138,624,400	126,012,000	123,349,200
Community Developmental and Intellectual Disabilities	27,222,200	34,881,500	35,377,700	27,543,800	27,857,400
General Support	27,809,600	45,837,800	47,170,600	27,965,900	27,965,900
Residential	285,187,000	302,223,700	317,423,400	293,441,500	301,803,000
<b>TOTAL EXPENDITURES</b>	<b>468,142,700</b>	<b>524,058,000</b>	<b>538,596,100</b>	<b>474,963,200</b>	<b>480,975,500</b>

The Department for Mental Health/Mental Retardation Services operates mental health, mental retardation, substance abuse, developmental disability, and brain injury programs. Services are provided in the community and in state-owned, state-operated and contracted residential facilities. Approximately 1,300 inpatients are cared for daily in the facilities operated or contracted by the cabinet, and several thousand more are treated as outpatients in the community setting by the 14 Regional Mental Health and Mental Retardation Boards.



**Health and Family Services**  
**Behavioral Health, Developmental and Intellectual Disabilities**  
**Community Behavioral Health**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	47,865,600	61,820,000	61,986,000	46,722,100	46,722,100
Mandated Expenditure Reductions	-1,036,700				
<b>Total General Fund</b>	46,828,900	61,820,000	61,986,000	46,722,100	46,722,100
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	975,000	900,000	900,000	900,000	900,000
<b>Total Tobacco Fund</b>	975,000	900,000	900,000	900,000	900,000
<b>Restricted Fund</b>					
Balance Forward	1,690,500				
Current Receipts	37,888,600	37,701,300	37,701,300	37,701,300	37,701,300
Non-Revenue Receipts	4,140,500	5,578,000	5,581,100	5,575,500	5,575,500
<b>Total Restricted Fund</b>	43,719,600	43,279,300	43,282,400	43,276,800	43,276,800
<b>Federal Fund</b>					
Current Receipts	36,400,400	35,115,700	32,456,000	35,113,100	32,450,300
<b>Total Federal Fund</b>	36,400,400	35,115,700	32,456,000	35,113,100	32,450,300
<b>TOTAL SOURCE OF FUNDS</b>	127,923,900	141,115,000	138,624,400	126,012,000	123,349,200
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	4,649,000	4,595,500	4,536,700	4,219,200	3,988,200
Operating Expenses	419,400	418,000	413,200	418,000	413,200
Grants Loans Benefits	122,855,500	136,101,500	133,674,500	121,374,800	118,947,800
<b>TOTAL EXPENDITURES</b>	127,923,900	141,115,000	138,624,400	126,012,000	123,349,200
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	46,828,900	61,820,000	61,986,000	46,722,100	46,722,100
Tobacco Fund	975,000	900,000	900,000	900,000	900,000
Restricted Fund	43,719,600	43,279,300	43,282,400	43,276,800	43,276,800
Federal Fund	36,400,400	35,115,700	32,456,000	35,113,100	32,450,300
<b>TOTAL EXPENDITURES</b>	127,923,900	141,115,000	138,624,400	126,012,000	123,349,200
<b>EXPENDITURES BY UNIT</b>					
Community Alcohol and Drug Services	39,214,700	42,882,000	41,079,300	38,258,000	36,395,200
Community Mental Health Services	88,709,200	98,233,000	97,545,100	87,754,000	86,954,000
<b>TOTAL EXPENDITURES</b>	127,923,900	141,115,000	138,624,400	126,012,000	123,349,200

**Community Mental Health Services**

The Community Mental Health Services program provides services and support to Kentuckians with mental health problems in an effort to improve their ability to function in the community. The Department for Behavioral Health, Developmental and Intellectual Disabilities contracts with 14 regional Mental Health/Mental Retardation Boards that oversee the community mental health centers and other local entities. In addition, the Community Mental Health Services program has targeted funds to the most vulnerable. These are:

- Adults with severe mental illness (KRS 210, KRS 202A),
- Children and youth with severe emotional disabilities (KRS 200.500 to KRS 200.509).

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

State and federal funds are used to provide case management services, psychotropic medications, housing, and vocational support services for adults with severe mental illness. Funds are also provided for unique services that “wrap around” a child or adult who is at risk of psychiatric hospitalization. These funds are used to purchase goods and services that are individualized and can include peer mentoring, respite, and social skills training.

The Community Mental Health program assists in statewide mental health planning, monitors services, provides technical assistance and training, and procures and administers federal and other funds for the mental health community.

### **Community Alcohol and Drug Services**

The Community Alcohol and Drug Services Program provides quality treatment, prevention, and education services to citizens suffering from, or at-risk of, alcohol and drug addiction. Services are provided primarily through contracts with 14 regional Mental Health/Mental Retardation Boards that oversee the Community Mental Health Centers. These substance abuse prevention and treatment services are provided pursuant to KRS 222 (Alcohol and Drug Education, Treatment, and Rehabilitation). The receipts from alcohol intoxication fines are received pursuant to KRS 431.100. Other statutes under which the program operates include: KRS 189A (Driving Under the Influence assessment, education, and treatment) and KRS 218A.410 (Drug Forfeiture).

Contracts with the community mental health centers and their subcontractors, schools, local government agencies, and other community-based organizations provide services which include: community prevention programming (offered through 14 regional prevention centers); juvenile diversion programs; DUI assessment, education, and treatment programs; consultation with businesses on the development of a drug-free work place and employee assistance programs; social setting detoxification centers, residential treatment centers, outpatient treatment, and case management services; and specialized treatment services for pregnant women, women with dependent children, adolescents, and intravenous drug users. In addition, opiate replacement therapy is available to opiate dependent persons who are at high risk for HIV/AIDS due to their intravenous drug use. Training, consultation and client evaluations are made available, within budget limitations, to criminal justice agencies and other agencies within the Cabinet for Health and Family Services for clients with alcohol and other drug problems.

**Health and Family Services**  
**Behavioral Health, Developmental and Intellectual Disabilities**  
**Community Developmental and Intellectual Disabilities**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	27,709,400	25,675,100	25,761,200	20,006,600	20,006,600
Mandated Expenditure Reductions	-507,300				
Reorganization Adjustment	-7,195,500				
<b>Total General Fund</b>	20,006,600	25,675,100	25,761,200	20,006,600	20,006,600
<b>Restricted Fund</b>					
Balance Forward	300				
Non-Revenue Receipts	2,739,400	2,919,400	3,100,600	2,900,500	3,057,300
<b>Total Restricted Fund</b>	2,739,700	2,919,400	3,100,600	2,900,500	3,057,300
<b>Federal Fund</b>					
Current Receipts	4,475,900	6,287,000	6,515,900	4,636,700	4,793,500
<b>Total Federal Fund</b>	4,475,900	6,287,000	6,515,900	4,636,700	4,793,500
<b>TOTAL SOURCE OF FUNDS</b>	27,222,200	34,881,500	35,377,700	27,543,800	27,857,400
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	4,318,900	4,570,600	4,753,200	4,325,800	4,325,800
Operating Expenses	853,800	889,900	915,500	886,900	912,500
Grants Loans Benefits	22,049,500	29,421,000	29,709,000	22,331,100	22,619,100
<b>TOTAL EXPENDITURES</b>	27,222,200	34,881,500	35,377,700	27,543,800	27,857,400
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	20,006,600	25,675,100	25,761,200	20,006,600	20,006,600
Restricted Fund	2,739,700	2,919,400	3,100,600	2,900,500	3,057,300
Federal Fund	4,475,900	6,287,000	6,515,900	4,636,700	4,793,500
<b>TOTAL EXPENDITURES</b>	27,222,200	34,881,500	35,377,700	27,543,800	27,857,400
<b>EXPENDITURES BY UNIT</b>					
Local Developmental and Intellectual Disabilities	25,148,200	32,784,800	33,256,100	25,469,800	25,783,400
KY Developmental Disability Council	2,074,000	2,096,700	2,121,600	2,074,000	2,074,000
<b>TOTAL EXPENDITURES</b>	27,222,200	34,881,500	35,377,700	27,543,800	27,857,400

Community Developmental and Intellectual Disabilities is responsible for administration of the Medicaid waiver programs for individuals with intellectual and developmental disabilities; and for the oversight of community providers of both waiver and state General Fund service programs.

Developmental and Intellectual Disability Services provides support and services to individuals to help them be contributing members of their community. Services are provided through contracts with the 14 Community Mental Health Boards and with for-profit and non-profit agencies which provide residential, vocational, community, respite, and a variety of other services that increase independence in the community. Some of the residential services include support to individuals within their own homes, family homes, group home living placements, apartment living supervision, community staffed residences, and assistance with other living arrangements. Providers who agree to participate in these programs must support people who choose their agencies to assist them to live in the community. It is the responsibility of the provider to ensure that people are safe, healthy, respected and valued; that they live in the community with effective, individualized assistance; and are contributing members of the community in which they live and work. Additionally, each of the 14 Community Mental Health Boards have 24/7 crisis prevention and intervention support available to individuals, families and providers with the goal of enabling an individual to remain in his/her community and to prevent future crisis events.

The Kentucky Council on Developmental Disabilities is administratively attached to the Division of Developmental and Intellectual Disabilities. The Council is made up of 26 members (individuals with developmental disabilities and family/guardian/siblings) appointed by the Governor and state agency representatives as defined in (PL 106-402 and KRS 194.135). The Council promotes systems change, capacity building and advocacy for individuals with developmental disabilities. The Council on Developmental Disabilities represents the interests of approximately 122,000 Kentuckians who have developmental disabilities. The Council funds time-limited demonstration projects and engages in outreach activities to assist individuals with developmental disabilities and their families.

**Policy**

The Executive Budget provides restricted funds and federal funds totaling \$321,600 in fiscal year 2011 and \$635,200 in fiscal year 2012 to support the expansion of the Supports for Community Living in the Medicaid Benefits program.

**Health and Family Services**  
**Behavioral Health, Developmental and Intellectual Disabilities**  
**General Support**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	29,619,600	45,837,800	47,170,600	27,965,900	27,965,900
Mandated Expenditure Reductions	-1,810,000				
<b>Total General Fund</b>	<b>27,809,600</b>	<b>45,837,800</b>	<b>47,170,600</b>	<b>27,965,900</b>	<b>27,965,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>27,809,600</b>	<b>45,837,800</b>	<b>47,170,600</b>	<b>27,965,900</b>	<b>27,965,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,772,400	3,307,400	3,540,200	2,944,500	2,944,500
Operating Expenses	624,900	633,900	633,900	624,900	624,900
Grants Loans Benefits	24,412,300	41,896,500	42,996,500	24,396,500	24,396,500
<b>TOTAL EXPENDITURES</b>	<b>27,809,600</b>	<b>45,837,800</b>	<b>47,170,600</b>	<b>27,965,900</b>	<b>27,965,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	27,809,600	45,837,800	47,170,600	27,965,900	27,965,900
<b>TOTAL EXPENDITURES</b>	<b>27,809,600</b>	<b>45,837,800</b>	<b>47,170,600</b>	<b>27,965,900</b>	<b>27,965,900</b>

General Mental Health/Mental Retardation Support includes the Commissioner's Office, the Division of Administration and Financial Management, and Community Care Grants. This unit's activities include policy and budget development, program monitoring, standards development, and management decision-making for the overall direction of the Department. The Department contracts with the University of Kentucky for technical and information support services.

The Community Care Grants provide the funding for the "safety net" for individuals needing mental health, mental retardation, substance abuse services, and the infrastructure that supports and provides these services. Kentucky Revised Statute 210.420 sets the distribution formula for these funds to local community mental health centers. Local boards determine which program areas and which services will be funded based on local needs.

**Health and Family Services**  
**Behavioral Health, Developmental and Intellectual Disabilities**  
**Residential**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	93,017,800	105,263,400	120,463,100	96,481,200	104,842,700
Salary and Health Insurance Adjustments	273,400				
Mandated Expenditure Reductions	-5,064,500				
<b>Total General Fund</b>	88,226,700	105,263,400	120,463,100	96,481,200	104,842,700
<b>Restricted Fund</b>					
Balance Forward	10,675,300				
Current Receipts	195,905,000	196,360,300	196,360,300	196,360,300	196,360,300
Fund Transfers	-10,220,000				
<b>Total Restricted Fund</b>	196,360,300	196,360,300	196,360,300	196,360,300	196,360,300
<b>Federal Fund</b>					
Current Receipts	600,000	600,000	600,000	600,000	600,000
<b>Total Federal Fund</b>	600,000	600,000	600,000	600,000	600,000
<b>TOTAL SOURCE OF FUNDS</b>	285,187,000	302,223,700	317,423,400	293,441,500	301,803,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	103,985,400	115,839,700	119,421,000	103,192,000	103,148,600
Operating Expenses	23,667,900	23,667,900	23,667,900	23,667,900	23,667,900
Grants Loans Benefits	157,209,900	162,392,300	162,435,700	158,003,300	158,046,700
Debt Service			11,575,000	8,254,500	16,616,000
Capital Outlay	323,800	323,800	323,800	323,800	323,800
<b>TOTAL EXPENDITURES</b>	285,187,000	302,223,700	317,423,400	293,441,500	301,803,000
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	88,226,700	105,263,400	120,463,100	96,481,200	104,842,700
Restricted Fund	196,360,300	196,360,300	196,360,300	196,360,300	196,360,300
Federal Fund	600,000	600,000	600,000	600,000	600,000
<b>TOTAL EXPENDITURES</b>	285,187,000	302,223,700	317,423,400	293,441,500	301,803,000

Residential Services provides inpatient care in the areas of psychiatric hospitalization, intermediate care for persons with developmental and intellectual disabilities, nursing facility care, forensic psychiatry, and substance abuse for 1,200 individuals each day.

Inpatient psychiatric services are provided for adults through three psychiatric hospitals: Eastern State Hospital in Lexington with an average daily census (ADC) of 167; Central State Hospital in Louisville with an ADC of 90; and Western State Hospital in Hopkinsville with an ADC of 106. The Hazard Psychiatric Facility, owned and operated by Appalachian Regional Healthcare, Inc., with an ADC of 86, provides acute inpatient psychiatric services through a contract with the Department. Eastern State Hospital is operated under a management contract with Bluegrass Regional Mental Health/Mental Retardation Board, Inc.

Glasgow Nursing Facility with an ADC of 80 and Western State Nursing Facility with an ADC of 127 provide nursing facility services for adults with mental illness who are admitted from state psychiatric hospitals.

Seven facilities provide intermediate care for individuals with development and intellectual disabilities who are unable to live unassisted in their communities: the Oakwood Community Center in Somerset with an ADC of 207, Outwood in Dawson Springs with an ADC of 63, Hazelwood in Louisville with an ADC of 138, Central State Intermediate Care Facility on the campus of Central

State Hospital with an ADC of 34, Del Maria in Fern Creek with an ADC of 8, the Meadows in Mount Washington with an ADC of 8, and Windsong in Crestwood with an ADC of 8. Residents are assisted in self-care skills and appropriate social behavior and are provided specialized services to promote their personal growth.

Numerous initiatives are underway to improve the overall quality of service provided to the residents at the Oakwood Community Center. The cabinet has contracted with Bluegrass Regional Mental Health Mental Retardation Board, Inc. to operate the Oakwood Community Center. The vendor is making improvements in the care rendered at the facility while ensuring the safety and welfare of clients at Oakwood as the Department continues to downsize the facility.

Volta House, a facility with an ADC of 22 on the campus of Western State Hospital in Hopkinsville, provides a 28-day inpatient program for individuals suffering from chronic or acute alcoholism.

Forensic psychiatric services are provided at the Kentucky Correctional Psychiatric Center within the Luther Lockett Correctional Complex in LaGrange (85 beds). Pretrial services are provided for persons with felony charges who are referred by district and circuit courts for evaluation of competency to stand trial. The correctional component serves post-convicted females in need of acute inpatient psychiatric treatment who are transferred from various institutions within the Department of Corrections.

## **Policy**

Included in the General Fund is \$107,000 in fiscal year 2012 for debt service to construct a new specialty clinic on the grounds of Oakwood Intermediate Care Facility for the Mentally Retarded (ICF/MR). The clinic services are necessary in order to develop a "safety-net" for individuals with intellectual disabilities who live in the community and who may need more aggressive treatment options than typically available in most communities.

Included in the General Fund is \$7,243,500 in fiscal year 2011 and \$14,487,000 in fiscal year 2012 for debt service to construct a new psychiatric care facility that will replace the current Eastern State Hospital in Lexington, Kentucky. The new hospital will be constructed on the grounds of University of Kentucky's Coldstream Research Campus on Newtown Pike in Lexington. Design costs were financed by the Lexington Fayette Urban County Government. The bond funds for this project will repay the Lexington Fayette Urban County Government and will fund the cost to construct the hospital.

Included in the General Fund is \$1,011,000 in fiscal year 2011 and \$2,022,000 in fiscal year 2012 for debt service for replacement and new construction of Glasgow State Nursing Facility (GSNF) on the current grounds. This project will enable the continuation of services to mentally ill patients and individuals with developmental disabilities at this 24/7 residential facility.

## Health and Family Services

### Public Health

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	71,989,800	69,516,600	77,371,400	60,221,900	60,221,900
Salary and Health Insurance Adjustments	255,400				
Budget Reduction-General Fund	-9,467,600				
Mandated Expenditure Reductions	-3,133,400				
<b>Total General Fund</b>	59,644,200	69,516,600	77,371,400	60,221,900	60,221,900
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	19,919,200	18,216,300	16,792,300	16,546,900	14,505,100
Continuing Approp.-Tobacco Settlement	3,568,900				
<b>Total Tobacco Fund</b>	23,488,100	18,216,300	16,792,300	16,546,900	14,505,100
<b>Restricted Fund</b>					
Balance Forward	4,147,300	2,021,200	1,912,400	2,021,200	1,912,400
Current Receipts	118,555,000	116,429,300	116,449,800	115,768,600	115,926,500
Non-Revenue Receipts	419,700	419,700	419,700	419,700	419,700
<b>Total Restricted Fund</b>	123,122,000	118,870,200	118,781,900	118,209,500	118,258,600
<b>Federal Fund</b>					
Current Receipts	228,327,300	241,723,800	241,898,700	239,986,500	239,742,600
<b>Total Federal Fund</b>	228,327,300	241,723,800	241,898,700	239,986,500	239,742,600
<b>TOTAL SOURCE OF FUNDS</b>	434,581,600	448,326,900	454,844,300	434,964,800	432,728,200
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	52,065,200	52,053,900	53,942,000	48,306,400	48,639,100
Operating Expenses	22,572,200	22,843,600	22,604,600	22,878,100	22,698,200
Grants Loans Benefits	354,891,800	371,517,000	371,003,100	361,867,900	359,587,300
Debt Service			5,491,000		
<b>TOTAL EXPENDITURES</b>	429,529,200	446,414,500	453,040,700	433,052,400	430,924,600
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	59,644,200	69,516,600	77,371,400	60,221,900	60,221,900
Tobacco Fund	20,456,900	18,216,300	16,792,300	16,546,900	14,505,100
Restricted Fund	121,100,800	116,957,800	116,978,300	116,297,100	116,455,000
Federal Fund	228,327,300	241,723,800	241,898,700	239,986,500	239,742,600
<b>TOTAL EXPENDITURES</b>	429,529,200	446,414,500	453,040,700	433,052,400	430,924,600
<b>EXPENDITURES BY UNIT</b>					
General Health Support	64,916,500	68,402,300	75,718,200	64,294,500	65,898,200
Women's Health	11,778,100	11,906,100	11,940,200	11,576,100	11,586,400
Prevention and Quality Improvement	23,152,800	24,213,500	24,867,100	22,112,900	21,870,500
Epidemiology and Health Planning	58,207,200	69,740,400	69,744,600	68,613,600	67,408,900
Maternal and Child Health	254,536,600	253,505,100	252,139,500	249,625,400	247,231,800
Laboratory Services	6,421,000	6,578,700	6,769,800	6,334,500	6,356,700
Public Health Protection and Safety	10,517,000	12,068,400	11,861,300	10,495,400	10,572,100
<b>TOTAL EXPENDITURES</b>	429,529,200	446,414,500	453,040,700	433,052,400	430,924,600



The Department for Public Health (DPH) as authorized by KRS 211.025 and 211.180 supervises and assists all local boards of health and local health departments in an effort to protect and improve the health of the citizens of the Commonwealth. There are 56 local health departments units serving all 120 counties in Kentucky.

The Department is responsible for programs that affect the quality of life of all four million Kentuckians each and every day. Public health organizations are accountable to the populations they serve, and public health officials are primarily responsible for the health of the population living in their jurisdiction (county, group of counties, state) through both personal preventive as well as population based services. Private health providers are primarily responsible for the health of only the patients who come to them for services.

In fiscal year 2009, the public health departments of Kentucky reported the following accomplishments:

- Provided adult health preventive visits to 140,806 people
- Provided cancer related clinical visits (primarily breast and cervical cancer) to 64,289 people
- Provided individual and group diabetes education services to 54,328 people
- Provided family planning services to 87,012 people
- Provided maternity services to 9,043 women
- Provided 294,328 medical home health units/visits to 12,651 patients
- Provided 173,540 units/visits of Medicaid Home and Community Based Services to 1,207 people
- Provided children's preventive services to 124,290
- Enrolled 144,514 Women, Infants and Children participants
- Referred 834 infants with positive or inconclusive results from newborn metabolic screening (approximately 30 disorders) to university diagnostic centers
- Performed genetic testing, counseling and education for 1,831 families
- Provided 747,819 doses of vaccine to Kentuckians. Data recently released by the Centers for Disease Control and Prevention show that 75 percent of Kentucky's two-year-olds have received the required immunizations
- Immunized 497,567 persons
- Immunized kindergarten entrants adequately with the following vaccines (53,750 children)
  - 4 doses of DTaP--Diphtheria, Tetanus & Pertussis (whooping cough): 92.5%
  - 3 doses of Polio: 93.1%
  - 2 doses of MMR-Measles, Mumps & Rubella: 90.7%
  - 1 dose of Hib (meningitis): 90.7%
  - 3 doses of Hepatitis B: 92.4%
  - 1 dose of Varicella (chicken pox): 92.4%
- 1 Inspected 44,008 food establishments, 1,624 X-ray and other radiation-producing machines, 7,582 dairies, and performed 109,000 sanitation inspections
- 2 Performed 2,743,003 laboratory tests
- 3 Provided 479,642 copies of vital statistics records to the public

The Cabinet for Health and Family Services and the Department for Public Health have relied on local health departments to carry out two important functions for the state: core public health activities required by statute or regulation and preventive services to specific populations mandated by budget appropriations. The seven core functions are: enforcement of public health regulations, surveillance of public health, communicable disease control, public health education, public health policy development, reduction of risk to families and children, and disaster preparedness. Preventive services for specific populations include family planning, prenatal care, pediatric preventive check-ups, Women, Infants, and Children supplemental nutrition services, adult preventive services, and chronic disease monitoring, and support services.

Local health departments may provide additional services depending on the availability of alternative revenue sources. Examples of these additional services include home health services, physician based ambulatory primary care services, and expanded school health services.

**Health and Family Services  
Public Health  
General Health Support**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	20,933,200	16,486,200	22,192,500	12,499,900	12,499,900
Salary and Health Insurance Adjustments	17,600				
Budget Reduction-General Fund	-3,252,000				
Mandated Expenditure Reductions	-2,169,800				
<b>Total General Fund</b>	<b>15,529,000</b>	<b>16,486,200</b>	<b>22,192,500</b>	<b>12,499,900</b>	<b>12,499,900</b>
<b>Restricted Fund</b>					
Balance Forward	3,300				
Current Receipts	49,795,600	52,698,100	54,307,700	52,576,600	54,180,300
Non-Revenue Receipts	-411,400	-782,000	-782,000	-782,000	-782,000
<b>Total Restricted Fund</b>	<b>49,387,500</b>	<b>51,916,100</b>	<b>53,525,700</b>	<b>51,794,600</b>	<b>53,398,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>64,916,500</b>	<b>68,402,300</b>	<b>75,718,200</b>	<b>64,294,500</b>	<b>65,898,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	5,031,500	5,234,000	5,458,400	4,907,000	4,910,700
Operating Expenses	484,200	484,700	485,200	694,000	694,000
Grants Loans Benefits	59,400,800	62,683,600	64,283,600	58,693,500	60,293,500
Debt Service			5,491,000		
<b>TOTAL EXPENDITURES</b>	<b>64,916,500</b>	<b>68,402,300</b>	<b>75,718,200</b>	<b>64,294,500</b>	<b>65,898,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	15,529,000	16,486,200	22,192,500	12,499,900	12,499,900
Restricted Fund	49,387,500	51,916,100	53,525,700	51,794,600	53,398,300
<b>TOTAL EXPENDITURES</b>	<b>64,916,500</b>	<b>68,402,300</b>	<b>75,718,200</b>	<b>64,294,500</b>	<b>65,898,200</b>

General Health Support provides funding for two organizational units within the Department for Public Health: the Office of the Commissioner and the Division of Administration and Financial Management.

The Commissioner's Office is responsible for the leadership, management, oversight, and policy direction of the Department for Public Health. The Commissioner advises the heads of major agencies in state government on policies, plans, and programs relating to matters of public health. This includes actions necessary to respond to extraordinary events in order to safeguard the health of the citizens of the Commonwealth. The Commissioner serves as the State Health Officer for the Commonwealth. The Commissioner's role continues to expand in the statewide management of anti-terrorist (nuclear, biologic, chemical) activities and the coordination of emergency response capabilities with federal and other state agencies. The Deputy Commissioner serves as the Senior Deputy Health Officer and Chief Operating Officer of the Department. This physician position is responsible for the day-to-day operations for the Department including oversight of over 100 preventive programs.

The Chief Nurse for Public Health, located in the Commissioner's Office, provides professional consultation, support, and technical assistance to the commissioner, executive staff, and state and local health departments including approximately 1,500 nurses practicing in local health departments. The Chief Nurse helps administer the nurse-managed employee health centers in Frankfort that provide direct care, blood pressure monitoring, flu shots, health education, and HIV/AIDS and CPR classes for state employees.

The Kentucky Office of Health Equity was established in September 2008, functionally operating through the Kentucky Department of Public Health, Commissioner's Office. The Office receives funding from the U.S. Department of Health and Human Services, Office of Minority Health. The Office seeks to eliminate health disparities in the state of Kentucky specifically those social, cultural,

and environmental factors that contribute to adverse health outcomes. The Office serves in an advisory capacity to all divisions and departments across the Department of Public Health.

The Division of Administration and Financial Management provides all resource support to the Department for Public Health. This includes approximately 373 Cabinet-level personnel and nearly 4,000 personnel represented by the 56 local health departments in all 120 counties. The Division provides all budget and accounting support, payments, grant allocation, fee collection, procurement, and contracting support. The Division develops the Department's biennial budget and oversees local health departments' fiscal planning and administrative management functions. The Division works in concert with the other divisions in the Department to plan, program, execute, manage, and report the financial activities of the Department and local health departments.

The Division is also responsible for overseeing the day-to-day operation of the 56 local health departments across the state. This responsibility includes conducting training on medical coding and billing practices, local health personnel procedures, and financial operations. Additionally, this Division has the responsibilities for personnel management; medical records and forms management, reporting of clinical and community-based services, operating the online local health network that tracks approximately 7.4 million services to 848,000 patients, policy interpretation, and the Local Board of Health nomination process. The Division is the primary liaison between the Department for Public Health and local health departments.

## Health and Family Services

### Public Health

#### Women's Health

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,970,800	2,902,300	2,926,100	2,882,900	2,882,900
Budget Reduction-General Fund	-77,000				
Mandated Expenditure Reductions	-10,900				
<b>Total General Fund</b>	<b>2,882,900</b>	<b>2,902,300</b>	<b>2,926,100</b>	<b>2,882,900</b>	<b>2,882,900</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	300,000	366,100	337,800	200,000	200,000
Continuing Approp.-Tobacco Settlement	11,700				
<b>Total Tobacco Fund</b>	<b>311,700</b>	<b>366,100</b>	<b>337,800</b>	<b>200,000</b>	<b>200,000</b>
<b>Restricted Fund</b>					
Balance Forward	12,000				
Current Receipts	173,000	185,000	185,000	185,000	185,000
<b>Total Restricted Fund</b>	<b>185,000</b>	<b>185,000</b>	<b>185,000</b>	<b>185,000</b>	<b>185,000</b>
<b>Federal Fund</b>					
Current Receipts	8,414,100	8,452,700	8,491,300	8,308,200	8,318,500
<b>Total Federal Fund</b>	<b>8,414,100</b>	<b>8,452,700</b>	<b>8,491,300</b>	<b>8,308,200</b>	<b>8,318,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>11,793,700</b>	<b>11,906,100</b>	<b>11,940,200</b>	<b>11,576,100</b>	<b>11,586,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,159,200	1,220,800	1,283,200	1,056,900	1,067,200
Operating Expenses	113,600	113,600	113,600	113,600	113,600
Grants Loans Benefits	10,505,300	10,571,700	10,543,400	10,405,600	10,405,600
<b>TOTAL EXPENDITURES</b>	<b>11,778,100</b>	<b>11,906,100</b>	<b>11,940,200</b>	<b>11,576,100</b>	<b>11,586,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	2,882,900	2,902,300	2,926,100	2,882,900	2,882,900
Tobacco Fund	296,100	366,100	337,800	200,000	200,000
Restricted Fund	185,000	185,000	185,000	185,000	185,000
Federal Fund	8,414,100	8,452,700	8,491,300	8,308,200	8,318,500
<b>TOTAL EXPENDITURES</b>	<b>11,778,100</b>	<b>11,906,100</b>	<b>11,940,200</b>	<b>11,576,100</b>	<b>11,586,400</b>

The Women's Health Program, in partnership with key stakeholders, provides leadership to improve the physical, socio-emotional health, safety, and well-being of Kentucky's women, including those with low incomes, diverse ethnic or racial backgrounds, and isolated populations with limited access to care. The Program also serves to represent Kentucky to the Health Resources Service Administration Office of Women's Health. The Women's Health Program includes the following subprograms:

The Kentucky Women's Cancer Screening subprogram provides breast and cervical cancer screening and diagnostic, case management, and treatment referral services to reduce morbidity and mortality among medically underserved, low income, and uninsured women in Kentucky. The federal grant from the Centers for Disease Control and Prevention requires the Kentucky Women's Cancer Screening subprogram to provide breast and cervical cancer screening for women as a preventive health measure. The grant also requires the subprogram to provide appropriate referrals for medical treatment; to ensure appropriate follow-up services and case management; to develop and disseminate public information and education programs for the detection and control of breast and cervical cancers; to improve the education, training, and skills of health professionals; to monitor the quality of screening procedures for breast and cervical cancers; and to evaluate activities through appropriate surveillance.

The Breast Cancer Research and Education Trust Fund, created in 2005, is funded by sale of the breast cancer license plates and the State Income tax form optional checkbox. Funds collected are distributed to breast cancer affiliates through an annual Request for Proposal process. Projects are to support breast cancer research, education, treatment, screening, and awareness in Kentucky.

The Folic Acid Counseling and Supplementation subprogram services are provided in every health department (56) in Kentucky and six sub-delegates, which include three university clinic sites, Bluegrass Farm Workers, and Planned Parenthoods in Lexington and Louisville. Research has shown that when women consume adequate folic acid, the incidence of neural tube defects such as spina bifida can be decreased by as much as 70%. Since the inception of this program, the number of neural tube defects in infants in Kentucky has declined. The Folic Acid program has been funded by Tobacco Settlement funds.

The Abstinence Education Program offers adolescent abstinence-only education programs throughout the state. The goal of this federal program is to lower teen pregnancy in Kentucky by teaching values with community support through a Positive Youth Development approach, which suggests that the best way to prevent involvement in risky behavior (sexual activity and pregnancy in teens) is to help adolescents achieve their full potential. Program goals are met via early intervention continuity of abstinence-only interventions, and community awareness. Strategies include community and mentoring programs, as well as school-based curriculums that teach abstinence in the 100% safe choice to guard against sexually transmitted diseases and pregnancy. *The federal grant for the Abstinence Education Program ended June 30, 2009. A new federal program entitled the "Teen Pregnancy Prevention Program" is awaiting congressional approval and funds could be allocated to the state by the spring of 2010.*

The Title X Family Planning subprogram provides individuals with the information and means to exercise personal choice in determining the number and spacing of children. Title X family planning clinics play a critical role in ensuring access to voluntary, confidential family planning services for low-income or uninsured families or whose total annual income does not exceed 100 percent for the most recent federal Income Poverty Guidelines. Charges to participants are at no cost or at a reduced cost. Family Planning services are currently offered in local health departments and clinics targeting special populations (e.g., males, Hispanics, and adolescents). Title X supported clinics also provide a number of preventive health services such as: patient education and counseling, breast and pelvic examinations, cervical cancer screenings, STD and HIV screenings, preconception counseling, pregnancy diagnosis, and counseling.

**Health and Family Services**  
**Public Health**  
**Prevention and Quality Improvement**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	10,325,400	10,756,100	11,613,800	8,834,400	8,834,400
Salary and Health Insurance Adjustments	137,800				
Budget Reduction-General Fund	-591,100				
Mandated Expenditure Reductions	-435,600				
<b>Total General Fund</b>	9,436,500	10,756,100	11,613,800	8,834,400	8,834,400
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	2,840,300	2,583,500	2,368,800	2,583,500	2,368,800
Continuing Approp.-Tobacco Settlement	874,600				
<b>Total Tobacco Fund</b>	3,714,900	2,583,500	2,368,800	2,583,500	2,368,800
<b>Restricted Fund</b>					
Balance Forward	2,800				
Current Receipts	6,078,500	6,081,300	6,081,300	6,081,300	6,081,300
<b>Total Restricted Fund</b>	6,081,300	6,081,300	6,081,300	6,081,300	6,081,300
<b>Federal Fund</b>					
Current Receipts	4,356,700	4,792,600	4,803,200	4,613,700	4,586,000
<b>Total Federal Fund</b>	4,356,700	4,792,600	4,803,200	4,613,700	4,586,000
<b>TOTAL SOURCE OF FUNDS</b>	23,589,400	24,213,500	24,867,100	22,112,900	21,870,500
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,423,900	3,601,600	3,812,500	3,152,900	3,167,800
Operating Expenses	880,500	880,500	880,500	875,200	875,200
Grants Loans Benefits	18,848,400	19,731,400	20,174,100	18,084,800	17,827,500
<b>TOTAL EXPENDITURES</b>	23,152,800	24,213,500	24,867,100	22,112,900	21,870,500
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	9,436,500	10,756,100	11,613,800	8,834,400	8,834,400
Tobacco Fund	3,278,300	2,583,500	2,368,800	2,583,500	2,368,800
Restricted Fund	6,081,300	6,081,300	6,081,300	6,081,300	6,081,300
Federal Fund	4,356,700	4,792,600	4,803,200	4,613,700	4,586,000
<b>TOTAL EXPENDITURES</b>	23,152,800	24,213,500	24,867,100	22,112,900	21,870,500

The Prevention and Quality Improvement Program is comprised of five subprograms which include: Chronic Disease Prevention, Health Care Access, Education and Workforce Development, Public Health Improvement, and Health Promotion.

The mission of the Prevention and Quality Improvement program is to deliver programs and services, including chronic disease management, clinical and community education/promotion, quality improvement, employee health, health access for low income Kentuckians, staff education/development, and health risk behavior data analysis in order to promote more healthy behaviors by Kentuckians. The Division's activities cover the spectrum of population-based and personal preventive health services.

The Chronic Disease Prevention and Control subprogram is responsible for decreasing the morbidity and mortality from chronic diseases. Emphasis is on prevention and risk factors that can be reduced through healthy lifestyles. Prevention programs include asthma, arthritis, cardiovascular health, comprehensive cancer, diabetes, osteoporosis and health promotion.

The program provides funding to local health departments for community-based services aimed at individuals and at bringing about policy and environmental changes that will improve the health status of Kentuckians.

The Health Care Access subprogram provides focus on primary care and the administration of federal grants and programs relative to primary care. Through these programs, approximately 150 additional physicians are serving Kentucky's medically underserved population. The Program is responsible for determining areas of Kentucky that meet Health Professional Shortage Area criteria and Medically Underserved Area criteria.

The Education and Workforce Development subprogram coordinates all training programs, workshops, courses, and seminar conferences. By leveraging technology and managing the Department's learning management system, known as the Training Finder Real-time Affiliate Integrated Network (TRAIN), the Education and Workforce subprogram has seen a significant increase in the number of staff participating in on-line module learning and satellite programming. Responsible for ensuring a well-trained competent workforce at the state and local level, the subprogram has set in place an electronic process for continuing education. Training is delivered by means of the web, satellite and video conferencing.

The Public Health Improvement subprogram is responsible for the publication and maintenance of the Public Health Practice Reference. These documents are critical to help local health departments provide clinical and health education/promotion activities. The subprogram seeks to strengthen and improve the quality of the practice of public health to include but not limited to the implementation of policies that assure the system can fulfill the role of protecting the safety and health of Kentuckians. The employee health service of the Program provides health care via employee health centers in Frankfort, Kentucky.

The Health Promotion subprogram administers programs that focus on behavioral risk factors to instill lifestyle changes for developing a healthy community. The subprogram provides services in the areas of Tobacco Cessation, Tobacco Quit-line, Obesity, Osteoporosis, Arthritis, Behavioral Risk Factor Surveillance, and Healthy Communities.

The Prevention and Quality Improvement Program collaborates with the other divisions within the Department for Public Health, local health departments, and other public health system participants in the areas of continuous quality/performance improvement, strategic planning and accreditation.

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

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	5,321,600	5,144,300	5,411,600	4,878,000	4,878,000
Budget Reduction-General Fund	-328,000				
Mandated Expenditure Reductions	-68,600				
<b>Total General Fund</b>	4,925,000	5,144,300	5,411,600	4,878,000	4,878,000
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	2,313,400	2,117,500	1,953,700	1,775,900	800,000
Continuing Approp.-Tobacco Settlement	400				
<b>Total Tobacco Fund</b>	2,313,800	2,117,500	1,953,700	1,775,900	800,000
<b>Restricted Fund</b>					
Balance Forward	3,348,200	2,021,200	1,912,400	2,021,200	1,912,400
Current Receipts	7,706,700	7,706,700	7,706,700	7,797,800	7,857,000
Non-Revenue Receipts	41,500	41,500	41,500	41,500	41,500
<b>Total Restricted Fund</b>	11,096,400	9,769,400	9,660,600	9,860,500	9,810,900
<b>Federal Fund</b>					
Current Receipts	41,893,200	54,621,600	54,522,300	54,011,600	53,723,600
<b>Total Federal Fund</b>	41,893,200	54,621,600	54,522,300	54,011,600	53,723,600
<b>TOTAL SOURCE OF FUNDS</b>	60,228,400	71,652,800	71,548,200	70,526,000	69,212,500
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	20,255,600	21,117,300	21,661,400	20,369,100	20,516,400
Operating Expenses	15,542,100	15,664,500	15,484,600	15,659,200	15,479,300
Grants Loans Benefits	22,409,500	32,958,600	32,598,600	32,585,300	31,413,200
<b>TOTAL EXPENDITURES</b>	58,207,200	69,740,400	69,744,600	68,613,600	67,408,900
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	4,925,000	5,144,300	5,411,600	4,878,000	4,878,000
Tobacco Fund	2,313,800	2,117,500	1,953,700	1,775,900	800,000
Restricted Fund	9,075,200	7,857,000	7,857,000	7,948,100	8,007,300
Federal Fund	41,893,200	54,621,600	54,522,300	54,011,600	53,723,600
<b>TOTAL EXPENDITURES</b>	58,207,200	69,740,400	69,744,600	68,613,600	67,408,900

The Epidemiology and Health Planning Program reviews the occurrence of, and risk factors for, preventable and reportable diseases and injuries in the Commonwealth; to develop health policies related to the Division's and Department's objectives; to prepare for public health threats; to collect, safeguard, and report vital event records; and to assure the provision of core public health services. To discharge these responsibilities, the Division conducts activities in four areas:

- 1 Communicable Disease, which includes immunizations, sexually transmitted diseases, tuberculosis (TB), adult viral hepatitis, and other communicable diseases,
- 2 HIV/AIDS, which includes prevention activities, services, and surveillance for HIV/AIDS,
- 3 Vital Statistics, which collects and preserves mandatory records of all vital events including births, deaths, marriages, and divorces, and
- 4 Public Health Preparedness, which includes the development, implementation, and exercising of statewide emergency preparedness plans for both terrorist (nuclear, biologic, chemical) threats as well as naturally occurring disease outbreaks.

The Program makes financial support and vaccines available to local health departments and other providers for the



provision of over one million immunizations each year (more in years when outbreaks occur) to about 400,000 persons. Immunization rates in schools, day care, health department clinics, and among the general child population are tracked. The Tuberculosis Control subprogram reduces the number of cases and deaths due to tuberculosis by preventing non-infected individuals from becoming infected, keeping those infected without disease from progressing to disease, and by rendering infected individuals with disease non-infectious. Kentucky's TB case rate remains below the national average. Sexually transmitted disease and other communicable disease control assistance and consultation are provided across the Commonwealth as required.

The Epidemiology and Health Planning Program mandates that all 120 Kentucky counties offer HIV antibody testing anonymously and free of charge through local health departments. The HIV/AIDS Surveillance Project is mandated with acquiring, recording, and reporting both HIV and AIDS cases diagnosed in Kentucky. The HIV Prevention subprogram monitoring, planning, development, implementation, and execution through needs assessments of existing HIV prevention efforts; analyze current and projected epidemiological data; and create intervention strategies to reduce the risk of HIV transmission for at-risk populations.

Epidemiology and Health Planning is the designated State Center for Health Statistics. The Vital Statistics subprogram is responsible for the collection, analysis, and dissemination of health data from many sources to policy makers, health planners and consumers with the goal of developing policy that will improve the health of the population and ensure access to (and the benefit of) public health services to all Kentuckians. The maintenance of all vital records (birth, death, marriage, and divorce certificates) and the response to all requests for vital statistics data are also carried out by this program.

Epidemiology and Health Planning is partially funded through federal emergency preparedness and response to bioterrorism grants and has the responsibility of developing, coordinating, and overseeing the public health response to terrorism (nuclear, biologic, and chemical). These funds are used to prepare the Commonwealth for disease outbreaks and other public health threats, increase the integration of local public health system assets, upgrade the State Laboratory to the capacity required by the Centers for Disease Control and Prevention, and provide hospitals across the state with funding to ensure preparedness for events attributable to terrorism.

**Health and Family Services  
Public Health  
Maternal and Child Health**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	25,274,300	26,352,300	27,427,400	24,317,300	24,317,300
Budget Reduction-General Fund	-4,972,600				
Mandated Expenditure Reductions	-280,800				
<b>Total General Fund</b>	20,020,900	26,352,300	27,427,400	24,317,300	24,317,300
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	14,465,500	13,149,200	12,132,000	11,987,500	11,136,300
Continuing Approp.-Tobacco Settlement	2,682,200				
<b>Total Tobacco Fund</b>	17,147,700	13,149,200	12,132,000	11,987,500	11,136,300
<b>Restricted Fund</b>					
Balance Forward	505,400				
Current Receipts	45,674,400	39,974,400	38,374,400	39,992,200	38,403,600
Non-Revenue Receipts	1,758,800	1,864,200	1,864,200	1,864,200	1,864,200
<b>Total Restricted Fund</b>	47,938,600	41,838,600	40,238,600	41,856,400	40,267,800
<b>Federal Fund</b>					
Current Receipts	172,008,400	172,165,000	172,341,500	171,464,200	171,510,400
<b>Total Federal Fund</b>	172,008,400	172,165,000	172,341,500	171,464,200	171,510,400
<b>TOTAL SOURCE OF FUNDS</b>	257,115,600	253,505,100	252,139,500	249,625,400	247,231,800
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	14,154,000	11,863,800	12,187,000	10,838,400	10,896,000
Operating Expenses	727,800	727,800	727,800	722,600	722,600
Grants Loans Benefits	239,654,800	240,913,500	239,224,700	238,064,400	235,613,200
<b>TOTAL EXPENDITURES</b>	254,536,600	253,505,100	252,139,500	249,625,400	247,231,800
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	20,020,900	26,352,300	27,427,400	24,317,300	24,317,300
Tobacco Fund	14,568,700	13,149,200	12,132,000	11,987,500	11,136,300
Restricted Fund	47,938,600	41,838,600	40,238,600	41,856,400	40,267,800
Federal Fund	172,008,400	172,165,000	172,341,500	171,464,200	171,510,400
<b>TOTAL EXPENDITURES</b>	254,536,600	253,505,100	252,139,500	249,625,400	247,231,800

The Maternal and Child Health Program promotes and safeguards the health of all Kentuckians, as well as helps them achieve the highest level of health and wellness possible. Its activities include public health education, nutrition, injury prevention, coordinated school health, perinatal care, early childhood intervention and promotion, well child care, oral health and selected primary and preventive care activities.

The Child and Family Health Improvement subprogram provides oversight to the services and activities which focus on these populations, including prenatal, child, and adolescent preventive health; lead poisoning prevention; child fatality and injury prevention; oral health; and coordinated school health. These services and activities help to improve quality of life and provide positive health outcomes.

Early childhood development legislation requires the Early Childhood Development subprogram to provide early childhood initiatives such as home visitation (Health Access Nurturing Development Services or HANDS), childcare consultation (Healthy Start in Child Care), and early childhood mental health services for children. The Early Childhood Development subprogram also identifies children in Kentucky at-risk for serious medical conditions and developmental delays through the newborn metabolic screening program and Kentucky Birth Surveillance Registry.

The First Steps (Kentucky Early Intervention System) subprogram provides case management developmental services, physical therapy, occupational therapy, speech therapy, hearing and vision services, health and diagnostic services, and nursing and nutrition services to infants and toddlers between birth and three years of age with developmental disabilities or developmental delays. First Steps services are provided in the home or other community setting, unless it is not feasible to do so, and are subject to a sliding fee scale unless the family has documented an inability to pay. Families and other interested parties access the First Steps program locally through 15 system Points of Entry covering the 15 Area Development Districts.

The Nutrition subprogram administers the Special Supplemental Nutrition program for Women, Infants and Children; the Nutrition Program; the Breastfeeding Peer Counselor Program; WIC Electronic Benefits Transfers pilot project and the Farmers Market Nutrition Program. The Women, Infants and Children program is funded wholly by the USDA and provides food packages and nutrition education to low-income pregnant and post partum women, infants and children at nutritional risk, and sets standards for nutrition services. Nutritionists in local health departments provide medical nutrition therapy and follow-up nutrition care for children with special health care needs.

**Health and Family Services  
Public Health  
Laboratory Services**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	4,050,000	3,921,100	4,105,000	3,735,600	3,735,600
Budget Reduction-General Fund	-220,600				
Mandated Expenditure Reductions	-58,500				
<b>Total General Fund</b>	<b>3,770,900</b>	<b>3,921,100</b>	<b>4,105,000</b>	<b>3,735,600</b>	<b>3,735,600</b>
<b>Restricted Fund</b>					
Balance Forward	265,200				
Current Receipts	3,354,100	3,361,600	3,368,800	3,302,900	3,325,100
Non-Revenue Receipts	-969,200	-704,000	-704,000	-704,000	-704,000
<b>Total Restricted Fund</b>	<b>2,650,100</b>	<b>2,657,600</b>	<b>2,664,800</b>	<b>2,598,900</b>	<b>2,621,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>6,421,000</b>	<b>6,578,700</b>	<b>6,769,800</b>	<b>6,334,500</b>	<b>6,356,700</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	2,492,600	2,645,600	2,819,800	2,423,600	2,445,800
Operating Expenses	3,677,500	3,694,400	3,711,300	3,672,200	3,672,200
Grants Loans Benefits	250,900	238,700	238,700	238,700	238,700
<b>TOTAL EXPENDITURES</b>	<b>6,421,000</b>	<b>6,578,700</b>	<b>6,769,800</b>	<b>6,334,500</b>	<b>6,356,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	3,770,900	3,921,100	4,105,000	3,735,600	3,735,600
Restricted Fund	2,650,100	2,657,600	2,664,800	2,598,900	2,621,100
<b>TOTAL EXPENDITURES</b>	<b>6,421,000</b>	<b>6,578,700</b>	<b>6,769,800</b>	<b>6,334,500</b>	<b>6,356,700</b>

The Laboratory Services Program is responsible for the prompt detection and identification of a wide variety of microorganisms (bacteria, viruses, etc.), and toxic chemical substances that pose a threat to the public's health. The laboratory also provides clinical testing on a large scale to detect congenital abnormalities in newborns and specific tests related to chronic disease disorders that affect the public.

The Laboratory Services Program provides examinations of clinical and environmental specimens to support other state and local health department programs and diagnostic testing not readily available elsewhere for hospitals and practicing physicians. Additionally, the laboratory tests environmental samples for water fluoride levels; examines milk, food, and water for evidence of contamination; performs pesticide analyses, and occupational safety and health chemistry.

Today, public health laboratories protect the nation's health through disease surveillance activities that use sophisticated equipment and result in early detection of outbreaks caused by emerging infectious diseases. The information provided by these laboratories is essential for guiding epidemiologic investigations that determine the measures needed to prevent and control the spread of disease. The Laboratory Services Program works closely with the Division of Epidemiology and Health Planning to provide emergency response capability in case of such disease outbreaks or other public health emergencies.

General Fund support is the primary source of funding for Laboratory Services. Other funds are received from federal grants, newborn metabolic screening fees, and a cooperative agreement with OSHA.

The Laboratory Services Program is certified as a high complexity laboratory, obligating it to meet the most stringent of requirements.

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

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	3,114,500	3,954,300	3,695,000	3,073,800	3,073,800
Salary and Health Insurance Adjustments	100,000				
Budget Reduction-General Fund	-26,300				
Mandated Expenditure Reductions	-109,200				
<b>Total General Fund</b>	<b>3,079,000</b>	<b>3,954,300</b>	<b>3,695,000</b>	<b>3,073,800</b>	<b>3,073,800</b>
<b>Restricted Fund</b>					
Balance Forward	10,400				
Current Receipts	5,772,700	6,422,200	6,425,900	5,832,800	5,894,200
<b>Total Restricted Fund</b>	<b>5,783,100</b>	<b>6,422,200</b>	<b>6,425,900</b>	<b>5,832,800</b>	<b>5,894,200</b>
<b>Federal Fund</b>					
Current Receipts	1,654,900	1,691,900	1,740,400	1,588,800	1,604,100
<b>Total Federal Fund</b>	<b>1,654,900</b>	<b>1,691,900</b>	<b>1,740,400</b>	<b>1,588,800</b>	<b>1,604,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>10,517,000</b>	<b>12,068,400</b>	<b>11,861,300</b>	<b>10,495,400</b>	<b>10,572,100</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	5,548,400	6,370,800	6,719,700	5,558,500	5,635,200
Operating Expenses	1,146,500	1,278,100	1,201,600	1,141,300	1,141,300
Grants Loans Benefits	3,822,100	4,419,500	3,940,000	3,795,600	3,795,600
<b>TOTAL EXPENDITURES</b>	<b>10,517,000</b>	<b>12,068,400</b>	<b>11,861,300</b>	<b>10,495,400</b>	<b>10,572,100</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	3,079,000	3,954,300	3,695,000	3,073,800	3,073,800
Restricted Fund	5,783,100	6,422,200	6,425,900	5,832,800	5,894,200
Federal Fund	1,654,900	1,691,900	1,740,400	1,588,800	1,604,100
<b>TOTAL EXPENDITURES</b>	<b>10,517,000</b>	<b>12,068,400</b>	<b>11,861,300</b>	<b>10,495,400</b>	<b>10,572,100</b>

The Public Health Protection and Safety Program provides a variety of environmental services, from monitoring exposure to radiation to ensuring sanitation of food, milk, and public facilities. This program provides consultation and guidance to some 500 local health department environmental-public health specialists/registered sanitarians, and provides regulatory oversight to many of Kentucky's businesses. The Program's mission statement is: promoting a healthier, safer public through prevention, education, communication, and regulation.

The Radiation subprogram inspects and issues over 675 specific licenses to users of radioactive materials, and registers and inspects over 200 users of radiation sources. The subprogram monitors the transportation of radioactive waste, within and through the Commonwealth, and is mandated and equipped to respond to radiological emergencies 24 hours per day. The subprogram registers and inspects 4,008 facilities with 9,800 X-Ray tubes, conducts reviews and inspects approximately 164 mammography facilities and shielding plans for facilities, and issues certificates and inspects approximately 7,586 operators of sources of radiation. The subprogram collects and analyzes approximately 1,500 samples from Maxey Flats Disposal Site and conducts 4,584 analyses on these samples. The subprogram also collects approximately 2,100 samples at the Paducah Gaseous Diffusion Plant and conducts 11,754 quality control analyses.

The Milk Safety subprogram inspects dairy farms, dairy plants, transfer and hauler facilities, and milk processors, conducting 8,048 inspections of 1,900 dairies annually as the events of September 11, 2001 have re-emphasized the need for added security of the nation's food supply, including milk products. The subprogram provides safety education to milk haulers, pasteurization equipment operators and other industry professionals. Routine testing and inspection of pasteurization

equipment along with monthly sampling aid in the prevention of possible public health illnesses from occurring. The subprogram investigates complaints, responds to federal Food & Drug Administration notices regarding dairy recalls or events, and serves as a first responder for dairy industry events.

The Food Safety subprogram currently spends \$3,000,000 to oversee Kentucky's multi-billion dollar food industry. The subprogram trains local health department employees who inspect food service establishments, retail food stores, vending machine companies, tattoo studios, body piercing facilities, boarding homes, tanning facilities, and bed and breakfast establishments in order to prevent the spread of communicable diseases and injuries. The subprogram oversees food manufacturing and storage programs and the farmer's market for program compliance. The subprogram collects representative samples from the state's raw agricultural producers and fish markets to test for pesticide residues and other contaminants. The Food Safety subprogram also oversees quarantines and the destruction of food, drugs, and alcohol which have been contaminated by disasters such as floods.

The Environmental Management subprogram is responsible for regulating public facilities, including hotels/motels, public restrooms, schools, state confinement facilities, public swimming and bathing facilities, mobile home/recreational vehicle parks/communities, and youth camps through annual operating permits and routine inspections that are required by law. The subprogram is also responsible for: initial certification and ongoing specialized trainings to local health department environmental staff; continuing education to septic system installers through a program operated by local health departments that results in certifications being issued when an individual demonstrates the ability to perform in a safe and sanitary manner; education, including informational pamphlets and presentations, to inform the public about the hazards of radon gas, proper septic system maintenance, pool maintenance for public and private swimming pools, rabies control, and proper water well sanitation.

This subprogram also ensures that public health nuisances (illegal garbage dumps, accumulation of trash and garbage, rodent infestations, mosquito infestations, and untreated sewage) are investigated and abated by local health department inspectors. The education, investigation, permitting, and inspection activities of the Environmental Management Branch have a direct effect on the lives of the public, as well as the operation of most private business entities, in an effort to protect Kentucky's citizens.

The Public Safety subprogram is responsible for lead detection and abatement activities, public swimming facilities construction, standardized reporting and analysis of trends in environmental public health, and assists with educational materials, research, data, reports, and maps related to the seizure and posting of methamphetamine laboratories in Kentucky. Local public health departments are now required to post notices related to methamphetamine contaminated dwellings per KRS 224.

## Health and Family Services

### Health Policy

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	583,300	514,100	514,100	504,100	499,100
Salary and Health Insurance Adjustments	10,300				
Budget Reduction-General Fund	-175,600				
Mandated Expenditure Reductions	-24,900				
<b>Total General Fund</b>	393,100	514,100	514,100	504,100	499,100
<b>Restricted Fund</b>					
Balance Forward	286,000	538,600	376,300	296,300	150,300
Current Receipts	875,000	875,000	875,000	875,000	875,000
Non-Revenue Receipts		-200,000		-200,000	-200,000
Fund Transfers	-43,700				
<b>Total Restricted Fund</b>	1,117,300	1,213,600	1,251,300	971,300	825,300
<b>TOTAL SOURCE OF FUNDS</b>	1,510,400	1,727,700	1,765,400	1,475,400	1,324,400
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	1,029,000	1,139,500	1,190,100	1,113,200	1,108,200
Operating Expenses	88,600	115,400	115,400	115,400	115,400
Grants Loans Benefits	96,500	96,500	96,500	96,500	96,500
<b>TOTAL EXPENDITURES</b>	1,214,100	1,351,400	1,402,000	1,325,100	1,320,100
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	393,100	514,100	514,100	504,100	499,100
Restricted Fund	821,000	837,300	887,900	821,000	821,000
<b>TOTAL EXPENDITURES</b>	1,214,100	1,351,400	1,402,000	1,325,100	1,320,100
<b>EXPENDITURES BY UNIT</b>					
Office of Health Policy	1,214,100	1,351,400	1,402,000	1,325,100	1,320,100
<b>TOTAL EXPENDITURES</b>	1,214,100	1,351,400	1,402,000	1,325,100	1,320,100

The Office of Health Policy is charged with administering the state certificate of need program and coordinating with other Cabinet for Health and Family Services (CHFS) agencies as well as state agencies outside CHFS regarding health care policy issues and health data collection.

There are two functions within the Office of Health Policy: Health Planning and Development and Certificate of Need.

The Health Planning and Development staff seeks to provide coordination among state agencies and programs including: Medicaid, Insurance, Behavioral Health and Developmental and Intellectual Disabilities and Public Health. In addition to coordinating health policy and health insurance issues, staff oversees legislative and regulatory efforts to ensure that proposed statutes and regulations are consistent across departments, consistent with the overall goals of the cabinet, and develops health insurance policy in coordination with the Kentucky Department of Insurance. Staff is also responsible for collecting and analyzing statewide health data critical for sound decision making. Through its policy work, data collection and analysis, the Office identifies opportunities for preparing and distributing relevant information to the public about health, health care and public policy.

The Certificate of Need (CON) staff is responsible for administering the certificate of need program in order to prevent the proliferation and/or duplication of health care facilities, health services and major medical equipment that increase the cost of health care within the Commonwealth. Staff are responsible for developing the State Health Plan which guides the decision-making process for many types of CON applications. The proposed State Health Plan goes through an extensive review

process allowing for comment and input from the public as well as the provider community.

A certificate of need is required to establish a health facility; to change bed capacity of health facility; to make a substantial change in a project ( as defined by KRS Chapter 216 B.015); to add a health service for which there are review criteria in the state health plan to add a service subject to licensure; to obligate a capital expenditure or acquire major medical equipment which exceeds a specific threshold; or to change the geographic area which has been designated on a certificate of need or license.



**Health and Family Services  
Family Resource Centers and Volunteer Services**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	434,000	444,200	456,100	434,900	434,900
Salary and Health Insurance Adjustments	16,800				
Budget Reduction-General Fund	-15,900				
<b>Total General Fund</b>	434,900	444,200	456,100	434,900	434,900
<b>Restricted Fund</b>					
Balance Forward	1,000				
Non-Revenue Receipts	94,000	95,000	95,000	95,000	95,000
<b>Total Restricted Fund</b>	95,000	95,000	95,000	95,000	95,000
<b>Federal Fund</b>					
Balance Forward	175,100				
Current Receipts	3,138,000	3,327,000	3,344,900	3,327,000	3,344,900
ARRA Receipts	752,800	56,700		56,700	
<b>Total Federal Fund</b>	4,065,900	3,383,700	3,344,900	3,383,700	3,344,900
<b>TOTAL SOURCE OF FUNDS</b>	4,595,800	3,922,900	3,896,000	3,913,600	3,874,800
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	429,500	451,700	481,700	457,300	474,500
Operating Expenses	177,100	177,100	177,100	162,200	163,100
Grants Loans Benefits	3,989,200	3,294,100	3,237,200	3,294,100	3,237,200
<b>TOTAL EXPENDITURES</b>	4,595,800	3,922,900	3,896,000	3,913,600	3,874,800
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	434,900	444,200	456,100	434,900	434,900
Restricted Fund	95,000	95,000	95,000	95,000	95,000
Federal Fund	4,065,900	3,383,700	3,344,900	3,383,700	3,344,900
<b>TOTAL EXPENDITURES</b>	4,595,800	3,922,900	3,896,000	3,913,600	3,874,800
<b>EXPENDITURES BY UNIT</b>					
Family Resource and Youth Services Center	436,000	436,000	436,000	436,000	436,000
Kentucky Com. Community Volunteerism and Serv.	4,159,800	3,486,900	3,460,000	3,477,600	3,438,800
<b>TOTAL EXPENDITURES</b>	4,595,800	3,922,900	3,896,000	3,913,600	3,874,800

The Department for Family Resource Centers and Volunteer Services is comprised of two separate divisions: Family Resource and Youth Service Centers and the Kentucky Commission on Community Volunteerism and Services.

**Health and Family Services  
Family Resource Centers and Volunteer Services  
Family Resource and Youth Services Center**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	187,700	188,200	188,200	188,200	188,200
Salary and Health Insurance Adjustments	8,400				
Budget Reduction-General Fund	-7,900				
<b>Total General Fund</b>	188,200	188,200	188,200	188,200	188,200
<b>Federal Fund</b>					
Current Receipts	247,800	247,800	247,800	247,800	247,800
<b>Total Federal Fund</b>	247,800	247,800	247,800	247,800	247,800
<b>TOTAL SOURCE OF FUNDS</b>	436,000	436,000	436,000	436,000	436,000
<b>EXPENDITURES BY CLASS</b>					
Grants Loans Benefits	436,000	436,000	436,000	436,000	436,000
<b>TOTAL EXPENDITURES</b>	436,000	436,000	436,000	436,000	436,000
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	188,200	188,200	188,200	188,200	188,200
Federal Fund	247,800	247,800	247,800	247,800	247,800
<b>TOTAL EXPENDITURES</b>	436,000	436,000	436,000	436,000	436,000

The Kentucky Education Reform Act (KERA) of 1990, KRS 156.496 and KRS 156.4977 as amended, created the Family Resource and Youth Services Centers (FRYSC). The Division of Family Resource and Youth Services Centers, created by Executive Order 2004-726, provides administrative, technical assistance, and training support to the local school-based FRYSC. The primary goal of these centers is to enhance student ability to succeed in school by developing and sustaining partnerships that promote early learning and successful transition into school, academic achievement and well-being, graduation, and transition into adult life.

Each center has a unique blend of program components depending on location, available services, local need, and community input designed to promote the flow of resources and support to families in ways that strengthen their functioning and further the growth and development of each member. Services may include after-school child care, literacy programs, home visits to new/expectant parents, support and training for child day care providers, referrals to social services, employment counseling, summer and part-time job development, drug/alcohol counseling, and family crisis and mental health counseling. Centers also offer programs such as peer mediation, conflict resolution, pregnancy prevention and job shadowing.

**Health and Family Services  
Family Resource Centers and Volunteer Services  
Kentucky Commission on Community Volunteerism and Service**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	246,300	256,000	267,900	246,700	246,700
Salary and Health Insurance Adjustments	8,400				
Budget Reduction-General Fund	-8,000				
<b>Total General Fund</b>	<b>246,700</b>	<b>256,000</b>	<b>267,900</b>	<b>246,700</b>	<b>246,700</b>
<b>Restricted Fund</b>					
Balance Forward	1,000				
Non-Revenue Receipts	94,000	95,000	95,000	95,000	95,000
<b>Total Restricted Fund</b>	<b>95,000</b>	<b>95,000</b>	<b>95,000</b>	<b>95,000</b>	<b>95,000</b>
<b>Federal Fund</b>					
Balance Forward	175,100				
Current Receipts	2,890,200	3,079,200	3,097,100	3,079,200	3,097,100
ARRA Receipts	752,800	56,700		56,700	
<b>Total Federal Fund</b>	<b>3,818,100</b>	<b>3,135,900</b>	<b>3,097,100</b>	<b>3,135,900</b>	<b>3,097,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>4,159,800</b>	<b>3,486,900</b>	<b>3,460,000</b>	<b>3,477,600</b>	<b>3,438,800</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	429,500	451,700	481,700	457,300	474,500
Operating Expenses	177,100	177,100	177,100	162,200	163,100
Grants Loans Benefits	3,553,200	2,858,100	2,801,200	2,858,100	2,801,200
<b>TOTAL EXPENDITURES</b>	<b>4,159,800</b>	<b>3,486,900</b>	<b>3,460,000</b>	<b>3,477,600</b>	<b>3,438,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	246,700	256,000	267,900	246,700	246,700
Restricted Fund	95,000	95,000	95,000	95,000	95,000
Federal Fund	3,818,100	3,135,900	3,097,100	3,135,900	3,097,100
<b>TOTAL EXPENDITURES</b>	<b>4,159,800</b>	<b>3,486,900</b>	<b>3,460,000</b>	<b>3,477,600</b>	<b>3,438,800</b>

The Kentucky Commission for Community Volunteerism and Services (KCCVS) was created in 1994 to serve as a conduit for federal funds that support AmeriCorps programs in the Commonwealth and to assume responsibility for the statewide coordination of volunteer activities.

KCCVS currently administers 13 federally-funded AmeriCorps programs and seven American Recovery and Reinvestment Act programs. Of these, 11 were awarded to Kentucky through a competitive application process while the remaining nine are formula based. Federal funds are contracted to community organizations that, in turn, receive local matching funds, which include cash and in-kind services. AmeriCorps members provide household budget training, home renovation assistance, life skills training, and services to help senior citizens live independently. They train volunteers, serve the homeless, mentor at-risk youth, and offer assistance to victims of natural disasters. In addition, participants tutor children in elementary and secondary schools and assist parents in developing skills to help their children learn to read. Children tutored by AmeriCorps members tend to advance a minimum of two reading levels during the school year. AmeriCorps alumni in Kentucky have received more than \$15,000,000 in federal educational vouchers for their years of service.

**Health and Family Services  
Income Support**

	<b>Revised FY 2010</b>	<b>Requested FY 2011</b>	<b>Requested FY 2012</b>	<b>Recommended FY 2011</b>	<b>Recommended FY 2012</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	3,345,900	2,794,900	6,997,900	1,397,400	1,397,400
Budget Reduction-General Fund	-1,676,200				
Mandated Expenditure Reductions	-272,300				
<b>Total General Fund</b>	<b>1,397,400</b>	<b>2,794,900</b>	<b>6,997,900</b>	<b>1,397,400</b>	<b>1,397,400</b>
<b>Restricted Fund</b>					
Balance Forward	2,400				
Current Receipts	20,872,000	19,634,100	19,825,900	19,634,100	19,825,900
Non-Revenue Receipts	97,600	100,000	100,000	100,000	100,000
<b>Total Restricted Fund</b>	<b>20,972,000</b>	<b>19,734,100</b>	<b>19,925,900</b>	<b>19,734,100</b>	<b>19,925,900</b>
<b>Federal Fund</b>					
Balance Forward	13,590,600				
Current Receipts	71,579,500	86,902,800	88,977,500	86,368,800	87,154,000
<b>Total Federal Fund</b>	<b>85,170,100</b>	<b>86,902,800</b>	<b>88,977,500</b>	<b>86,368,800</b>	<b>87,154,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>107,539,500</b>	<b>109,431,800</b>	<b>115,901,300</b>	<b>107,500,300</b>	<b>108,477,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	37,751,600	39,643,900	41,910,400	37,724,600	38,713,600
Operating Expenses	6,809,800	6,809,800	6,809,800	6,797,600	6,785,600
Grants Loans Benefits	62,978,100	62,978,100	62,978,100	62,978,100	62,978,100
Debt Service			4,203,000		
<b>TOTAL EXPENDITURES</b>	<b>107,539,500</b>	<b>109,431,800</b>	<b>115,901,300</b>	<b>107,500,300</b>	<b>108,477,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,397,400	2,794,900	6,997,900	1,397,400	1,397,400
Restricted Fund	20,972,000	19,734,100	19,925,900	19,734,100	19,925,900
Federal Fund	85,170,100	86,902,800	88,977,500	86,368,800	87,154,000
<b>TOTAL EXPENDITURES</b>	<b>107,539,500</b>	<b>109,431,800</b>	<b>115,901,300</b>	<b>107,500,300</b>	<b>108,477,300</b>
<b>EXPENDITURES BY UNIT</b>					
Disability Determinations	48,565,200	49,988,000	51,690,400	49,537,000	50,173,500
Child Support	58,974,300	59,443,800	64,210,900	57,963,300	58,303,800
<b>TOTAL EXPENDITURES</b>	<b>107,539,500</b>	<b>109,431,800</b>	<b>115,901,300</b>	<b>107,500,300</b>	<b>108,477,300</b>

The Department for Income Support is responsible for administering Child Support Enforcement and Disability Determination Services.

These programs help to ensure that children are financially supported by parents who are legally obligated to pay child support and to determine medical eligibility for residents of the Commonwealth who apply for Social Security and Supplemental Security Income disability benefits from the federal government. The Department's mission is to provide accurate, timely and cost effective services for the citizens of Kentucky.

**Health and Family Services  
Income Support  
Disability Determinations**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>Restricted Fund</b>					
Balance Forward	2,400				
Non-Revenue Receipts	97,600	100,000	100,000	100,000	100,000
<b>Total Restricted Fund</b>	100,000	100,000	100,000	100,000	100,000
<b>Federal Fund</b>					
Balance Forward	270,800				
Current Receipts	48,194,400	49,888,000	51,590,400	49,437,000	50,073,500
<b>Total Federal Fund</b>	48,465,200	49,888,000	51,590,400	49,437,000	50,073,500
<b>TOTAL SOURCE OF FUNDS</b>	48,565,200	49,988,000	51,690,400	49,537,000	50,173,500
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	28,723,100	30,145,900	31,848,300	29,694,900	30,331,400
Operating Expenses	3,332,900	3,332,900	3,332,900	3,332,900	3,332,900
Grants Loans Benefits	16,509,200	16,509,200	16,509,200	16,509,200	16,509,200
<b>TOTAL EXPENDITURES</b>	48,565,200	49,988,000	51,690,400	49,537,000	50,173,500
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Fund	100,000	100,000	100,000	100,000	100,000
Federal Fund	48,465,200	49,888,000	51,590,400	49,437,000	50,073,500
<b>TOTAL EXPENDITURES</b>	48,565,200	49,988,000	51,690,400	49,537,000	50,173,500

Disability Determination Services (DDS) determines medical eligibility for residents of the Commonwealth who apply for Social Security and Supplemental Security Income disability benefits from the federal government. The DDS reevaluates the claims of disability recipients who have been selected for a periodic review of their medical condition and conducts face-to-face evidentiary hearings for those individuals who appeal an unfavorable review of their continuing eligibility.

Disability Determination Services workload depends upon: 1) the number of individuals who apply for disability benefits through the Social Security Administration (SSA), 2) the number of claims that SSA selects for continuing review and sends to DDS, and 3) Congressional mandates, legal actions or other initiatives.

**Health and Family Services  
Income Support  
Child Support**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	3,345,900	2,794,900	6,997,900	1,397,400	1,397,400
Budget Reduction-General Fund	-1,676,200				
Mandated Expenditure Reductions	-272,300				
<b>Total General Fund</b>	1,397,400	2,794,900	6,997,900	1,397,400	1,397,400
<b>Restricted Fund</b>					
Current Receipts	20,872,000	19,634,100	19,825,900	19,634,100	19,825,900
<b>Total Restricted Fund</b>	20,872,000	19,634,100	19,825,900	19,634,100	19,825,900
<b>Federal Fund</b>					
Balance Forward	13,319,800				
Current Receipts	23,385,100	37,014,800	37,387,100	36,931,800	37,080,500
<b>Total Federal Fund</b>	36,704,900	37,014,800	37,387,100	36,931,800	37,080,500
<b>TOTAL SOURCE OF FUNDS</b>	58,974,300	59,443,800	64,210,900	57,963,300	58,303,800
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	9,028,500	9,498,000	10,062,100	8,029,700	8,382,200
Operating Expenses	3,476,900	3,476,900	3,476,900	3,464,700	3,452,700
Grants Loans Benefits	46,468,900	46,468,900	46,468,900	46,468,900	46,468,900
Debt Service			4,203,000		
<b>TOTAL EXPENDITURES</b>	58,974,300	59,443,800	64,210,900	57,963,300	58,303,800
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,397,400	2,794,900	6,997,900	1,397,400	1,397,400
Restricted Fund	20,872,000	19,634,100	19,825,900	19,634,100	19,825,900
Federal Fund	36,704,900	37,014,800	37,387,100	36,931,800	37,080,500
<b>TOTAL EXPENDITURES</b>	58,974,300	59,443,800	64,210,900	57,963,300	58,303,800

The Child Support Program under Title IV-D of the Social Security Act (PL 93-647) is designed to ensure that children are financially supported by parents who are legally obligated to pay child support. Both the state and federal governments share costs to conduct this program. State statutes governing the operation of this program were enacted under the Kentucky Child Support Recovery Act and are contained in KRS 205.710 - KRS 205.800.

The core functions of the child support program include locating parents; establishing paternity; establishing, enforcing, and modifying child support orders; and collecting and disbursing child support payments. Program responsibilities include the establishment and enforcement of medical support. In addition to traditional judicial processes, state and federal laws allow the Child Support Program to accomplish its mission through administrative processes such as in-hospital paternity establishment, wage assignments, liens and levies on personal property and assets, and offsetting tax refunds and unemployment benefits. The Division of Child Support maintains program administration contracts with 114 county officials to provide child support collection locally.

Child support services are automatically provided to families receiving assistance under the Kentucky Transitional Assistance Program (K-TAP) or Medicaid, and to children placed in the care of the Cabinet for Health and Family Services. Payment collected for families receiving K-TAP and children in the care of the Cabinet for Health and Family Services is used to reimburse the state and federal governments for benefits expended on behalf of those families and children. Families that do not participate in the cash or medical assistance programs may also apply for child support services.

New requirements for the child support program were created through Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Through contracts with private vendors, this program receives new-hire information from employers and asset data from financial institutions. A state case registry has been established and data is transmitted to the federal case registry to assist in locating out-of-state parents. The State Disbursement Unit is a centralized collection site for all child support payments, including non-Title IV-D wages. These are private child support cases in which payments are withheld from the parent's wages. State services provided in these cases are limited to receiving payments from the employer, disbursing the payment to the family, and maintaining fiscal records.

The Personal Responsibility and Work Opportunity Reconciliation Act also revised the method for calculating incentive payments from one that focused solely on program processes to one based on program outcomes. Under this new plan, a pool of funds has been created for incentive payments to all states. However, only those states which meet the performance criteria in each of five program areas are eligible to receive a portion of the pool.

Executive Orders 2008-504 and 2009-541 transferred the Child Support Enforcement Program from the Department for Community Based Services to the Department for Income Support.

**Health and Family Services  
Community Based Services**

	<b>Revised FY 2010</b>	<b>Requested FY 2011</b>	<b>Requested FY 2012</b>	<b>Recommended FY 2011</b>	<b>Recommended FY 2012</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	352,102,000	367,017,900	405,776,200	310,299,600	311,268,700
Salary and Health Insurance Adjustments	3,387,900				
Budget Reduction-General Fund	-18,203,800				
Mandated Expenditure Reductions	-11,893,300				
<b>Total General Fund</b>	<b>325,392,800</b>	<b>367,017,900</b>	<b>405,776,200</b>	<b>310,299,600</b>	<b>311,268,700</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	9,395,400	9,395,400	9,175,000	9,395,400	9,175,000
Continuing Approp.-Tobacco Settlement	375,000				
<b>Total Tobacco Fund</b>	<b>9,770,400</b>	<b>9,395,400</b>	<b>9,175,000</b>	<b>9,395,400</b>	<b>9,175,000</b>
<b>Restricted Fund</b>					
Balance Forward	15,013,900	35,723,500	19,191,300	35,723,500	18,952,900
Current Receipts	186,344,400	134,511,100	137,934,800	133,251,400	133,245,000
Non-Revenue Receipts	-30,700,300	-12,457,500	-14,398,600	-12,151,300	-12,659,600
<b>Total Restricted Fund</b>	<b>170,658,000</b>	<b>157,777,100</b>	<b>142,727,500</b>	<b>156,823,600</b>	<b>139,538,300</b>
<b>Federal Fund</b>					
Current Receipts	479,460,400	531,309,500	531,154,100	519,953,400	514,609,300
ARRA Receipts	64,921,100	3,307,000		3,127,700	
<b>Total Federal Fund</b>	<b>544,381,500</b>	<b>534,616,500</b>	<b>531,154,100</b>	<b>523,081,100</b>	<b>514,609,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,050,202,700</b>	<b>1,068,806,900</b>	<b>1,088,832,800</b>	<b>999,599,700</b>	<b>974,591,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	264,218,100	295,360,400	314,182,700	256,771,000	269,583,600
Operating Expenses	48,688,500	55,677,500	53,480,800	44,496,400	44,569,500
Grants Loans Benefits	701,572,600	698,261,700	709,861,900	679,379,400	659,960,100
Debt Service			10,592,000		
Capital Outlay		316,000			
<b>TOTAL EXPENDITURES</b>	<b>1,014,479,200</b>	<b>1,049,615,600</b>	<b>1,088,117,400</b>	<b>980,646,800</b>	<b>974,113,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	325,392,800	367,017,900	405,776,200	310,299,600	311,268,700
Tobacco Fund	9,770,400	9,395,400	9,175,000	9,395,400	9,175,000
Restricted Fund	134,934,500	138,585,800	142,012,100	137,870,700	139,060,200
Federal Fund	544,381,500	534,616,500	531,154,100	523,081,100	514,609,300
<b>TOTAL EXPENDITURES</b>	<b>1,014,479,200</b>	<b>1,049,615,600</b>	<b>1,088,117,400</b>	<b>980,646,800</b>	<b>974,113,200</b>
<b>EXPENDITURES BY UNIT</b>					
Family Support	334,633,900	344,458,600	365,700,400	329,014,400	326,585,200
Energy	26,000,000	26,002,700	26,006,300	26,002,700	26,006,300
Child Care	167,102,300	166,832,600	166,733,100	166,797,800	166,609,600
Family and Community Services	479,754,100	505,377,700	522,693,500	452,394,900	448,754,600
Child Abuse & Domestic Violence	6,988,900	6,944,000	6,984,100	6,437,000	6,157,500
<b>TOTAL EXPENDITURES</b>	<b>1,014,479,200</b>	<b>1,049,615,600</b>	<b>1,088,117,400</b>	<b>980,646,800</b>	<b>974,113,200</b>



The Department for Community Based Services is responsible for administering the following programs: Family Support (including Temporary Assistance to Needy Families, Food Stamps, Medicaid Eligibility, and State Supplementation), Energy Assistance, Child Care, Family and Community Based Services (including Family Based Services, Adult Services and Alternatives for Children) and Child Abuse and Domestic Violence Resources.

These programs benefit Kentuckians who, because of social, educational, mental, or physical impairments are without sufficient resources to meet their basic needs. The Department's mission is to preserve the family as a unit when possible and protect individuals from abuse, neglect, and exploitation with safety and permanency as the paramount goals.

Executive Orders 2008-504 and 2009-541 transferred the Child Support Enforcement Program to the Department for Income Support and Guardianship to the Department for Aging and Independent Living. Additionally, as part of those Executive Orders, Child Abuse and Domestic Violence Services was transferred to DCBS from the Department for Human Support Services. Executive Order 2009-363 transferred the Weatherization subprogram to the Finance and Administration Cabinet.

**Health and Family Services  
Community Based Services  
Family Support**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	126,314,000	133,271,500	158,392,100	119,988,400	122,844,400
Salary and Health Insurance Adjustments	867,100				
Budget Reduction-General Fund	-151,500				
Mandated Expenditure Reductions	-442,200				
<b>Total General Fund</b>	126,587,400	133,271,500	158,392,100	119,988,400	122,844,400
<b>Restricted Fund</b>					
Balance Forward	2,506,400	2,109,400	1,412,900	2,109,400	1,175,600
Current Receipts	920,600	920,600	920,600	920,600	920,600
Non-Revenue Receipts	18,544,100	21,001,600	22,427,600	21,001,600	22,427,600
<b>Total Restricted Fund</b>	21,971,100	24,031,600	24,761,100	24,031,600	24,523,800
<b>Federal Fund</b>					
Current Receipts	181,274,700	188,568,400	183,262,600	186,170,000	179,695,100
ARRA Receipts	6,910,100				
<b>Total Federal Fund</b>	188,184,800	188,568,400	183,262,600	186,170,000	179,695,100
<b>TOTAL SOURCE OF FUNDS</b>	336,743,300	345,871,500	366,415,800	330,190,000	327,063,300
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	126,647,000	134,288,200	142,406,300	127,729,200	133,008,200
Operating Expenses	21,876,100	21,833,800	21,846,700	17,683,700	17,754,600
Grants Loans Benefits	186,110,800	188,336,600	190,855,400	183,601,500	175,822,400
Debt Service			10,592,000		
<b>TOTAL EXPENDITURES</b>	334,633,900	344,458,600	365,700,400	329,014,400	326,585,200
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	126,587,400	133,271,500	158,392,100	119,988,400	122,844,400
Restricted Fund	19,861,700	22,618,700	24,045,700	22,856,000	24,045,700
Federal Fund	188,184,800	188,568,400	183,262,600	186,170,000	179,695,100
<b>TOTAL EXPENDITURES</b>	334,633,900	344,458,600	365,700,400	329,014,400	326,585,200
<b>EXPENDITURES BY UNIT</b>					
Food Stamps	77,563,400	80,397,700	94,760,500	72,272,800	76,047,100
Medical Assistance	39,211,900	41,294,700	43,777,900	41,294,700	43,777,900
State Supplementation	19,718,200	19,740,200	19,769,300	19,718,200	19,701,500
TANF	198,140,400	203,026,000	207,392,700	195,728,700	187,058,700
<b>TOTAL EXPENDITURES</b>	334,633,900	344,458,600	365,700,400	329,014,400	326,585,200

The Family Support Program consists of the following programs: Temporary Assistance to Needy Families (TANF), Food Stamps, Medicaid Eligibility, and State Supplementation. The programs administered by the Division of Family Support are designed to promote self-sufficiency, job training assessment, and the delivery of basic essential services for families and children who need assistance. Access to these programs is available in every Kentucky county. Each local office has the responsibility to determine eligibility, provide facts and information of available benefits as well as the regulatory limitations of available benefits, and maintain case record information.

The National Voter Registration Act of 1993, also known as the Motor-Voter Act, requires agencies that deliver services to persons with disabilities or provide benefits under the Kentucky Transitional Assistance program, Women, Infants and Children program, Medicaid, or Food Stamps, as well as Armed Forces Recruiting Stations and driver licensing stations to make available voter registration applications to their clients. These agencies are mandated to distribute voter registration forms, provide assistance in completing these forms, and ensure completed forms reach the proper state election office for processing.

### **Temporary Assistance for Needy Families (TANF)**

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PL 104-193) amended and combined Title IV-A (AFDC) and Title IV-F (JOBS) of the Social Security Act to provide block grants to states for TANF. These Federal Funds support the program's administrative and benefit expenditures that include personnel, operating, and indirect costs; contracts with partnering agencies; cash assistance subsidies; supportive services; child care; and transportation. A Maintenance of Effort requirement mandates that states spend an amount equal to or greater than 80 percent of fiscal year 1994 expenditures. For Kentucky, this amount is \$71.9 million.

The Kentucky Transitional Assistance Program (K-TAP) is the Commonwealth's cash assistance program for families with a dependent child who is deprived of parental support due to the continued absence, unemployment, incapacity, or death of one or both parents. Monthly payments are designed to help adults find a job or obtain training that leads to employment. Gross income must fall below a level appropriate for the family's size, and total family resources cannot exceed agency limits.

The Kentucky Works Program assists recipients with their transition into the workforce and attainment of self-sufficiency. Adults receiving K-TAP benefits must participate in this program and, with the help of a case manager, develop a Transitional Assistance Agreement. Kentucky Works Program activities include employment, on-the-job training, work experience training programs, a job search/job readiness component, vocational training or other educational services, community service, high school completion for teen parents, and other activities necessary to prepare for employment. Referrals to providers of transportation, child care, and supportive services such as car repairs and supplies ensure that individuals are able to take part in this program.

Safety Net Services are available to former K-TAP families who lose cash assistance as a result of time limits or failure to complete an assessment for Kentucky Works. Families with an income at or below 200 percent of the federal poverty level can access temporary benefits to meet basic needs such as shelter, food, clothing, or utilities. A total of \$635 may be authorized for four months during a 12-month period.

The Family Alternatives Diversion Program (FAD) provides an alternative for families, who, while otherwise eligible, choose not to receive K-TAP cash assistance. A maximum of \$1,300 is available to assist the family with immediate needs such as food, shelter, transportation, etc. These benefits may be authorized for a three-month period. FAD may be approved once during a 24-month period.

The Kinship Care Program provides financial assistance and support services to non-parental relatives caring for children who cannot remain in the home of their parents due to abuse, neglect, or the death of both parents. An initial, one-time amount is available to address each child's immediate needs in this new environment.

Efforts continue to partner with local communities to achieve the goals of self-sufficiency, protection, and permanency for Kentucky's families. The flexibility of the TANF block grant has allowed the Department to pursue initiatives such as change management and organizational restructuring and, as a result, better address the needs of those striving to escape a life of dependency.

### **Food Stamps**

The Food Stamp program, authorized by the Food Stamp Act of 1997 (PL 95-113), helps low-income persons purchase food for a nutritional diet. It is designed to promote the general welfare and safeguard the health and well-being of the nation's population by raising nutritional levels among low-income households. "Household" is defined as any individual, family, or group of people living with each other who buy and prepare food together. To qualify, each household must meet eligibility standards.

The Food Stamp Employment and Training (FS E&T) program is designed to assist able-bodied food stamp recipients obtain employment that leads to self-sufficiency. In Kentucky, the FS E & T program serves only non-exempt work registrants between the ages of 18 and 49, otherwise known as Able-Bodied Adults Without Dependents (ABAWDs). Recipients of this service must participate and comply with FS E & T requirements in order to maintain their food stamp eligibility.

### **Medicaid Eligibility**

The Department for Community Based Services (DCBS), using staff in field offices located in each Kentucky county, determines eligibility for the Medicaid program under a contract with the Department for Medicaid Services. The Medicaid program is authorized under Title XIX of the U.S. Social Security Act and KRS 205.520.

**State Supplementation**

The State Supplementation Program, authorized by KRS 205.245, provides financial support to aged, blind, or disabled individuals who have insufficient income to meet their needs in a licensed personal care home or family care home, or to purchase caretaker services designed to prevent institutionalization. To be eligible, persons must meet the criteria of the Social Security Income program related to age, blindness or disability as well as additional requirements associated with citizenship, Kentucky residency, and special needs.

**Health and Family Services  
Community Based Services  
Energy**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>Federal Fund</b>					
Current Receipts	26,000,000	26,002,700	26,006,300	26,002,700	26,006,300
<b>Total Federal Fund</b>	26,000,000	26,002,700	26,006,300	26,002,700	26,006,300
<b>TOTAL SOURCE OF FUNDS</b>	26,000,000	26,002,700	26,006,300	26,002,700	26,006,300
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	66,100	69,000	72,600	68,700	70,100
Operating Expenses	11,300	11,300	11,300	11,600	13,800
Grants Loans Benefits	25,922,600	25,922,400	25,922,400	25,922,400	25,922,400
<b>TOTAL EXPENDITURES</b>	26,000,000	26,002,700	26,006,300	26,002,700	26,006,300
<b>EXPENDITURES BY FUND SOURCE</b>					
Federal Fund	26,000,000	26,002,700	26,006,300	26,002,700	26,006,300
<b>TOTAL EXPENDITURES</b>	26,000,000	26,002,700	26,006,300	26,002,700	26,006,300

The Low Income Home Energy Assistance program, administered through the Department for Community Based Services, is a federally funded program that helps low-income households meet the cost of energy expenses through direct fuel bill subsidies.

The Home Energy Assistance program, authorized by KRS 205.400, provides support with home heating/cooling costs for low-income households. Eligibility criteria include income that does not exceed 130 percent of the federal poverty level, resources that total less than \$2,000 (or \$3,000 if at least one person in the household is either age 60 or older or disabled, \$4,000 if there is a catastrophic illness in the household), and the responsibility for home heating expenses. This program is divided into two segments: Subsidy, which provides heating assistance benefits to eligible households, and Crisis, which is designed to assist any low-income family experiencing a home energy emergency. Services include accepting applications, determining eligibility, implementing an outreach component, and coordinating this program with other energy assistance initiatives.

**Health and Family Services  
Community Based Services  
Child Care**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	16,913,000	9,265,300	9,265,300	9,265,300	9,265,300
Salary and Health Insurance Adjustments	33,800				
Budget Reduction-General Fund	-7,681,500				
<b>Total General Fund</b>	9,265,300	9,265,300	9,265,300	9,265,300	9,265,300
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	9,220,400	9,220,400	9,000,000	9,220,400	9,000,000
Continuing Approp.-Tobacco Settlement	300,000				
<b>Total Tobacco Fund</b>	9,520,400	9,220,400	9,000,000	9,220,400	9,000,000
<b>Restricted Fund</b>					
Balance Forward	59,300				
Current Receipts	65,300	64,000	64,000	64,000	64,000
<b>Total Restricted Fund</b>	124,600	64,000	64,000	64,000	64,000
<b>Federal Fund</b>					
Current Receipts	113,293,000	148,282,900	148,403,800	148,248,100	148,280,300
ARRA Receipts	34,899,000				
<b>Total Federal Fund</b>	148,192,000	148,282,900	148,403,800	148,248,100	148,280,300
<b>TOTAL SOURCE OF FUNDS</b>	167,102,300	166,832,600	166,733,100	166,797,800	166,609,600
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	9,386,900	7,098,900	7,219,800	7,064,100	7,096,300
Operating Expenses	423,500	423,500	423,500	423,500	423,500
Grants Loans Benefits	157,291,900	159,310,200	159,089,800	159,310,200	159,089,800
<b>TOTAL EXPENDITURES</b>	167,102,300	166,832,600	166,733,100	166,797,800	166,609,600
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	9,265,300	9,265,300	9,265,300	9,265,300	9,265,300
Tobacco Fund	9,520,400	9,220,400	9,000,000	9,220,400	9,000,000
Restricted Fund	124,600	64,000	64,000	64,000	64,000
Federal Fund	148,192,000	148,282,900	148,403,800	148,248,100	148,280,300
<b>TOTAL EXPENDITURES</b>	167,102,300	166,832,600	166,733,100	166,797,800	166,609,600

Under KRS Chapter 199, the Department for Community Based Services, through the Division of Child Care, manages child day care services in the Commonwealth. Child care services are designed to promote, expand, and improve the quality of care for children in Kentucky and ensure that families most in need have access to high quality child care which is developmentally appropriate, affordable, and safe. In the context of comprehensive family services, child care is a support service directed at:

- Providing early educational opportunities for at-risk children,
- Strengthening and maintaining client families,
- Eliminating barriers to work and education for parents,
- Preventing or remedying abuse, neglect or exploitation of children,
- Preventing family dissolution, and
- Preventing out-of-home placements.

Priorities for allocation of available funds have been to meet protective services child care and child care needs for work participation requirements for the families receiving benefits through the Kentucky Temporary Assistance Program (K-TAP). Failure to meet participation requirements would result in substantial penalties and the loss of Federal Funds. After these priorities are met, remaining funds are used to provide child care subsidies for low-income working parents. This includes families who are transitioning from K-TAP and those who would be at risk of becoming dependent on K-TAP if child care were not available.

The cost of services for working parents is partially offset by a sliding fee scale under which parents pay a portion of the expense based on their income and family size. Child care assistance provided to families as a result of protective services is available without regard to income.

The Cabinet's Division of Child Care collaborates with the Division of Early Childhood Development Services in the Kentucky Department of Education and other public and private entities in the development and implementation of the Early Childhood Development initiatives. A portion of the tobacco settlement funds may be used to match Federal Funds to support various quality initiatives. Early care and education have been enhanced through a voluntary, research based, four star child care quality rating system (STARS for KIDS NOW) for centers and certified family child care homes. This program includes quality incentives and achievement awards for participants. Increased quality, availability, and affordability of training for all early care and education professionals has been supported by a seamless statewide system of professional development that includes core content, credentials, scholarships, grants, awards, and articulation.

**Health and Family Services  
Community Based Services  
Family and Community Services**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	202,376,000	218,464,900	232,062,500	175,536,700	173,929,300
Salary and Health Insurance Adjustments	2,475,800				
Budget Reduction-General Fund	-9,846,700				
Mandated Expenditure Reductions	-11,451,100				
<b>Total General Fund</b>	<b>183,554,000</b>	<b>218,464,900</b>	<b>232,062,500</b>	<b>175,536,700</b>	<b>173,929,300</b>
<b>Restricted Fund</b>					
Balance Forward	12,448,200	33,614,100	17,778,400	33,614,100	17,777,300
Current Receipts	185,358,500	133,526,500	136,950,200	132,266,800	132,260,400
Non-Revenue Receipts	-49,244,400	-33,459,100	-36,826,200	-33,152,900	-35,087,200
<b>Total Restricted Fund</b>	<b>148,562,300</b>	<b>133,681,500</b>	<b>117,902,400</b>	<b>132,728,000</b>	<b>114,950,500</b>
<b>Federal Fund</b>					
Current Receipts	158,139,900	167,702,700	172,728,600	158,779,800	159,874,800
ARRA Receipts	23,112,000	3,307,000		3,127,700	
<b>Total Federal Fund</b>	<b>181,251,900</b>	<b>171,009,700</b>	<b>172,728,600</b>	<b>161,907,500</b>	<b>159,874,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>513,368,200</b>	<b>523,156,100</b>	<b>522,693,500</b>	<b>470,172,200</b>	<b>448,754,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	127,476,500	153,307,600	163,847,200	121,342,400	128,865,300
Operating Expenses	26,302,000	33,333,300	31,123,700	26,302,000	26,302,000
Grants Loans Benefits	325,975,600	318,420,800	327,722,600	304,750,500	293,587,300
Capital Outlay		316,000			
<b>TOTAL EXPENDITURES</b>	<b>479,754,100</b>	<b>505,377,700</b>	<b>522,693,500</b>	<b>452,394,900</b>	<b>448,754,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	183,554,000	218,464,900	232,062,500	175,536,700	173,929,300
Restricted Fund	114,948,200	115,903,100	117,902,400	114,950,700	114,950,500
Federal Fund	181,251,900	171,009,700	172,728,600	161,907,500	159,874,800
<b>TOTAL EXPENDITURES</b>	<b>479,754,100</b>	<b>505,377,700</b>	<b>522,693,500</b>	<b>452,394,900</b>	<b>448,754,600</b>
<b>EXPENDITURES BY UNIT</b>					
Family Based Services	102,033,300	132,751,100	137,493,300	94,690,600	102,284,500
Adult Services	47,621,300	31,417,000	32,284,300	30,542,100	30,085,800
Alternatives For Children	330,099,500	341,209,600	352,915,900	327,162,200	316,384,300
<b>TOTAL EXPENDITURES</b>	<b>479,754,100</b>	<b>505,377,700</b>	<b>522,693,500</b>	<b>452,394,900</b>	<b>448,754,600</b>

Family and Community Services are designed to provide maximum support to a family at the time of crisis to prevent the disruption of the family unit and to protect individuals from abuse, neglect, and exploitation with safety and permanency as the paramount goals.

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



## **Family Based Services**

Family-based services include child protection, reunification following out-of-home placement, home safety services, preventive services for families, community-based juvenile services, family preservation services, mental health services through contracts with local comprehensive care centers, self-help services provided through local child abuse councils, and preventive assistance.

Child Protective Services safeguard the rights and welfare of abused, neglected or dependent children; aid parents or other responsible persons in recognizing and remedying conditions detrimental to the welfare of their children; and identify conditions that contribute to the neglect, abuse, or dependency of children. Child Protective Services are both preventive and corrective in nature. The Department is mandated to receive and investigate reports of the abuse or neglect of children.

Home Safety Services provide in-home support that prevents the disruption of a family unit or expedites the return of the child by helping parents with general homemaker skills, role modeling, parenting skills, assistance in daily living skills, and direction in utilizing community services.

Preventive Services to families who do not qualify for services under other program areas address a family's treatment needs before the situation has escalated to become abusive or neglectful.

Family Preservation provides crisis intervention and intensive (5-20 hours per week) in-home services to families who have children at imminent risk of removal from their home. Family Reunification Services, which follow the same basic model with less intensive in-home services over a longer duration (up to 6 months), facilitate the successful return of children to the home and decrease the likelihood of repeated child placements.

Self-Help Groups provide support and education for parents in crisis or at risk of further abuse or neglect of children.

Juvenile Services in the Community provide an array of preventive and treatment services for children adjudicated as status offenders under KRS 630. Because status offender behaviors such as running away from home, being beyond parental control and truancy are most often indicative of prior abuse or neglect of the child, services are targeted at prevention of further abuse or neglect and interventions to curb the child's negative behaviors. Appropriate services may be provided directly by DCBS or arranged through local mental health centers, Family Resource and Youth Service Centers, community partnerships, private child care agencies, and other private providers in the community.

## **Adult Services**

Adult Services includes protection and self-support. Adult services are directed toward preserving the vulnerable individual's independence to the maximum degree possible and protecting him/her from abuse, neglect or exploitation pursuant to KRS 209. The elements of adult services are:

- Adult protection,
- Spouse abuse protection,
- Adult home safety services (which is the direct provision of home safety services to adults at risk or in need of protection),
- Services provided by spouse abuse centers and crisis centers,
- Alternate care (also called patient movement and placement) which involves assisting individuals with appropriate community and institutional placements, and
- Preventive services for adults which entails assessment, planning, and guidance

This often involves finding food, shelter, clothing, and medical treatment. Adult Self-Support includes the Community Services Block Grant, which provides funding for emergency needs of economically disadvantaged citizens. This program helps to alleviate the stresses on the family unit resulting from poverty while promoting self-sufficiency.

Pursuant to KRS 209, anyone who knows or suspects that an adult, who because of mental or physical dysfunction, or a spouse (without regard to age) is being abused, neglected or exploited must report this information to the Cabinet for Health and Family Services. The Cabinet is required to investigate the report, notify local law enforcement officials, offer appropriate protection and support services, and maintain case records.

Homemaker Services are designed to enhance the adult's ability to remain at home in the least restrictive environment. Services may include meal preparation, budgeting, grocery shopping, menu planning, doing laundry, assisting with personal hygiene, changing beds, and sweeping floors. Homemaker services are a key element in enhancing the vulnerable adult's ability to remain at home and in assisting the family unit to remain intact.

Spouse Abuse Shelter Services are available in each of the 15 Area Development Districts under a contract between the Department and the Kentucky Domestic Violence Association. Part of the funding for this element is provided by a portion of the

marriage license fee as authorized by KRS 209.160.

The Department for Community Based Services is involved in placement and movement of individuals into, between, and out of facilities. Placement and Movement denotes assistance provided to Medicaid-eligible individuals. Alternate Care denotes assistance to non-Medicaid eligible individuals.

It is estimated that approximately 56,000 Kentuckians need alternate care or placement and movement services each year. The majority of these individuals have family or friends to assist them in finding alternate living arrangements. The Department assists those individuals who are not able to locate appropriate placements. Alternate Care Services help ensure that persons are not inappropriately placed in a level of care exceeding their need and thus promotes cost effectiveness. These services also help ensure that persons assisted receive the care they require.

As part of Alternate Care, the Department's family service workers make quarterly site visits to each freestanding personal care home and all family care homes to see residents and determine if their social and related needs are being met.

### **Alternatives for Children**

Alternatives for Children provides placement resources for children who have been or are at risk of being abused or neglected. The legal authority for Alternatives for Children includes KRS Chapters 199, 600 and 620, Titles IV-B and IV-E, and the Social Services Block Grant. Services are directed toward finding substitute care for children who must live apart from their family, working toward reuniting the child and family, and if that is not possible, securing an alternative living arrangement which will provide permanency for the child.

Family Foster Care takes place in the home of an agency-approved family. The development of alternative resources such as the Families and Children Together Services (FACTS), Family Preservation Program, Kinship Care, and Preventative Assistance has reduced the trend of more children placed in out-of-home care.

Foster Parent Training, provided by DCBS staff and contractors, is required of all foster parents. Foster parents must complete 30 hours prior to approval and placement of a child and also are required to attend annual in-service training. Parents serving special needs or medically fragile children and those from family treatment homes are required to complete additional training. Care Plus Homes provide a setting where intensively trained foster parents furnish a viable alternative placement resource for children and youth who have serious emotional problems, are due to be released from treatment facilities, display aggressive or destructive behaviors or other disruptive behaviors, are at risk of being placed in more restrictive settings, are at risk of institutionalization, or have experienced numerous placement failures. Medically Fragile Foster Care serves children who need medical treatment and continuous monitoring but do not necessarily require the daily services of a nurse or doctor. Foster parents caring for these children are provided an increased reimbursement and must meet additional training and certification requirements.

Care Plus Homes provide a setting whereby intensively trained foster parents furnish a viable alternative placement resource for children and youth who have serious emotional problems, are due to be released from treatment facilities, display aggressive or destructive behaviors or other disruptive behaviors, are at risk of being placed in more restrictive settings, are at risk of institutionalization, or have experienced numerous placement failures.

Independent Living services are specialized services, including classroom and experiential training, designed to enhance the self-sufficiency skills of older children in foster care, private child care, and other state funded living arrangements. Services are provided both directly by staff and by contract agencies. As they complete each phase of the training, youth receive a stipend. In addition, youth ages 18-21 who were formerly in care may receive room and board assistance for a limited time.

Private Child Caring/Child Placing services and emergency shelter services are essential components of a protective service program that provides temporary placement services for children who are unable to remain in their own homes because of severe abuse, neglect, exploitation, abandonment, and/or because they have specialized treatment needs.

Adoption is the legal process by which a child becomes a legal child of a person or persons other than his/her biological parents. The department provides services prior to adoption in order to bring children and families together and services after adoption through after-placement supervisory services and adoption assistance.

Intensive Family Based Services are cost effective, home-based alternatives to institutionalization for children who are dually diagnosed. Services are provided through contracts with local comprehensive care centers or other appropriate contractor and may include in-home services, family therapy, respite care, behavior management and consultation, and individual counseling.

Psychiatric services provide 24-hour care to DCBS committed children and youth with behavioral health or mental health issues. Services are provided by various psychiatric hospitals and psychiatric residential treatment facilities throughout Kentucky.

The IMPACT Plus Program provides services for children who require treatment due to emotional diagnoses. Medicaid funds support these services through agreements with specific providers. This program seeks to divert services from inpatient settings to the community level. All children in the IMPACT Plus Program have a team of parents, educators, therapists, social services workers, and others who meet to identify services that will meet the children's unique treatment needs. A health benefits administrator, contracted by the Department for Medicaid Services, certifies children as IMPACT Plus eligible and approves payment for services.

**Health and Family Services  
Community Based Services  
Child Abuse & Domestic Violence**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	6,499,000	6,016,200	6,056,300	5,509,200	5,229,700
Salary and Health Insurance Adjustments	11,200				
Budget Reduction-General Fund	-524,100				
<b>Total General Fund</b>	<b>5,986,100</b>	<b>6,016,200</b>	<b>6,056,300</b>	<b>5,509,200</b>	<b>5,229,700</b>
<b>Tobacco Fund</b>					
Tobacco Settlement - Phase I	175,000	175,000	175,000	175,000	175,000
Continuing Approp.-Tobacco Settlement	75,000				
<b>Total Tobacco Fund</b>	<b>250,000</b>	<b>175,000</b>	<b>175,000</b>	<b>175,000</b>	<b>175,000</b>
<b>Federal Fund</b>					
Current Receipts	752,800	752,800	752,800	752,800	752,800
<b>Total Federal Fund</b>	<b>752,800</b>	<b>752,800</b>	<b>752,800</b>	<b>752,800</b>	<b>752,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>6,988,900</b>	<b>6,944,000</b>	<b>6,984,100</b>	<b>6,437,000</b>	<b>6,157,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	641,600	596,700	636,800	566,600	543,700
Operating Expenses	75,600	75,600	75,600	75,600	75,600
Grants Loans Benefits	6,271,700	6,271,700	6,271,700	5,794,800	5,538,200
<b>TOTAL EXPENDITURES</b>	<b>6,988,900</b>	<b>6,944,000</b>	<b>6,984,100</b>	<b>6,437,000</b>	<b>6,157,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	5,986,100	6,016,200	6,056,300	5,509,200	5,229,700
Tobacco Fund	250,000	175,000	175,000	175,000	175,000
Federal Fund	752,800	752,800	752,800	752,800	752,800
<b>TOTAL EXPENDITURES</b>	<b>6,988,900</b>	<b>6,944,000</b>	<b>6,984,100</b>	<b>6,437,000</b>	<b>6,157,500</b>

The Division of Child Abuse and Domestic Violence Services was established in KRS 194A.092 to address the need to increase the financial and programmatic efficiency and accountability of state and community systems and other organizations that provide services to victims of child abuse, domestic violence and sexual assault.

Division staff serve as resources and program managers for both the state network of Children's Advocacy Centers and the state network of Rape Crisis Centers. The Division is further charged with undertaking efforts providing new and progressive initiatives to improve and enhance the delivery of services to victims of child abuse, domestic violence, and rape or sexual assault.

Additionally, KRS 403.700 provides that the Governor's Council on Domestic Violence and Sexual Assault shall be attached to the Division of Child Abuse and Domestic Violence Services.

**Health and Family Services  
Aging and Independent Living**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	36,417,700	50,186,600	53,890,700	40,897,900	39,933,800
Salary and Health Insurance Adjustments	58,300				
Budget Reduction-General Fund	-649,900				
Reorganization Adjustment	7,195,500				
Mandated Expenditure Reductions	-1,441,900				
<b>Total General Fund</b>	41,579,700	50,186,600	53,890,700	40,897,900	39,933,800
<b>Restricted Fund</b>					
Balance Forward	2,061,900				
Current Receipts	473,000	923,000	923,000	923,000	923,000
Non-Revenue Receipts	1,423,000	1,331,900	1,331,900	1,331,900	1,331,900
<b>Total Restricted Fund</b>	3,957,900	2,254,900	2,254,900	2,254,900	2,254,900
<b>Federal Fund</b>					
Current Receipts	18,813,400	20,497,400	20,497,400	20,497,400	20,497,400
ARRA Receipts	1,684,000				
<b>Total Federal Fund</b>	20,497,400	20,497,400	20,497,400	20,497,400	20,497,400
<b>TOTAL SOURCE OF FUNDS</b>	66,035,000	72,938,900	76,643,000	63,650,200	62,686,100
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	7,701,900	7,768,900	8,366,500	6,794,300	6,866,000
Operating Expenses	509,800	577,600	577,600	487,100	481,600
Grants Loans Benefits	57,823,300	64,592,400	67,530,900	56,368,800	55,338,500
Debt Service			168,000		
<b>TOTAL EXPENDITURES</b>	66,035,000	72,938,900	76,643,000	63,650,200	62,686,100
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	41,579,700	50,186,600	53,890,700	40,897,900	39,933,800
Restricted Fund	3,957,900	2,254,900	2,254,900	2,254,900	2,254,900
Federal Fund	20,497,400	20,497,400	20,497,400	20,497,400	20,497,400
<b>TOTAL EXPENDITURES</b>	66,035,000	72,938,900	76,643,000	63,650,200	62,686,100
<b>EXPENDITURES BY UNIT</b>					
Aging and Independent Living	61,938,100	67,212,900	70,356,200	59,552,300	58,588,200
Guardianship	4,096,900	5,726,000	6,286,800	4,097,900	4,097,900
<b>TOTAL EXPENDITURES</b>	66,035,000	72,938,900	76,643,000	63,650,200	62,686,100

The Department for Aging and Independent Living (DAIL) sets policies and oversees programs for Kentucky's elderly and disabled citizens. The programs administered by the Department benefit Kentuckians by contributing to building self-sustaining families and improving the quality of life through an array of community-based services designed to help older persons, individuals with disabilities and wards of the state to be as independent as possible in the least restrictive environment. Department programs also provide counseling and support services to family caregivers to enable them to provide quality care to older persons while fulfilling other family and employment responsibilities. In carrying out its programs, DAIL emphasizes successful aging, independent living, planning for an aging society, and continued involvement of older persons, adult wards of the state and disabled individuals in every aspect of the community.

**Health and Family Services  
Aging and Independent Living  
Aging and Independent Living**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	32,956,800	45,097,600	48,240,900	37,437,000	36,472,900
Salary and Health Insurance Adjustments	58,300				
Budget Reduction-General Fund	-649,900				
Reorganization Adjustment	7,195,500				
Mandated Expenditure Reductions	-1,441,900				
<b>Total General Fund</b>	<b>38,118,800</b>	<b>45,097,600</b>	<b>48,240,900</b>	<b>37,437,000</b>	<b>36,472,900</b>
<b>Restricted Fund</b>					
Balance Forward	2,061,900				
Current Receipts	123,000	573,000	573,000	573,000	573,000
Non-Revenue Receipts	1,137,000	1,044,900	1,044,900	1,044,900	1,044,900
<b>Total Restricted Fund</b>	<b>3,321,900</b>	<b>1,617,900</b>	<b>1,617,900</b>	<b>1,617,900</b>	<b>1,617,900</b>
<b>Federal Fund</b>					
Current Receipts	18,813,400	20,497,400	20,497,400	20,497,400	20,497,400
ARRA Receipts	1,684,000				
<b>Total Federal Fund</b>	<b>20,497,400</b>	<b>20,497,400</b>	<b>20,497,400</b>	<b>20,497,400</b>	<b>20,497,400</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>61,938,100</b>	<b>67,212,900</b>	<b>70,356,200</b>	<b>59,552,300</b>	<b>58,588,200</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,795,900	3,240,100	3,444,900	2,916,200	2,953,000
Operating Expenses	318,900	318,900	318,900	267,300	296,700
Grants Loans Benefits	57,823,300	63,653,900	66,592,400	56,368,800	55,338,500
<b>TOTAL EXPENDITURES</b>	<b>61,938,100</b>	<b>67,212,900</b>	<b>70,356,200</b>	<b>59,552,300</b>	<b>58,588,200</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	38,118,800	45,097,600	48,240,900	37,437,000	36,472,900
Restricted Fund	3,321,900	1,617,900	1,617,900	1,617,900	1,617,900
Federal Fund	20,497,400	20,497,400	20,497,400	20,497,400	20,497,400
<b>TOTAL EXPENDITURES</b>	<b>61,938,100</b>	<b>67,212,900</b>	<b>70,356,200</b>	<b>59,552,300</b>	<b>58,588,200</b>

The Department for Aging and Independent Living is designated as the State Unit on Aging by the Federal Administration on Aging. In accordance with the Older Americans Act Amendments of 1965 as amended through December 2006 and 45 CFR 1321, the Department is responsible for aging issues on behalf of all older persons in Kentucky. It is required to carry out a wide range of functions related to service delivery, advocacy, planning, coordination, interagency linkages, information-sharing, community preparedness, brokering, and evaluation. These functions are intended to focus on the development or enhancement of comprehensive and coordinated community-based service systems designed to help elderly and disabled adult Kentuckians maintain independence and dignity in their own homes and communities. This focus on community-based alternatives is consistent with Kentucky's plan developed in response to the Supreme Court's Olmstead decision and the Department's State Plan on Aging.

The Department for Aging and Independent Living administers statewide programs; develops the State Plan on Aging; allocates funds to the 15 Area Agencies on Aging (AAA) as well as 14 Community Mental Health Centers (CMHCs) for the Hart Supported Living Program; and approves AAA program plans, amendments, budgets, and contracts for local provision of aging and disabilities services. It provides education, training, benefits counseling, information and assistance to respond to

the needs of senior citizens and those with disabilities.

The programs the Department administers to achieve these goals include:

- Nutritional Services provided through agreements with the AAA's include the Nutritional Services Incentive Program: congregate meals to persons age 60 and over at senior centers in each Kentucky County and home-delivered meals to the homebound elderly ages 60 and over.
- Senior Community Service Employment Program (Title V): Employs persons age 55 and older who have incomes at or below 125% of the poverty level in part-time non-profit community work, such as senior citizens centers, with the goals of training and eventual placement in unsubsidized employment.
- State Health Insurance Assistance Program (SHIP): (Section 4360 OBRA 1990, PL 101-508) provides benefits counseling and assistance to aged and disabled Medicare eligible persons through a federal Health Care Financing Administration Grant.
- Nursing Home Diversion: provides a consumer directed approach to community based care by incorporating a consumer directed model to the state funded Homecare Program.
- Long-Term Care Ombudsman Program: On behalf of long-term care residents and their families, this program receives and investigates all complaints and problems of residents of nursing homes and personal care homes in Kentucky.
- Aging and Disability Resource Center (ADRC): (Sec 1110 SS Act and 42 USC 3031-3037B) provides a single point of entry to services and supports for individuals who require assistance due to need or disability, regardless of age.
- Homecare Program (KRS 205.445-465): A state-funded alternative in-home program for frail and vulnerable persons 60 years and older who have functional or physical limitations and are at risk of institutionalization. Homecare provides essential services designed to delay or prevent institutionalization, including homemaker/personal care, homemaker/home management, home health aide, home-delivered meals, home-repair, chore, respite, and escort services.
- Hart Supported Living (KRS 210.770-795): provides services which enables a person with disabilities to live in a home of the person's choice which is typical of those living arrangements in which persons without disabilities reside, encourages the individual's integrated participation in the community, promotes the individual's rights and autonomy, enhances the individual's skills and competencies in living in the community and enables the individual's acceptance in the community by promoting home ownership or leasing arrangements in the name of the individual or the individual's family or guardian.
- Personnel Care Attendant Program (PCAP) for Physically Disabled Adults (KRS 205.900): Provides personal care assistant services and case management services to severely physically disabled adults, age 18 and over, who have functional loss of two or more limbs and need the services to prevent institutionalization or to leave an institutional setting.
- Adult Day and Alzheimer's Respite (KRS 209): Provides programs for day-long care and supervision for persons 60 and over who, because of physical, mental, and/or psychological limitations, cannot remain in their own homes alone during the day.
- Kentucky Caregiver Program (910 KAR 1:260): provides assistance to Grandparents caring for grandchildren under the age of 18. The program provides information services, individual counseling, caregiver training, and funds (limited to not more than \$750 per grandchild per year) for defraying the costs of caring for the grandchild that could include purchase of clothing, educational supplies or assistance, certain legal services, medical services not related to co-pays and premiums, and other services as authorized by the Area Agency on Aging.
- Traumatic Brain Injury Trust Fund Program (KRS 42.320): provides assistance to children and adults with brain injuries. The TBI Trust Fund Program is a funding source of last resort for Kentucky residents. The TBI Trust Fund is administered by a Board of Directors to assure that individuals with a brain injury and their families are provided services and supports to promote independence and personal productivity.
- Traumatic Brain Injury Behavioral Program (KRS 189A.050): serves persons affected by Traumatic Brain Injury who are in need of behavioral services. Services are provided through crisis intervention, residential treatment, targeted case management, and other wrap services.
- The Consumer Directed Option (CDO) program gives Medicaid waiver members more choices in the way some Medicaid services are provided. The client can choose who will provide services they need as well as how, when, and where these services will be provided.
- Adult Day Certification (KRS 205.950): The Department for Aging and Independent Living certifies Adult Day Social Model programs to assure quality standards are met for the client.
- Assisted Living Certification (KRS 194A.707): The Department of Aging and Independent Living certifies Social Model Assisted Living Communities to assure compliance with state statutes and regulations.

**Health and Family Services  
Aging and Independent Living  
Guardianship**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	3,460,900	5,089,000	5,649,800	3,460,900	3,460,900
<b>Total General Fund</b>	3,460,900	5,089,000	5,649,800	3,460,900	3,460,900
<b>Restricted Fund</b>					
Current Receipts	350,000	350,000	350,000	350,000	350,000
Non-Revenue Receipts	286,000	287,000	287,000	287,000	287,000
<b>Total Restricted Fund</b>	636,000	637,000	637,000	637,000	637,000
<b>TOTAL SOURCE OF FUNDS</b>	4,096,900	5,726,000	6,286,800	4,097,900	4,097,900
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,906,000	4,528,800	4,921,600	3,878,100	3,913,000
Operating Expenses	190,900	258,700	258,700	219,800	184,900
Grants Loans Benefits		938,500	938,500		
Debt Service			168,000		
<b>TOTAL EXPENDITURES</b>	4,096,900	5,726,000	6,286,800	4,097,900	4,097,900
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	3,460,900	5,089,000	5,649,800	3,460,900	3,460,900
Restricted Fund	636,000	637,000	637,000	637,000	637,000
<b>TOTAL EXPENDITURES</b>	4,096,900	5,726,000	6,286,800	4,097,900	4,097,900

Kentucky's Adult Guardianship Services Program, outlined in KRS 210.290 and 387.500-387.900, is administered by the Division of Guardianship within the Department for Aging and Independent Living. Individuals are served by staff in both central office and regional offices. This Program provides a legal relationship between a court-appointed adult who assumes the responsibility of being the guardian for a ward. A ward is a person who has been declared "legally disabled" by the court and is no longer able to care for his or her personal and/or financial needs.

Appointed guardians may be a friend or family member who is willing to care for the disabled individual. If there is no one willing to care for the disabled person, the court will appoint the Cabinet for Health and Family Services as the state guardian. The duties of the state guardian include:

- Full Guardianship/Full Conservator - In this category the Cabinet will be responsible for both the personal and financial needs of the ward. In this case, the court will also decide which civil rights the person can retain and which are given to the guardian. These may include the right to vote, the right to drive a car, the right to make medical decisions, the right to determine where to live, the right to sell property, and the right to sign legal documents such as checks, marriage licenses or wills.
- Limited Guardian - A limited guardian may be appointed if the disabled person is declared partially disabled and can manage some personal needs but may need assistance with others.
- Conservator - A conservator may be appointed if the disabled person needs help only with managing financial or fiduciary affairs.
- Conservator/Guardian - This category allows for a combination of a conservator who manages financial and fiduciary affairs with a guardian who manages living and personal needs arrangements.



# Justice and Public Safety

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**Justice and Public Safety**

	<b>Revised FY 2010</b>	<b>Requested FY 2011</b>	<b>Requested FY 2012</b>	<b>Recommended FY 2011</b>	<b>Recommended FY 2012</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	649,107,800	749,138,900	792,550,000	619,088,200	655,628,400
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				
<b>Total General Fund</b>	<b>544,518,416</b>	<b>749,138,900</b>	<b>792,550,000</b>	<b>619,088,200</b>	<b>655,628,400</b>
<b>Tobacco Fund</b>					
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				
<b>Total Tobacco Fund</b>	<b>2,042,000</b>	<b>1,929,100</b>	<b>1,935,900</b>	<b>1,923,400</b>	<b>1,923,400</b>
<b>Restricted Fund</b>					
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	
<b>Total Restricted Fund</b>	<b>124,466,186</b>	<b>125,382,400</b>	<b>126,325,400</b>	<b>120,844,300</b>	<b>121,618,400</b>
<b>Federal Fund</b>					
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	
<b>Total Federal Fund</b>	<b>157,566,312</b>	<b>67,039,900</b>	<b>60,160,200</b>	<b>94,451,600</b>	<b>59,579,800</b>
<b>Road Fund</b>					
Regular Appropriation	73,881,500	75,710,000	76,166,900	77,599,500	79,951,500
<b>Total Road Fund</b>	<b>73,881,500</b>	<b>75,710,000</b>	<b>76,166,900</b>	<b>77,599,500</b>	<b>79,951,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>902,474,414</b>	<b>1,019,200,300</b>	<b>1,057,138,400</b>	<b>913,907,000</b>	<b>918,701,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	497,997,300	565,690,000	604,851,500	512,244,300	512,991,300
Operating Expenses	117,930,200	134,017,100	130,320,800	116,779,200	116,198,700
Grants Loans Benefits	270,292,816	294,789,800	296,764,500	271,480,800	273,926,900
Debt Service	3,337,400	5,239,000	4,485,300	3,300,500	4,580,800
Capital Outlay	2,345,600	10,879,700	10,526,800	2,239,000	2,244,000
<b>TOTAL EXPENDITURES</b>	<b>891,903,316</b>	<b>1,010,615,600</b>	<b>1,046,948,900</b>	<b>906,043,800</b>	<b>909,941,700</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	544,518,416	749,138,900	792,550,000	619,088,200	655,628,400
Tobacco Fund	1,775,800	1,929,100	1,935,900	1,923,400	1,923,400
Restricted Fund	118,603,700	122,103,900	123,109,800	118,131,200	119,676,400
Federal Fund	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	77,599,500	79,951,500
<b>TOTAL EXPENDITURES</b>	<b>891,903,316</b>	<b>1,010,615,600</b>	<b>1,046,948,900</b>	<b>906,043,800</b>	<b>909,941,700</b>

**EXPENDITURES BY UNIT**

Justice Administration	37,416,700	39,216,200	31,912,600	36,040,800	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	477,755,500	487,333,300
Public Advocacy	44,714,400	53,317,900	59,713,400	44,359,400	43,985,900
<b>TOTAL EXPENDITURES</b>	<b>891,903,316</b>	<b>1,010,615,600</b>	<b>1,046,948,900</b>	<b>906,043,800</b>	<b>909,941,700</b>

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

**Justice and Public Safety**

**Justice Administration**

	<b>Revised FY 2010</b>	<b>Requested FY 2011</b>	<b>Requested FY 2012</b>	<b>Recommended FY 2011</b>	<b>Recommended FY 2012</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	11,884,200	14,322,600	13,160,000	11,152,900	11,152,900
Salary and Health Insurance Adjustments	155,800				
Budget Reduction-General Fund	-885,700				
Mandated Expenditure Reductions	-28,600				
<b>Total General Fund</b>	<b>11,125,700</b>	<b>14,322,600</b>	<b>13,160,000</b>	<b>11,152,900</b>	<b>11,152,900</b>
<b>Tobacco Fund</b>					
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				
<b>Total Tobacco Fund</b>	<b>2,042,000</b>	<b>1,929,100</b>	<b>1,935,900</b>	<b>1,923,400</b>	<b>1,923,400</b>
<b>Restricted Fund</b>					
Balance Forward	2,213,900	1,082,100	408,500	1,082,100	376,200
Current Receipts	595,200	554,000	556,300	554,000	556,300
Non-Revenue Receipts	4,486,200	4,501,300	4,518,800	4,469,000	4,486,500
<b>Total Restricted Fund</b>	<b>7,295,300</b>	<b>6,137,400</b>	<b>5,483,600</b>	<b>6,105,100</b>	<b>5,419,000</b>
<b>Federal Fund</b>					
Balance Forward	714,800	2,135,100	4,143,600	2,135,100	4,143,600
Current Receipts	12,839,000	12,693,200	12,997,700	12,693,200	12,997,700
ARRA Receipts	6,883,300	6,550,900	1,182,000	6,550,900	1,182,000
<b>Total Federal Fund</b>	<b>20,437,100</b>	<b>21,379,200</b>	<b>18,323,300</b>	<b>21,379,200</b>	<b>18,323,300</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>40,900,100</b>	<b>43,768,300</b>	<b>38,902,800</b>	<b>40,560,600</b>	<b>36,818,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	14,506,600	15,804,300	16,023,100	14,452,900	14,217,100
Operating Expenses	2,096,100	2,057,200	2,049,000	1,943,200	1,943,200
Grants Loans Benefits	20,366,500	19,231,900	13,427,700	19,231,900	13,427,700
Debt Service		1,710,000			
Capital Outlay	447,500	412,800	412,800	412,800	412,800
<b>TOTAL EXPENDITURES</b>	<b>37,416,700</b>	<b>39,216,200</b>	<b>31,912,600</b>	<b>36,040,800</b>	<b>30,000,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	11,125,700	14,322,600	13,160,000	11,152,900	11,152,900
Tobacco Fund	1,775,800	1,929,100	1,935,900	1,923,400	1,923,400
Restricted Fund	6,213,200	5,728,900	5,311,200	5,728,900	5,419,000
Federal Fund	18,302,000	17,235,600	11,505,500	17,235,600	11,505,500
<b>TOTAL EXPENDITURES</b>	<b>37,416,700</b>	<b>39,216,200</b>	<b>31,912,600</b>	<b>36,040,800</b>	<b>30,000,800</b>
<b>EXPENDITURES BY UNIT</b>					
Secretary	4,351,300	6,750,300	5,273,400	4,378,500	4,376,900
Office of Drug Control Policy	6,499,600	6,038,500	6,060,200	6,012,000	6,012,000
Medical Examiner Program	4,410,500	4,925,000	5,058,800	4,386,500	4,386,500
Parole Board	2,050,700	2,242,000	2,391,100	2,050,300	2,050,300
Grants	18,965,400	18,106,900	12,358,100	18,060,000	12,296,300
Criminal Justice Council	286,200	301,300	318,800	301,300	318,800
Asset Forfeiture Program	1,000	200	200	200	200
Motorcycle Training Program	852,000	852,000	452,000	852,000	559,800
<b>TOTAL EXPENDITURES</b>	<b>37,416,700</b>	<b>39,216,200</b>	<b>31,912,600</b>	<b>36,040,800</b>	<b>30,000,800</b>

The Department of Justice Administration is comprised of the Office of the Secretary, Office of Management and Administrative Services, Office of Investigations, Office of Legal Services, Office of Legislative and Intergovernmental Services, Office of Drug Control Policy, Office of the Kentucky State Medical Examiner, and the Parole Board. The Department is responsible for the overall administration of the Justice and Public Safety Cabinet, coordinating the activities of the various departments, boards, and branches.

The Office of the Secretary includes the Secretary, Deputy Secretary, Office of Investigations, Office of Legal Services, and Office of Management and Administrative Services for the Justice and Public Safety Cabinet. The Office of the Secretary is responsible for the administration of the Cabinet, provision of legal services, development of legislation, regulation, policy, and coordination of activities within and among the Cabinet departments and agencies.

The Office of Management and Administrative Services is responsible for communications, personnel, budget and fiscal policy, and information technology coordination. Attached to the Office of Management and Administrative Services is the Grants Management Branch. Duties of the Grants Management Branch include the receipt and distribution of Federal Funds throughout the Cabinet, such as the Justice Assistance Grants (JAG) program, the Victims of Crime Act (VOCA) and the Violence Against Women Act (VAWA) programs. The Branch also administers the state Law Enforcement DUI Service Fee program.

The Office of Legislative and Intergovernmental Services, Criminal Justice Council, established in KRS 15A.040, advises and recommends to the Governor and the General Assembly policies and direction for long-range planning regarding all elements of the criminal justice system. The Council has representatives from: law enforcement, the judiciary, corrections, prosecution bar, defense bar, legislature, professional associations, crime victims, victim advocates, and universities. The Secretary of the Justice and Public Safety Cabinet serves ex-officio as Chair of the Council. The Council carries out criminal justice planning for the Executive, Legislative, and Judicial Branches of government.

The Office of Drug Control Policy, established in July of 2004, is responsible for all matters relating to the research, coordination, and execution of drug control policy for the Commonwealth. The Office directs state and federally funded programs that focus on prevention/education, enforcement, and treatment to ensure a united effort among law enforcement initiatives to address drug abuse in Kentucky.

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

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

## **Policy**

The Executive Budget includes Restricted Funds of \$2,000,000 in both years of the biennium for Operation UNITE, funded from the Local Government Economic Development Fund, Multi-county fund.

The Executive Budget provides Restricted Fund resources of \$1,800,000 in each fiscal year for regional drug courts in Kentucky's coal-producing counties funded from the Local Government Economic Development Fund, Multi-county fund.

The Executive Budget suspends 501 KAR 1:30 Section 3(1)(a), relating to the Review of Cases by the Parole Board, to allow a nonviolent offender convicted of a Class D felony with an aggregate sentence of one to five years to have their case reviewed by the Parole Board after serving 15 percent or two months of the original sentence, whichever is longer, rather than 20 percent. It also suspends KRS 439.320(1), providing that the Parole Board shall consist of 9 members.

The Executive Budget includes \$750,000 in each year of the biennium for civil legal services to indigents.

**Justice and Public Safety  
Criminal Justice Training**

	<b>Revised FY 2010</b>	<b>Requested FY 2011</b>	<b>Requested FY 2012</b>	<b>Recommended FY 2011</b>	<b>Recommended FY 2012</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Fund</b>					
Balance Forward	837,100				
Current Receipts	179,400	469,900	478,800	464,500	464,500
Non-Revenue Receipts	49,051,900	52,869,400	53,667,700	49,851,900	50,364,700
<b>Total Restricted Fund</b>	<b>50,068,400</b>	<b>53,339,300</b>	<b>54,146,500</b>	<b>50,316,400</b>	<b>50,829,200</b>
<b>Federal Fund</b>					
Balance Forward	31,700				
Current Receipts	174,400	206,100	206,100	206,100	206,100
<b>Total Federal Fund</b>	<b>206,100</b>	<b>206,100</b>	<b>206,100</b>	<b>206,100</b>	<b>206,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>50,274,500</b>	<b>53,545,400</b>	<b>54,352,600</b>	<b>50,522,500</b>	<b>51,035,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	16,530,700	19,318,800	19,825,600	17,540,400	18,032,900
Operating Expenses	2,506,300	3,078,700	2,589,700	2,504,400	2,504,400
Grants Loans Benefits	27,888,100	28,916,900	29,711,000	28,246,700	28,271,700
Debt Service	3,337,400	2,216,000	2,211,300	2,216,000	2,211,300
Capital Outlay	12,000	15,000	15,000	15,000	15,000
<b>TOTAL EXPENDITURES</b>	<b>50,274,500</b>	<b>53,545,400</b>	<b>54,352,600</b>	<b>50,522,500</b>	<b>51,035,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Fund	50,068,400	53,339,300	54,146,500	50,316,400	50,829,200
Federal Fund	206,100	206,100	206,100	206,100	206,100
<b>TOTAL EXPENDITURES</b>	<b>50,274,500</b>	<b>53,545,400</b>	<b>54,352,600</b>	<b>50,522,500</b>	<b>51,035,300</b>
<b>EXPENDITURES BY UNIT</b>					
Kentucky Law Enforcement Program Fund	48,982,800	52,229,900	53,005,700	49,218,000	49,723,300
Peace Officer Professional Standards	621,100	639,500	662,000	633,900	641,400
Special Training Programs	670,600	676,000	684,900	670,600	670,600
<b>TOTAL EXPENDITURES</b>	<b>50,274,500</b>	<b>53,545,400</b>	<b>54,352,600</b>	<b>50,522,500</b>	<b>51,035,300</b>

The Department of Criminal Justice Training (DOCJT) is responsible for the training of law enforcement professionals as provided under Kentucky Revised Statutes, Chapters 15, 15A, 16, 70, 72, 95, and KRS 403.785(2), along with 500 KAR 8:010. Basic and specialized training courses are offered to police officers, dispatchers, sheriffs, deputies, coroners, and certain other agencies upon request. Course curriculum includes training in basic law enforcement, telecommunications, coroner training, AIDS, child sexual abuse, domestic violence, bias-related crimes, legal and constitutional law, police tactical training, professional development, executive and staff training, leadership development, and breath testing. Training is conducted at the Training Center on the Eastern Kentucky University campus and at regional sites.

The DOCJT operates two training programs: the Kentucky Law Enforcement Foundation Program Fund (KLEFPF), and the Special Training programs with the Peace Officers Professional Standards office. The KLEFPF agency resources are derived from property and casualty insurance premium surcharge proceeds, which accrue pursuant to KRS 136.392, and are allocated by KRS 42.190 between the KLEFPF and the Kentucky Firefighters Foundation Program Fund. The Department provides entry-level and in-service training for approximately 12,000 students each year.

**Policy**

The Executive Budget provides funding for approximately 7,600 training incentive stipend recipients each year.

The Executive Budget includes \$49,218,000 in fiscal year 2011 and \$49,723,300 in fiscal year 2012 for the Kentucky Law Enforcement Foundation Program Fund.

**Justice and Public Safety**

**Juvenile Justice**

	<b>Revised FY 2010</b>	<b>Requested FY 2011</b>	<b>Requested FY 2012</b>	<b>Recommended FY 2011</b>	<b>Recommended FY 2012</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	87,468,800	87,534,300	97,856,100	76,467,900	76,467,900
Salary and Health Insurance Adjustments	1,209,100				
Budget Reduction-General Fund	-9,591,000				
Mandated Expenditure Reductions	-1,386,200				
<b>Total General Fund</b>	<b>77,700,700</b>	<b>87,534,300</b>	<b>97,856,100</b>	<b>76,467,900</b>	<b>76,467,900</b>
<b>Restricted Fund</b>					
Balance Forward	2,883,786	714,500	836,000	714,500	382,900
Current Receipts	2,077,700	2,077,700	2,077,700	2,077,700	2,077,700
Non-Revenue Receipts	12,701,100	12,226,100	12,226,100	12,226,100	12,226,100
<b>Total Restricted Fund</b>	<b>17,662,586</b>	<b>15,018,300</b>	<b>15,139,800</b>	<b>15,018,300</b>	<b>14,686,700</b>
<b>Federal Fund</b>					
Balance Forward	1,014,212	2,307,300	1,162,600	2,307,300	1,006,500
Current Receipts	14,991,400	13,855,300	13,855,300	13,855,300	13,855,300
<b>Total Federal Fund</b>	<b>16,005,612</b>	<b>16,162,600</b>	<b>15,017,900</b>	<b>16,162,600</b>	<b>14,861,800</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>111,368,898</b>	<b>118,715,200</b>	<b>128,013,800</b>	<b>107,648,800</b>	<b>106,016,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	76,097,000	83,229,500	91,791,900	75,836,900	75,843,600
Operating Expenses	11,096,800	11,138,800	11,500,300	11,299,200	11,299,200
Grants Loans Benefits	21,153,300	21,035,300	21,270,300	19,123,300	18,873,600
Debt Service		1,313,000	2,274,000		
<b>TOTAL EXPENDITURES</b>	<b>108,347,100</b>	<b>116,716,600</b>	<b>126,836,500</b>	<b>106,259,400</b>	<b>106,016,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	77,700,700	87,534,300	97,856,100	76,467,900	76,467,900
Restricted Fund	16,948,100	14,182,300	14,118,600	14,635,400	14,686,700
Federal Fund	13,698,300	15,000,000	14,861,800	15,156,100	14,861,800
<b>TOTAL EXPENDITURES</b>	<b>108,347,100</b>	<b>116,716,600</b>	<b>126,836,500</b>	<b>106,259,400</b>	<b>106,016,400</b>
<b>EXPENDITURES BY UNIT</b>					
Program Management	1,340,900	1,412,400	1,500,900	1,340,900	1,340,900
Program Operations	99,355,800	107,214,000	116,736,000	97,268,100	97,025,100
Support Services	7,650,400	8,090,200	8,599,600	7,650,400	7,650,400
<b>TOTAL EXPENDITURES</b>	<b>108,347,100</b>	<b>116,716,600</b>	<b>126,836,500</b>	<b>106,259,400</b>	<b>106,016,400</b>

The Department of Juvenile Justice operates programs for juvenile crime prevention, detention, and community services, as well as residential facilities for post-adjudicated offenders. All programs are designed primarily for "public" and "youthful" offenders. The Department consists of three programmatic areas: Program Management, Program Operations, and Support Services.

Program Management is comprised of two organizational units which provide management and policy direction for the Department: Office of the Commissioner and Office of Ombudsman. The Office of the Commissioner provides staff support for the Commissioner, which includes public information services. The Office of Ombudsman investigates and resolves grievances filed by those receiving services from the Department.



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

Day Treatment Services is comprised of six state-owned and 20 contract programs. These programs are the least restrictive, since the youths remain in a home setting during the evening and attend a day treatment program during the day. A court or school system usually refers a youth to serve in these programs. Day Treatment provides educational alternatives, treatment, and counseling for youths between the ages of 12 and 17. The total capacity of the 26 centers is 919 youths.

<b>Group Home Facilities</b>	<b>County</b>	<b>Beds</b>
Ashland	Boyd	8
Bowling Green	Warren	8
Burnside	Pulaski	8
Frenchburg	Menifee	8
Hopkinsville	Christian	8
London	Laurel	10
Mayfield	Graves	8
Middlesboro	Bell	8
Frankfort	Franklin	8
Westport	Jefferson	8

Group Home Beds = 82

Group Homes are community-based residential treatment facilities that generally serve eight youths per home. These programs accept youths between 12-18 years of age who have been committed to the Department as “public” or “youthful” offenders. Group home care serves as an alternative to institutionalization and aims to transition a youth from institutional placement to the community. The total capacity of ten group homes is 82 youths.

<b>Residential Facilities</b>	<b>City</b>	<b>County</b>	<b>Beds</b>
Northern Kentucky Youth Development Center	Crittenden	Grant	40
Morehead Youth Development Center	Morehead	Rowan	40
Green River Youth Development Center	Cromwell	Butler	40
Audubon Youth Development Center	Louisville	Jefferson	70
Mayfield Youth Development Center	Mayfield	Graves	36
Owensboro Treatment Center	Owensboro	Daviess	30
Lincoln Village Youth Development Center	Elizabethtown	Hardin	40
Lake Cumberland Youth Development Center	Monticello	Wayne	40
Woodsbend Youth Development Center	West Liberty	Morgan	40
Cadet Leadership Education Program	Jackson	Breathitt	40
Adair Youth Development Center	Columbia	Adair	60

Residential Beds = 476

The 11 state-operated Residential Facilities provide 24-hour care and custody of juveniles who have been committed to the Department as public offenders or sentenced as youthful offenders. These facilities serve youths who are in need of treatment that cannot be provided in their community, or who require placement in a secure setting because they represent a threat to the community. The current capacity of the 11 facilities is 476 youths.

<b>State-operated Detention Centers</b>	<b>County</b>	<b>Beds</b>
Breathitt Regional Juvenile Detention Center	Breathitt	48
McCracken Regional Juvenile Detention Center	McCracken	48
Campbell Regional Juvenile Detention Center	Campbell	52
Adair Youth Development Center	Adair	30
Warren Regional Juvenile Detention Center	Warren	48
Boyd Regional Juvenile Detention Center	Boyd	36
Hardin Regional Juvenile Detention Center	Hardin	44
Fayette Regional Juvenile Detention Center	Fayette	48

Detention Beds = 354

Seven state-operated detention centers are currently in operation in Breathitt, McCracken, Campbell, Warren, Hardin, Fayette, and Boyd Counties, and twenty beds are available for detention at the youth development center in Adair County. The Laurel Detention Center is currently closed. Currently, the state provides detention services to 119 counties. Jefferson County continues to operate a local detention program, and it is approved to use these facilities and receive a subsidy payment from the state of \$94 per day for all public and youthful offenders.

Placements less restrictive than detention facilities are provided through contracts with emergency shelters and foster care providers, electronic monitoring, and tracking services. Ten departmental staff members are responsible for the assessment of juveniles in the facilities, and the determination of whether an alternative to detention is appropriate.

Private child care facilities and therapeutic foster care programs are utilized to alleviate facility capacity problems and to provide specialized treatment for youths. Approximately 40-45 juveniles are in these programs on any given day. Additional funds are provided directly to the Mary Kendall Home in Owensboro and the Gateway Juvenile Diversion program in Mt. Sterling.

Community Services provide services to juvenile offenders. Workers in the community offices develop service objectives and comprehensive service plans for juvenile offenders and their families. These workers supervise over 3,000 juvenile offenders and recommend any necessary out-of-home placements.

The Division of Placement Services, included in the Program Operations area, determines appropriate out-of-home placements for youths committed to the Department of Juvenile Justice.

Support Services, which provides administrative support to all organizational units of the Department, includes: Division of Administrative Services, Division of Program Services, Division of Professional Development, and the Division of Medical Services. The Division of Administrative Services consists of four branches: Personnel, Fiscal, Capital Construction and Real Properties, and Information Systems. The Division of Program Services consists of the Quality Assurance Branch and grant management staff that report directly to the Division Director. The Division of Professional Development consists of the Training Branch. The Medical Division oversees the medical delivery system throughout the Department.

**Justice and Public Safety**

**State Police**

	<b>Revised FY 2010</b>	<b>Requested FY 2011</b>	<b>Requested FY 2012</b>	<b>Recommended FY 2011</b>	<b>Recommended FY 2012</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	73,926,400	113,286,800	126,731,400	57,970,300	68,805,300
Salary and Health Insurance Adjustments	2,332,600				
Budget Reduction-General Fund	-20,023,500				
Mandated Expenditure Reductions	-2,486,600				
<b>Total General Fund</b>	<b>53,748,900</b>	<b>113,286,800</b>	<b>126,731,400</b>	<b>57,970,300</b>	<b>68,805,300</b>
<b>Restricted Fund</b>					
Regular Appropriation		314,700	579,400		
Balance Forward	4,227,500	4,065,900	2,034,000	4,065,900	1,954,000
Current Receipts	10,261,000	11,366,900	13,295,700	11,178,700	13,083,100
Non-Revenue Receipts	7,720,900	7,720,900	7,920,900	7,720,900	7,920,900
Fund Transfers				-980,000	
<b>Total Restricted Fund</b>	<b>22,209,400</b>	<b>23,468,400</b>	<b>23,830,000</b>	<b>21,985,500</b>	<b>22,958,000</b>
<b>Federal Fund</b>					
Regular Appropriation		4,911,800	3,205,200		
Current Receipts	17,899,700	17,899,700	17,899,700	17,899,700	17,899,700
ARRA Receipts	3,828,900	1,116,600	1,116,600	5,470,200	3,897,500
SFSF Receipts	14,831,700			12,135,000	
<b>Total Federal Fund</b>	<b>36,560,300</b>	<b>23,928,100</b>	<b>22,221,500</b>	<b>35,504,900</b>	<b>21,797,200</b>
<b>Road Fund</b>					
Regular Appropriation	73,881,500	75,710,000	76,166,900	77,599,500	79,951,500
<b>Total Road Fund</b>	<b>73,881,500</b>	<b>75,710,000</b>	<b>76,166,900</b>	<b>77,599,500</b>	<b>79,951,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>186,400,100</b>	<b>236,393,300</b>	<b>248,949,800</b>	<b>193,060,200</b>	<b>193,512,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	139,286,800	167,580,400	183,762,900	146,806,700	147,581,100
Operating Expenses	40,132,500	56,324,300	52,740,300	42,052,900	41,742,300
Grants Loans Benefits	1,178,700	510,400	510,400	510,400	510,400
Capital Outlay	1,736,200	9,944,200	9,914,200	1,736,200	1,736,200
<b>TOTAL EXPENDITURES</b>	<b>182,334,200</b>	<b>234,359,300</b>	<b>246,927,800</b>	<b>191,106,200</b>	<b>191,570,000</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	53,748,900	113,286,800	126,731,400	57,970,300	68,805,300
Restricted Fund	18,143,500	21,434,400	21,808,000	20,031,500	21,016,000
Federal Fund	36,560,300	23,928,100	22,221,500	35,504,900	21,797,200
Road Fund	73,881,500	75,710,000	76,166,900	77,599,500	79,951,500
<b>TOTAL EXPENDITURES</b>	<b>182,334,200</b>	<b>234,359,300</b>	<b>246,927,800</b>	<b>191,106,200</b>	<b>191,570,000</b>
<b>EXPENDITURES BY UNIT</b>					
Administration	23,134,400	38,705,600	40,586,900	23,194,600	23,345,700
Technical Services	33,640,800	42,410,700	39,873,500	34,183,400	33,512,900
Operations	103,440,000	128,737,300	141,638,700	110,910,600	111,451,900
Commercial Vehicle Enforcement	22,119,000	24,505,700	24,828,700	22,817,600	23,259,500
<b>TOTAL EXPENDITURES</b>	<b>182,334,200</b>	<b>234,359,300</b>	<b>246,927,800</b>	<b>191,106,200</b>	<b>191,570,000</b>

The Kentucky State Police is the statewide law enforcement agency of the Commonwealth. The State Police was established in 1948. State Troopers are assigned to 16 regional posts across the State. The Department is responsible for the enforcement of criminal and traffic laws, along with white-collar crime, organized crime, electronic crime, racketeering, and drug-related crime. The State Police also provide protection for the Governor, Lieutenant Governor, their families, and property. The Kentucky State Police is comprised of three divisions: Administrative, Operations, and Technical Services.

The Administrative Division, which includes the Office of the Commissioner, provides professional support services for the Department. These services include organizational policy, personnel, properties management and supplies, payroll, employee assistance, fiscal, internal investigations, and inspections. Media relations, training, analysis, research, strategic planning, and information coordination are other functions performed in this division. The State Police Drivers Testing Stations, Facilities Security, and Legislative Detail are also part of this division and provide external support to citizens and other public officials of Kentucky.

The Operations Division includes the regional posts and the personnel assigned to each post. State Police posts are maintained in Mayfield, Madisonville, Henderson, Elizabethtown, Bowling Green, Dry Ridge, Frankfort, Campbellsburg, Richmond, Columbia, Morehead, Ashland, Pikeville, Hazard, Harlan, and London. Other functions in this division include highway safety, drug enforcement, vehicle investigation, and special operations.

The Technical Services Division is responsible for providing technical assistance to other departmental areas, along with outside agencies, concerning electronic crimes examination/analysis, records, communications (including headquarters dispatch), criminal history information, intelligence information, automated fingerprint information, and computer technology needs. The Division also has the responsibility of providing forensic analysis for all law enforcement agencies throughout the Commonwealth. The forensic analysis function is supported by the Central Laboratory in Frankfort as well as Regional Laboratories in Ashland, Louisville, Cold Springs, London, and Madisonville.

The Commercial Vehicle Enforcement Division is responsible for encouraging and promoting a safe driving environment through education and safety awareness while enforcing state and federal laws and regulations, placing special emphasis on commercial vehicles. This Division encompasses the entire Commonwealth divided into 6 Regions. This Division is staffed with sworn law enforcement officers, regulatory weight and safety inspectors, and civilian staff.

## **Policy**

The Executive Budget includes Restricted Funds of \$5,033,400 in fiscal year 2011 and \$5,237,600 in fiscal year 2012 for a \$3,100 training incentive stipend for state troopers, hazardous devices investigators, legislative security specialists, Vehicle Enforcement officers and Kentucky State Police dispatchers. These funds are provided from the Kentucky Law Enforcement Foundation Program Fund (KLEFPF).

The Executive Budget provides sufficient General Fund appropriation for a \$3,100 annual training incentive stipend for dispatchers.

**Justice and Public Safety**

**Corrections**

	<b>Revised FY 2010</b>	<b>Requested FY 2011</b>	<b>Requested FY 2012</b>	<b>Recommended FY 2011</b>	<b>Recommended FY 2012</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	440,149,000	486,893,300	500,931,600	435,353,700	461,058,900
Salary and Health Insurance Adjustments	952,800				
Continuing Approp.-General Fund	24,416				
Budget Reduction-General Fund	-76,515,300				
Mandated Expenditure Reductions	-717,300				
<b>Total General Fund</b>	<b>363,893,616</b>	<b>486,893,300</b>	<b>500,931,600</b>	<b>435,353,700</b>	<b>461,058,900</b>
<b>Restricted Fund</b>					
Balance Forward	1,246,183				
Current Receipts	21,980,517	23,399,000	23,681,500	23,399,000	23,681,500
<b>Total Restricted Fund</b>	<b>23,226,700</b>	<b>23,399,000</b>	<b>23,681,500</b>	<b>23,399,000</b>	<b>23,681,500</b>
<b>Federal Fund</b>					
Current Receipts	2,828,200	3,167,900	2,592,900	2,792,900	2,592,900
ARRA Receipts	3,500,300				
SFSF Receipts	75,367,600			16,209,900	
<b>Total Federal Fund</b>	<b>81,696,100</b>	<b>3,167,900</b>	<b>2,592,900</b>	<b>19,002,800</b>	<b>2,592,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>468,816,416</b>	<b>513,460,200</b>	<b>527,206,000</b>	<b>477,755,500</b>	<b>487,333,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	219,613,000	240,802,800	248,232,200	225,708,300	225,790,900
Operating Expenses	55,376,000	53,932,300	53,821,800	52,547,900	52,278,100
Grants Loans Benefits	193,677,516	218,217,400	224,967,200	198,339,800	206,814,800
Debt Service				1,084,500	2,369,500
Capital Outlay	149,900	507,700	184,800	75,000	80,000
<b>TOTAL EXPENDITURES</b>	<b>468,816,416</b>	<b>513,460,200</b>	<b>527,206,000</b>	<b>477,755,500</b>	<b>487,333,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	363,893,616	486,893,300	500,931,600	435,353,700	461,058,900
Restricted Fund	23,226,700	23,399,000	23,681,500	23,399,000	23,681,500
Federal Fund	81,696,100	3,167,900	2,592,900	19,002,800	2,592,900
<b>TOTAL EXPENDITURES</b>	<b>468,816,416</b>	<b>513,460,200</b>	<b>527,206,000</b>	<b>477,755,500</b>	<b>487,333,300</b>
<b>EXPENDITURES BY UNIT</b>					
Corrections Management	6,608,000	10,127,400	10,471,800	9,622,300	10,707,300
Adult Correctional Institutions	293,721,800	312,352,500	320,349,800	297,569,000	298,556,300
Community Services and Local Facilities	153,848,400	173,654,500	179,058,600	156,242,700	163,748,200
Local Jail Support	14,638,216	17,325,800	17,325,800	14,321,500	14,321,500
<b>TOTAL EXPENDITURES</b>	<b>468,816,416</b>	<b>513,460,200</b>	<b>527,206,000</b>	<b>477,755,500</b>	<b>487,333,300</b>

The Department of Corrections, pursuant to KRS 196 - 197, is responsible for the broad range of activities associated with adult criminal incarceration, public safety, inmate rehabilitation, probation and parole, and criminal recidivism. As the largest department in the Justice and Public Safety Cabinet, Corrections has four separate appropriation units: Corrections Management, Community Services and Local Facilities, Adult Institutions, and Local Jail Support. The Department of Corrections utilizes resources from each of these units to provide the necessary balance between public safety and fiscal responsibility. In order to accomplish this, the Department is charged with accommodating a growing inmate population through a balance of community and institutional based solutions.

The enacted budget for the Department of Corrections incorporates the following array of institutional and community beds to accommodate the projected prison and community felon population under the custody of the Department of Corrections.

**Policy**

The Department of Corrections is permitted to adjust appropriations between the Community Services and Local Facilities budget unit and the Adult Correctional Institutions budget unit with the prior concurrence of the State Budget Director. Only adjustments necessary to manage the diverse mix of inmate classifications, custody levels, probation and parole caseloads, and population increases or decreases shall be permitted. No adjustments may be made except upon the prior written concurrence of the State Budget Director.

The Executive Budget includes several initiatives to increase the amount of substance abuse treatment, maximize institutional capacity, and gain efficiencies in the location of inmates, that combine to reduce the costs to the Department of Corrections by \$4,568,600 in fiscal year 2011 and \$7,149,300 in fiscal year 2012.

**Justice and Public Safety  
Corrections  
Corrections Management**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	6,618,900	9,286,400	9,830,800	9,212,200	10,497,200
Salary and Health Insurance Adjustments	119,800				
Budget Reduction-General Fund Reorganization Adjustment	-538,800	430,900	430,900		
<b>Total General Fund</b>	<b>6,199,900</b>	<b>9,717,300</b>	<b>10,261,700</b>	<b>9,212,200</b>	<b>10,497,200</b>
<b>Restricted Fund</b>					
Balance Forward	96,222				
Current Receipts	38,878	135,100	135,100	135,100	135,100
<b>Total Restricted Fund</b>	<b>135,100</b>	<b>135,100</b>	<b>135,100</b>	<b>135,100</b>	<b>135,100</b>
<b>Federal Fund</b>					
Current Receipts	273,000	275,000	75,000	275,000	75,000
<b>Total Federal Fund</b>	<b>273,000</b>	<b>275,000</b>	<b>75,000</b>	<b>275,000</b>	<b>75,000</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>6,608,000</b>	<b>10,127,400</b>	<b>10,471,800</b>	<b>9,622,300</b>	<b>10,707,300</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	6,266,300	8,178,800	8,521,000	6,504,500	6,304,500
Operating Expenses	341,700	1,893,600	1,895,800	2,033,300	2,033,300
Debt Service				1,084,500	2,369,500
Capital Outlay		55,000	55,000		
<b>TOTAL EXPENDITURES</b>	<b>6,608,000</b>	<b>10,127,400</b>	<b>10,471,800</b>	<b>9,622,300</b>	<b>10,707,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	6,199,900	9,717,300	10,261,700	9,212,200	10,497,200
Restricted Fund	135,100	135,100	135,100	135,100	135,100
Federal Fund	273,000	275,000	75,000	275,000	75,000
<b>TOTAL EXPENDITURES</b>	<b>6,608,000</b>	<b>10,127,400</b>	<b>10,471,800</b>	<b>9,622,300</b>	<b>10,707,300</b>
<b>EXPENDITURES BY UNIT</b>					
Commissioner	2,753,600	5,678,600	5,746,200	5,172,300	6,257,300
Corrections Training	1,282,000	1,653,100	1,770,000	1,773,400	1,773,400
Administrative Services	1,344,400	1,623,500	1,697,000	1,553,200	1,553,200
Division of Personnel	958,000	1,172,200	1,258,600	1,123,400	1,123,400
Debt Service	270,000				
<b>TOTAL EXPENDITURES</b>	<b>6,608,000</b>	<b>10,127,400</b>	<b>10,471,800</b>	<b>9,622,300</b>	<b>10,707,300</b>

Corrections Management provides the administrative and management functions for the Department of Corrections. These functions are achieved through six program areas: Office of the Commissioner, Division of Personnel, Division of Corrections Training, Division of Administrative Services, Debt Service, and Division of Correctional Industries.

The Office of the Commissioner provides departmental management and administrative support necessary for the Commissioner of Corrections to conduct statutorily assigned duties pursuant to KRS 196 and 197. The Office conducts centralized personnel and budgeting functions. The Commission on Corrections/Community Services is administratively attached to the Office. Also attached to the Office of the Commissioner is the Office of the Deputy Commissioner for Support Services, responsible for the Division of Corrections Training and Division of Administrative Services. The Information

Technology and Offender Records Branch as well as the Victim Notification/Victims Services Branch are also under the Office of the Deputy Commissioner of Support Services.

The Division of Corrections Training, referenced in KRS 12.020, 16.090, 441.055, and 441.115, is responsible for developing curriculum and providing job training to corrections employees including staff in the county jails. Instruction is provided through the Basic Academy program, the Common Core/Officer In-service program, Jail Training programs, and various specialized programs.

The Division of Administrative Services, referenced in KRS 12.020, is comprised of two branches that provide support services to the entire Department in accounting and purchasing, property inventory, and budgeting. The Division of Administrative Services also includes the Contract Management Branch, which is charged with the responsibility for administering the contracts for the Commonwealth's privately operated correctional facilities. These private facilities include three contracted adult institutions (authorized and governed by KRS 197.500-525) - the Lee Adjustment Center, a 250-bed medium security institution located near Beattyville, the Marion Adjustment Center, an 826-bed minimum security institution located at St. Mary's, and the Otter Creek Correctional Complex, a 476-bed facility located near Wheelwright which is in the process of providing for male inmates instead of female inmates. This branch also oversees contracts with 19 halfway houses located across the state which provide housing for approximately 1,419 community custody inmates and parolees, which includes community placements with the Recovery Kentucky substance abuse programs.

### **Policy**

The Executive Budget provides debt service in the amount of \$1,084,500 in fiscal year 2011 and \$2,369,500 in fiscal year 2012 to support new bonds for capital projects.



**Justice and Public Safety  
Corrections  
Adult Correctional Institutions**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	268,179,800	290,823,300	298,538,100	259,399,000	276,313,700
Salary and Health Insurance Adjustments	603,900				
Budget Reduction-General Fund	-75,367,600				
Reorganization Adjustment		-430,900	-430,900		
<b>Total General Fund</b>	193,416,100	290,392,400	298,107,200	259,399,000	276,313,700
<b>Restricted Fund</b>					
Balance Forward	850,400				
Current Receipts	18,683,700	19,706,400	19,988,900	19,706,400	19,988,900
<b>Total Restricted Fund</b>	19,534,100	19,706,400	19,988,900	19,706,400	19,988,900
<b>Federal Fund</b>					
Current Receipts	1,903,700	2,253,700	2,253,700	2,253,700	2,253,700
ARRA Receipts	3,500,300				
SFSF Receipts	75,367,600			16,209,900	
<b>Total Federal Fund</b>	80,771,600	2,253,700	2,253,700	18,463,600	2,253,700
<b>TOTAL SOURCE OF FUNDS</b>	293,721,800	312,352,500	320,349,800	297,569,000	298,556,300
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	178,747,400	194,957,300	198,884,700	184,408,300	184,690,900
Operating Expenses	49,229,400	46,115,000	45,845,600	45,518,600	45,248,800
Grants Loans Benefits	65,595,100	71,205,200	75,539,500	67,567,100	68,536,600
Capital Outlay	149,900	75,000	80,000	75,000	80,000
<b>TOTAL EXPENDITURES</b>	293,721,800	312,352,500	320,349,800	297,569,000	298,556,300
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	193,416,100	290,392,400	298,107,200	259,399,000	276,313,700
Restricted Fund	19,534,100	19,706,400	19,988,900	19,706,400	19,988,900
Federal Fund	80,771,600	2,253,700	2,253,700	18,463,600	2,253,700
<b>TOTAL EXPENDITURES</b>	293,721,800	312,352,500	320,349,800	297,569,000	298,556,300
<b>EXPENDITURES BY UNIT</b>					
Institutions Operations	2,806,700	3,256,200	3,352,100	2,725,800	2,725,800
Medical Services	52,200,000	54,959,200	56,725,200	54,744,000	56,110,300
Education	1,276,200	1,282,000	1,287,600	6,624,300	6,624,300
Correctional Industries	14,000,000	14,172,300	14,454,800	14,172,300	14,454,800
Correctional Facilities	188,000,100	200,033,300	202,522,800	184,349,800	184,349,800
Mental Health	11,886,500	12,559,400	13,213,900	11,886,500	11,886,500
Private Prisons	23,552,300	26,090,100	28,793,400	23,066,300	22,404,800
<b>TOTAL EXPENDITURES</b>	293,721,800	312,352,500	320,349,800	297,569,000	298,556,300

Adult Correctional Institutions is comprised of 13 state correctional facilities and three privately contracted facilities for adult felon offenders. Five additional programmatic areas serve all institutions and their incarcerated populations: the Division of Operations, the Division of Mental Health, Education programs, Inmate Medical Services, and the Division of Correctional Facilities.

The Division of Operations, pursuant to KRS 197.505, 197.065, 196.240, and 197.110, supervises and directs the following

activities: classification and placement of inmates, coordination of academic and technical programs, coordination of dietary and health programs for state owned facilities, and coordination of security threat group information.

The Division of Mental Health is responsible for providing mental health treatment services to Kentucky's incarcerated, paroled, and probated populations. The Division is comprised of four units: alcohol and other substance abuse treatment programs, sex offender treatment programs (which are governed by KRS 197.400-440), the Sex Offender Risk Assessment Unit, and psychiatric and psychological out patient services.

Inmate Medical Services, pursuant to KRS 197.020, provides necessary health services to inmates committed to the Department. Services are performed at each institutional location through institutional medical staff, personal service contracts, and outside referrals to local specialists and hospitals. The provision of medical services is monitored, authorized, and reviewed by a system-wide Medical Director. Beneficiaries of the Division of Inmate Medical Services also include the state inmates housed in local jails who are able to participate in the healthcare network administered through the Division. County jail inmates are now beneficiaries of the healthcare network in accordance with House Bill 191.

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

Also administered by the Division of Correctional Industries is the Institutional Farm program. Farm programs are currently operated at Blackburn Correctional Complex, Northpoint Training Center, Roederer Correctional Complex, and Western Kentucky Correctional Complex. Current farm operations consist of cattle (including commercial cattle and a prime Registered Angus herd), grain, hay, orchards, vegetables, and freshwater shrimp. The farm program also has a working agreement with the Thoroughbred Retirement Foundation, and operates a refuge for retired thoroughbred horses at the Blackburn Correctional Complex.

## **Correctional Institutions**

**Kentucky State Reformatory (KSR)** is a medium security institution with an operational capacity of 2,000 inmates located near LaGrange in Oldham County. The inmate population is divided into four segments: general population, special management unit, nursing care facility, and mental health unit. Since 1980, KSR has converted designated living areas into single cell facilities and opened a new 150-bed mental health unit during 1998. In 1995 KSR opened the Nursing Care Facility which houses inmates in need of medical care due to their medical condition.

**Kentucky State Penitentiary (KSP)** is a maximum security institution with an operational capacity of 904 inmates, located near Eddyville in Lyon County. The inmate population is separated into three major groups: general population, protective custody, and disciplinary/administrative segregation. KSP also houses the state's capital punishment unit.

**Blackburn Correctional Complex (BCC)** is a minimum security institution with an operational capacity of 594 inmates located near Lexington in Fayette County. The institution programmatically directs inmates to halfway houses or returns the inmate to the community by parole, based upon the individual's demonstrated conduct, program performance, and need.

**Bell County Forestry Camp (BCFC)** is a minimum security institution with an operational capacity of 300 inmates located near Pineville in Bell County. The institution provides manpower to the Division of Forestry for fire suppression in Bell and seven surrounding counties during fire season along with road, highway garage, and community service details.

**Kentucky Correctional Institution for Women (KCIW)**, the only state institutional facility for women in the Commonwealth, is located in PeeWee Valley in Shelby County, and has an operational capacity of 717 inmates. All levels of security and all levels of medical services must be provided since virtually all female prisoners are housed at KCIW.

**Frankfort Career Development Center (FCDC)** is a minimum security institution with an operational capacity of 205 inmates located in Frankfort in Franklin County. The institution primarily provides inmate labor to state government agencies in Frankfort at approximately 30 governmental work locations.

**Eastern Kentucky Correctional Complex (EKCC)** is a medium security institution with an operational capacity of 1,674 inmates located near West Liberty in Morgan County. The facility is the second largest correctional institution in the state, providing inmates with employment opportunities, academic resources, and vocational programs.

**Western Kentucky Correctional Complex (WKCC)** is a medium security institution with an operational capacity of 670 inmates located near Caldwell County. The institution operates a full farm operation on 2,500 acres, a community work program for surrounding parks and cities, and the Correctional Industries recycling program serving the surrounding counties.

**Roederer Correctional Complex (RCC)** is a medium security institution with an operational capacity of 1,002 inmates located near LaGrange in Oldham County. The institution operates the Department's Assessment and Classification Center, serving all incoming male inmates with the exception of inmates sentenced to capital punishment. The institution also operates a full farm

operation on approximately 2,800 acres.

**Luther Luckett Correctional Complex (LLCC)** is a medium security institution with an operational capacity of 1,102 inmates, also located near LaGrange in Oldham County. The facility houses two separate institutions: the Department of Correction's prison facility and the Cabinet for Health and Family Services' Kentucky Correctional Psychiatric Center (KCPC). Due to KCPC, the inmate population has a variety of psychological, pharmaceutical, recreational, academic, vocational, and substance abuse programs available.

**Green River Correctional Complex (GRCC)** is a medium security institution with an operational capacity of 943 inmates located near Central City in Muhlenberg County.

**Northpoint Training Center (NTC)** is a medium security institution with an operational capacity of 1,226 inmates located near Danville in Boyle County. The institution operates a prison farm, along with counseling, academic, and vocational programs.

**Little Sandy Correctional Complex (LSCC)** is the state's newest correctional institution. The new institution, which opened in June 2005, is located near Sandy Hook in Elliott County and has an operational capacity of 1,022 inmates. Programming at the new institution consists of basic educational and vocational training classes, as well as psychological services. Correctional industries programs are planned in the near future.

## Policy

The Executive Budget includes several initiatives to maximize institutional capacity and gain efficiencies in the location of inmates within the Correctional system that combine to reduce the cost of Adult Institutions by \$2,273,000 in fiscal year 2011 and \$3,003,500 in fiscal year 2012.

The Executive Budget maximizes institutional capacity by housing 400 more inmates in the Roederer Correctional Complex and Kentucky State Reformatory by fully utilizing available capacity and existing capabilities of these two institutions. This action is a common practice in corrections public policy. The cost savings of \$2,123,000 in each fiscal year of the biennium will occur due to the lower marginal costs of increased inmates in these institutions compared to the costs of housing inmates in contracted and other facilities.

The Executive Budget provides for the conversion of the Western Kentucky Correctional Complex from a male population to a female population. This transition will primarily increase the medium custody beds for the female inmate population and provide a separate minimum custody unit for the female inmates. Female inmates will be removed from the privately operated Otter Creek facility and placed at the Western Kentucky Correctional Complex in Fredonia, Kentucky. The Otter Creek facility will in turn, house male inmates. Upon full implementation, this initiative will result in over \$2,580,600 in savings in fiscal year 2012.

The Executive Budget proposes to again suspend KRS 197.045(1) so that the Department of Corrections may provide an educational good time credit of 90 days to any prisoner who successfully receives a graduate equivalency diploma or a high school diploma, a two or four year certification in applied sciences, or a technical education diploma as provided and defined by the department, or completes a drug treatment program or other treatment program as defined by the department that requires participation in the program of six months or more.

The Executive Budget also proposes to again suspend KRS 197.045(3) so that an inmate may at the discretion of the Commissioner of the Department of Corrections, be allowed a deduction from a sentence not to exceed seven days per month served for meritorious behavior, and may be allowed an additional deduction up to seven days per month served for acts of exceptional service during times of emergency or for performing duties of outstanding importance in connection with institutional operations and programs.

The education program and funding previously administered by the Kentucky Community and Technical College System (KCTCS) is transferred to the Department of Corrections, Adult Institutions budget in the amount of \$5,348,100 from the General Fund in each fiscal year 2011 and fiscal year 2012. The faculty and staff funded by this appropriation and employed by KCTCS to provide educational services and support to inmates will be transferred to the Department of Corrections in fiscal year 2011.

**Justice and Public Safety  
Corrections  
Community Services and Local Facilities**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	149,410,300	169,457,800	175,236,900	152,421,000	159,926,500
Salary and Health Insurance Adjustments	229,100				
<b>Total General Fund</b>	149,639,400	169,457,800	175,236,900	152,421,000	159,926,500
<b>Restricted Fund</b>					
Balance Forward	299,561				
Current Receipts	3,257,939	3,557,500	3,557,500	3,557,500	3,557,500
<b>Total Restricted Fund</b>	3,557,500	3,557,500	3,557,500	3,557,500	3,557,500
<b>Federal Fund</b>					
Current Receipts	651,500	639,200	264,200	264,200	264,200
<b>Total Federal Fund</b>	651,500	639,200	264,200	264,200	264,200
<b>TOTAL SOURCE OF FUNDS</b>	153,848,400	173,654,500	179,058,600	156,242,700	163,748,200
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	34,564,600	37,632,000	40,791,800	34,760,800	34,760,800
Operating Expenses	5,357,900	5,476,700	5,633,400	4,549,000	4,549,000
Grants Loans Benefits	113,925,900	130,168,100	132,583,600	116,932,900	124,438,400
Capital Outlay		377,700	49,800		
<b>TOTAL EXPENDITURES</b>	153,848,400	173,654,500	179,058,600	156,242,700	163,748,200
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	149,639,400	169,457,800	175,236,900	152,421,000	159,926,500
Restricted Fund	3,557,500	3,557,500	3,557,500	3,557,500	3,557,500
Federal Fund	651,500	639,200	264,200	264,200	264,200
<b>TOTAL EXPENDITURES</b>	153,848,400	173,654,500	179,058,600	156,242,700	163,748,200
<b>EXPENDITURES BY UNIT</b>					
Probation and Parole Program	38,067,000	40,620,500	43,526,500	37,448,900	37,448,900
Local Facilities Operations	977,500	1,227,200	1,235,200	977,500	977,500
Local Facilities - Jail Program	93,502,200	108,498,500	110,085,200	95,532,700	102,380,900
Community Corrections Commission	1,056,000	1,059,200	1,063,800	1,056,000	1,056,000
Halfway Houses	18,557,800	19,669,300	20,617,600	19,746,200	20,150,700
Electronic Monitoring	1,687,900	2,579,800	2,530,300	1,481,400	1,734,200
<b>TOTAL EXPENDITURES</b>	153,848,400	173,654,500	179,058,600	156,242,700	163,748,200

The Community Services and Local Facilities program is comprised of three units which provide the core system of community-based correctional programs to protect the Commonwealth. The three organizational units are the Division of Probation and Parole, the Division for Local Facilities, and Community Corrections.

The Division of Probation and Parole, pursuant to KRS 439.370 and 439.480, through the probation and parole officers in the 19 districts, provides supervision of approximately 38,933 probationers and parolees in the community, investigations of offenders for the courts and parole board, rehabilitative services to offenders, and assistance in employment and home placement.

The Division for Local Facilities, as mandated by KRS Chapter 441, is responsible for jail inspection, jail standards review and enforcement regulations, technical assistance to local governments, and approval of construction plans. The Division administers the controlled intake of certain classes of C and D felons, per KRS Chapter 532.

This division is also responsible for payment of local jail per diems, medical per diems, excess medical costs, and inmate labor for the state inmates housed in the Commonwealth's 74 full service jails and 3 regional jails.

The Community Corrections area is comprised of the Halfway House program, Kentucky Corrections Commissioner, and Electronic Monitoring program. Pursuant to KRS Chapter 439, the Halfway House program provides rehabilitation in community residential correctional centers throughout the Commonwealth where inmates are transitioned prior to their release. Pursuant to KRS Chapter 196, the Kentucky Corrections Commission grants funds for the purpose of assisting judges, throughout the Commonwealth, develop alternatives to incarceration. In accordance with KRS 532.260, the Department of Corrections has initiated the Home Incarceration program (HIP). The current average daily population of HIP participants is 283.

## **Policy**

The Executive Budget includes several initiatives to improve efficiency of current facilities and services by expanding the Home Incarceration Program, and substance abuse program slots. These policy initiatives are estimated to reduce the costs to Corrections, Community Services and Local Facilities by \$2,295,600 in fiscal year 2011 and \$4,145,800 in fiscal year 2012.

The Home Incarceration Program will be expanded to other parts of the state by maximizing available technology to include GPS and radio frequency devices.

There are nearly 1,000 inmates that have received parole conditioned upon the successful completion of a substance abuse program operated within the correctional facilities, but there are not enough institutional placements to meet that need. The Executive Budget provides authority to the Commissioner to allow these conditional parolees to be placed in community-based substance abuse programs, including additional placements at Recovery Kentucky Centers, that have been contracted for and certified by the Department. The Executive Budget increases the number of placements by 280 in these substance abuse programs. This initiative will enhance the rehabilitation of the inmates and reduce the likelihood of recidivism while reserving institutional substance abuse treatment slots for other inmates requiring those rehabilitative services.

The Executive Budget provides the authority to establish a maximum threshold for parole deferment or serve out date by the Parole Board of 24 months for inmates who are serving Class C or D felonies for nonviolent, nonsexual offenses. This initiative will continue to protect public safety and is intended to reduce the costs of Corrections. The maximum deferment or serve out date for an inmate is set at no greater than the amount of time an inmate with a life sentence would have to serve to be considered for parole or deferment.

The Executive Budget provides limited authority for a Parole Officer to place intermediate sanctions on an inmate in technical violation of the terms of supervision. This intermediate sanction is limited to placement in a county jail for up to 90 days.

KRS 532.260(1)(b) is again suspended so that the Department of Corrections may place eligible nonviolent, nonsexual Class C or D felons who are serving a sentence in a state-operated prison, contract facility, or county jail who are within 180 days or less from completing their sentence on home incarceration using an electronic monitoring device at the discretion of the Commissioner and approval of the Secretary of the Justice and Public Safety Cabinet. This language was also included in the 2008-2010 budget.

KRS 439.344 provides that the period of time spent on parole shall count as a part of the prisoner's remaining unexpired sentence when it is used to determine a parolee's eligibility for a final discharge from parole or when a parolee is returned as a parole violator for a violation other than a new felony conviction. This language was also included in the 2008-2010 budget.

The Executive Budget includes General Fund in the amount of \$2,858,500 in fiscal year 2011 and fiscal year 2012 to provide substance abuse treatment for state felons housed in county jails and for the development and establishment of a secured substance abuse recovery program for persons suffering from substance abuse who have been charged with a felony offense.

The Department of Corrections estimates a 4.5 percent growth in the number of probationers and parolees over the biennium, from 38,933 to 40,673.

**Justice and Public Safety**

**Corrections**

**Local Jail Support**

	<b>Revised FY 2010</b>	<b>Requested FY 2011</b>	<b>Requested FY 2012</b>	<b>Recommended FY 2011</b>	<b>Recommended FY 2012</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	15,940,000	17,325,800	17,325,800	14,321,500	14,321,500
Continuing Approp.-General Fund	24,416				
Budget Reduction-General Fund	-608,900				
Mandated Expenditure Reductions	-717,300				
<b>Total General Fund</b>	<b>14,638,216</b>	<b>17,325,800</b>	<b>17,325,800</b>	<b>14,321,500</b>	<b>14,321,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>14,638,216</b>	<b>17,325,800</b>	<b>17,325,800</b>	<b>14,321,500</b>	<b>14,321,500</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	34,700	34,700	34,700	34,700	34,700
Operating Expenses	447,000	447,000	447,000	447,000	447,000
Grants Loans Benefits	14,156,516	16,844,100	16,844,100	13,839,800	13,839,800
<b>TOTAL EXPENDITURES</b>	<b>14,638,216</b>	<b>17,325,800</b>	<b>17,325,800</b>	<b>14,321,500</b>	<b>14,321,500</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	14,638,216	17,325,800	17,325,800	14,321,500	14,321,500
<b>TOTAL EXPENDITURES</b>	<b>14,638,216</b>	<b>17,325,800</b>	<b>17,325,800</b>	<b>14,321,500</b>	<b>14,321,500</b>
<b>EXPENDITURES BY UNIT</b>					
Local Jail Allotment	12,905,100	15,617,100	15,617,100	12,612,800	12,612,800
Restricted Medical	931,100	931,100	931,100	931,100	931,100
Jailers' Allowance	481,700	481,700	481,700	481,700	481,700
Catastrophic Medical	320,316	295,900	295,900	295,900	295,900
<b>TOTAL EXPENDITURES</b>	<b>14,638,216</b>	<b>17,325,800</b>	<b>17,325,800</b>	<b>14,321,500</b>	<b>14,321,500</b>

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

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

The Jailer's Allowance program, pursuant to KRS 441.115, trains jailers and jail personnel. No fee is charged for this training. Three hundred dollars (\$300) per month is paid to jailers to help defray the costs of participation in this training program. Expense allowance payments are discontinued if the jailer fails to satisfactorily complete annual continuing training.

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

**Policy**

Included in the Executive Budget is \$960,000 from the General Fund in each fiscal year of the biennium to provide a monthly payment of an annual amount of \$20,000 to each county with a life safety jail or a closed jail. The payment shall be in addition to the monthly payment required by KRS 441.206(2).

**Justice and Public Safety  
Public Advocacy**

	<b>Revised FY 2010</b>	<b>Requested FY 2011</b>	<b>Requested FY 2012</b>	<b>Recommended FY 2011</b>	<b>Recommended FY 2012</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	35,679,400	47,101,900	53,870,900	38,143,400	38,143,400
Salary and Health Insurance Adjustments	643,000				
Special Appropriation	1,727,100				
<b>Total General Fund</b>	<b>38,049,500</b>	<b>47,101,900</b>	<b>53,870,900</b>	<b>38,143,400</b>	<b>38,143,400</b>
<b>Restricted Fund</b>					
Balance Forward	3,800				
Current Receipts	1,667,000	1,686,700	1,710,700	1,686,700	1,710,700
Non-Revenue Receipts	2,333,000	2,333,300	2,333,300	2,333,300	2,333,300
<b>Total Restricted Fund</b>	<b>4,003,800</b>	<b>4,020,000</b>	<b>4,044,000</b>	<b>4,020,000</b>	<b>4,044,000</b>
<b>Federal Fund</b>					
Regular Appropriation		1,516,000	1,516,100		
Current Receipts	2,661,100	680,000	282,400	2,196,000	1,798,500
<b>Total Federal Fund</b>	<b>2,661,100</b>	<b>2,196,000</b>	<b>1,798,500</b>	<b>2,196,000</b>	<b>1,798,500</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>44,714,400</b>	<b>53,317,900</b>	<b>59,713,400</b>	<b>44,359,400</b>	<b>43,985,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	31,963,200	38,954,200	45,215,800	31,899,100	31,525,700
Operating Expenses	6,722,500	7,485,800	7,619,700	6,431,600	6,431,500
Grants Loans Benefits	6,028,700	6,877,900	6,877,900	6,028,700	6,028,700
<b>TOTAL EXPENDITURES</b>	<b>44,714,400</b>	<b>53,317,900</b>	<b>59,713,400</b>	<b>44,359,400</b>	<b>43,985,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	38,049,500	47,101,900	53,870,900	38,143,400	38,143,400
Restricted Fund	4,003,800	4,020,000	4,044,000	4,020,000	4,044,000
Federal Fund	2,661,100	2,196,000	1,798,500	2,196,000	1,798,500
<b>TOTAL EXPENDITURES</b>	<b>44,714,400</b>	<b>53,317,900</b>	<b>59,713,400</b>	<b>44,359,400</b>	<b>43,985,900</b>
<b>EXPENDITURES BY UNIT</b>					
Office of the Public Advocate	1,101,500	1,297,200	1,252,300	1,156,800	1,066,800
Defense Services	40,031,100	47,951,800	54,144,400	39,628,900	39,345,300
Law Operations	1,600,900	1,796,600	1,902,100	1,600,000	1,600,000
Protection and Advocacy	1,980,900	2,272,300	2,414,600	1,973,700	1,973,800
<b>TOTAL EXPENDITURES</b>	<b>44,714,400</b>	<b>53,317,900</b>	<b>59,713,400</b>	<b>44,359,400</b>	<b>43,985,900</b>

The U. S. and Kentucky Constitutions provide to all Americans the right to the assistance of counsel when they are charged with a crime. Those same constitutional provisions mandate that all persons who cannot afford an attorney and are charged with a crime that carries a potential loss of liberty be provided with an attorney by the state. The Kentucky Department of Public Advocacy (DPA) was established in KRS Chapter 31 to provide representation for indigent persons accused of crimes (or mental states) which may result in their incarceration. Kentucky's mandated public defender services are delivered by a system consisting of full-time employed public defenders, full-time contract public defenders, and private attorneys contracting with the Department to provide services primarily in situations involving conflicts of interest. The Department, under the direction of the Public Advocate, is attached to the Justice and Public Safety Cabinet for administrative purposes.

The Office of the Public Advocate is responsible for the oversight of the agency and includes the Public Advocate, Deputy Public Advocate & General Counsel, and all strategic planning and education functions.

The Operations Division provides budget, personnel, administrative, technology, facility oversight, library services, research,

archive services and management support for the Department.

The Trial Division represents all needy persons accused of crimes punishable by loss of liberty, persons accused of juvenile delinquency and status offenses, and all needy persons faced with involuntary commitments due to mental state or condition in all of Kentucky's 120 counties. This includes district, circuit, drug, juvenile, and family court venues.

The Post-Trial Division provides mandated defender services for indigent persons after conviction. These services include providing counsel to indigent persons on appeal, to incarcerated persons on post-conviction actions in state and federal court, and to all juveniles in treatment facilities.

The Department's Protection and Advocacy Division was established pursuant to Public Law 99-319, Public Law 101-496, and KRS 31.030. The Division seeks legal, administrative, and other appropriate remedies to insure protection of Kentuckians with developmental disabilities and mental illness. The majority of funds in this division's budget are Federal Funds that have strict non-supplanting requirements.

### **Policy**

The Public Advocate may institute a policy, when he determines that internal budgetary pressures warrant further austerity measures, to suspend payment of 50 hour blocks of compensatory time for those attorneys who have accumulated 240 hours of compensatory time and instead convert those hours to sick leave.



# Labor

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	<b>Labor</b>				
	<b>Revised FY 2010</b>	<b>Requested FY 2011</b>	<b>Requested FY 2012</b>	<b>Recommended FY 2011</b>	<b>Recommended FY 2012</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	5,749,100	25,550,000	26,213,900	4,952,900	4,952,900
Salary and Health Insurance Adjustments	118,600				
Budget Reduction-General Fund	-534,000				
Mandated Expenditure Reductions	-433,700				
<b>Total General Fund</b>	<b>4,900,000</b>	<b>25,550,000</b>	<b>26,213,900</b>	<b>4,952,900</b>	<b>4,952,900</b>
<b>Restricted Fund</b>					
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
<b>Total Restricted Fund</b>	<b>200,849,500</b>	<b>195,015,600</b>	<b>198,965,800</b>	<b>205,900,700</b>	<b>208,007,600</b>
<b>Federal Fund</b>					
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
<b>Total Federal Fund</b>	<b>3,503,100</b>	<b>3,304,900</b>	<b>3,287,000</b>	<b>3,273,600</b>	<b>3,246,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>209,252,600</b>	<b>223,870,500</b>	<b>228,466,700</b>	<b>214,127,200</b>	<b>216,207,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	129,380,400	143,467,700	148,138,000	134,688,100	136,626,100
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
<b>TOTAL EXPENDITURES</b>	<b>208,801,500</b>	<b>223,835,000</b>	<b>228,433,200</b>	<b>214,064,100</b>	<b>216,191,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	4,900,000	25,550,000	26,213,900	4,952,900	4,952,900
Restricted Fund	200,398,400	194,980,100	198,932,300	205,837,600	207,991,800
Federal Fund	3,503,100	3,304,900	3,287,000	3,273,600	3,246,900
<b>TOTAL EXPENDITURES</b>	<b>208,801,500</b>	<b>223,835,000</b>	<b>228,433,200</b>	<b>214,064,100</b>	<b>216,191,600</b>
<b>EXPENDITURES BY UNIT</b>					
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	5,702,800	5,914,900
Workplace Standards	82,303,200	84,397,300	85,438,600	82,090,900	82,371,200
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
<b>TOTAL EXPENDITURES</b>	<b>208,801,500</b>	<b>223,835,000</b>	<b>228,433,200</b>	<b>214,064,100</b>	<b>216,191,600</b>

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.

**Labor  
Secretary**

	<b>Revised FY 2010</b>	<b>Requested FY 2011</b>	<b>Requested FY 2012</b>	<b>Recommended FY 2011</b>	<b>Recommended FY 2012</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Fund</b>					
Balance Forward	357,400				
Non-Revenue Receipts	3,969,800	4,870,800	4,864,800	4,288,000	4,290,200
<b>Total Restricted Fund</b>	<b>4,327,200</b>	<b>4,870,800</b>	<b>4,864,800</b>	<b>4,288,000</b>	<b>4,290,200</b>
<b>Federal Fund</b>					
Balance Forward	15,600				
Current Receipts	206,200	144,000	153,900	108,900	108,900
Non-Revenue Receipts	-21,800	-14,500	-15,600	-10,700	-10,700
<b>Total Federal Fund</b>	<b>200,000</b>	<b>129,500</b>	<b>138,300</b>	<b>98,200</b>	<b>98,200</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>4,527,200</b>	<b>5,000,300</b>	<b>5,003,100</b>	<b>4,386,200</b>	<b>4,388,400</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	3,500,800	4,148,400	4,211,100	3,572,300	3,596,400
Operating Expenses	744,900	689,900	639,000	651,900	639,000
Capital Outlay	281,500	162,000	153,000	162,000	153,000
<b>TOTAL EXPENDITURES</b>	<b>4,527,200</b>	<b>5,000,300</b>	<b>5,003,100</b>	<b>4,386,200</b>	<b>4,388,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Fund	4,327,200	4,870,800	4,864,800	4,288,000	4,290,200
Federal Fund	200,000	129,500	138,300	98,200	98,200
<b>TOTAL EXPENDITURES</b>	<b>4,527,200</b>	<b>5,000,300</b>	<b>5,003,100</b>	<b>4,386,200</b>	<b>4,388,400</b>
<b>EXPENDITURES BY UNIT</b>					
Secretary	4,527,200	5,000,300	5,003,100	4,386,200	4,388,400
<b>TOTAL EXPENDITURES</b>	<b>4,527,200</b>	<b>5,000,300</b>	<b>5,003,100</b>	<b>4,386,200</b>	<b>4,388,400</b>

The Secretary of Labor manages and administers the duties of the Cabinet.

Funding for the Office of the Secretary is provided by the Kentucky Workers' Compensation Funding Commission's special assessments imposed upon workers' compensation premiums paid by employers and self-insureds.

**Labor**  
**General Administration and Program Support**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	3,627,800	3,810,400	4,175,800	3,112,100	3,112,100
Salary and Health Insurance	79,200				
Adjustments					
Budget Reduction-General Fund	-347,100				
Mandated Expenditure Reductions	-338,300				
<b>Total General Fund</b>	3,021,600	3,810,400	4,175,800	3,112,100	3,112,100
<b>Restricted Fund</b>					
Balance Forward	245,600	234,600	35,500	234,600	63,100
Non-Revenue Receipts	2,433,300	2,350,500	2,686,800	2,350,500	2,686,800
<b>Total Restricted Fund</b>	2,678,900	2,585,100	2,722,300	2,585,100	2,749,900
<b>Federal Fund</b>					
Current Receipts	71,200	71,200	71,200	71,200	71,200
Non-Revenue Receipts	-2,500	-2,500	-2,500	-2,500	-2,500
<b>Total Federal Fund</b>	68,700	68,700	68,700	68,700	68,700
<b>TOTAL SOURCE OF FUNDS</b>	5,769,200	6,464,200	6,966,800	5,765,900	5,930,700
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	4,956,900	5,878,800	6,318,900	5,129,100	5,280,800
Operating Expenses	549,700	549,900	614,400	573,700	634,100
Capital Outlay	28,000				
<b>TOTAL EXPENDITURES</b>	5,534,600	6,428,700	6,933,300	5,702,800	5,914,900
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	3,021,600	3,810,400	4,175,800	3,112,100	3,112,100
Restricted Fund	2,444,300	2,549,600	2,688,800	2,522,000	2,734,100
Federal Fund	68,700	68,700	68,700	68,700	68,700
<b>TOTAL EXPENDITURES</b>	5,534,600	6,428,700	6,933,300	5,702,800	5,914,900
<b>EXPENDITURES BY UNIT</b>					
Office of General Admin & Program Support Shared Services	4,797,100	5,562,000	6,006,900	4,905,600	5,096,600
Inspector General Shared Services	737,500	866,700	926,400	797,200	818,300
<b>TOTAL EXPENDITURES</b>	5,534,600	6,428,700	6,933,300	5,702,800	5,914,900

Attached to the Labor Cabinet for administrative purposes, General Administration and Program Support for Shared Services includes the Office of Administrative and Program Support for Shared Services and the Office of Inspector General for Shared Services. Both offices provide the Public Protection Cabinet, Labor Cabinet and Energy and Environment Cabinet agencies with the centralized administrative resources necessary to carry out their mission.

The Office of Administrative and Program Support for Shared Services serves as a central point of contact for fiscal, personnel, payroll, budget and operations for the three Cabinet's. The Division of Information Services within the Office of Administrative and Program Support for Shared Services is a central point of contact for information technology services for the Public Protection Cabinet and Energy and Environment Cabinet.

The Office of Inspector General for Shared Services is the lead investigative agency for the three Cabinets.

**Labor  
Workplace Standards**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,121,300	2,739,600	3,038,100	1,840,800	1,840,800
Salary and Health Insurance Adjustments	39,400				
Budget Reduction-General Fund	-186,900				
Mandated Expenditure Reductions	-95,400				
<b>Total General Fund</b>	1,878,400	2,739,600	3,038,100	1,840,800	1,840,800
<b>Restricted Fund</b>					
Balance Forward	4,367,700	216,500		216,500	
Current Receipts	2,173,400	1,500,000	1,500,000	1,452,900	1,408,300
Non-Revenue Receipts	70,865,800	76,834,500	77,820,500	75,474,000	76,042,100
<b>Total Restricted Fund</b>	77,406,900	78,551,000	79,320,500	77,143,400	77,450,400
<b>Federal Fund</b>					
Current Receipts	3,484,300	3,355,400	3,328,700	3,355,400	3,328,700
Non-Revenue Receipts	-249,900	-248,700	-248,700	-248,700	-248,700
<b>Total Federal Fund</b>	3,234,400	3,106,700	3,080,000	3,106,700	3,080,000
<b>TOTAL SOURCE OF FUNDS</b>	82,519,700	84,397,300	85,438,600	82,090,900	82,371,200
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	8,620,200	10,353,200	11,353,100	8,501,800	8,690,600
Operating Expenses	2,086,000	2,548,700	2,579,100	2,093,700	2,174,200
Grants Loans Benefits	71,468,400	71,468,400	71,468,400	71,468,400	71,468,400
Capital Outlay	128,600	27,000	38,000	27,000	38,000
<b>TOTAL EXPENDITURES</b>	82,303,200	84,397,300	85,438,600	82,090,900	82,371,200
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,878,400	2,739,600	3,038,100	1,840,800	1,840,800
Restricted Fund	77,190,400	78,551,000	79,320,500	77,143,400	77,450,400
Federal Fund	3,234,400	3,106,700	3,080,000	3,106,700	3,080,000
<b>TOTAL EXPENDITURES</b>	82,303,200	84,397,300	85,438,600	82,090,900	82,371,200
<b>EXPENDITURES BY UNIT</b>					
Employment Standards	1,878,400	2,789,600	3,038,100	1,890,800	1,840,800
Special Fund	72,089,200	72,066,800	72,133,700	72,044,800	72,082,700
Occupational Safety and Health	8,074,300	9,262,800	9,977,400	7,927,600	8,207,700
Commissioner's Office	261,300	278,100	289,400	227,700	240,000
<b>TOTAL EXPENDITURES</b>	82,303,200	84,397,300	85,438,600	82,090,900	82,371,200

The Department of Workplace Standards operates under the authority of KRS Chapters 336, 337, 338, 339, 342, 343, 388, and Executive Order 2009-537.

The Department is comprised of the Division of Occupational Safety and Health Compliance (OSH); the Division of Employment Standards, Apprenticeship and Mediation; the Division of Occupational Safety and Health Education and Training; and the Division of Workers' Compensation Funds.

The Division of Workers' Compensation Funds is responsible for the administration and legal representation of the Special Fund and Coal Workers' Pneumoconiosis Fund and the maintenance of records regarding the payment of workers' compensation injury claims by these funds.

The Division of Occupational Safety and Health Compliance ensures that employers are preventing hazards to the safety and health of all employees arising from exposure to harmful conditions and practices in the work environment. Penalties collected by the Division are returned to the General Fund.

The Division of Occupational Safety and Health Education and Training promotes voluntary compliance with the Kentucky Occupational Safety and Health rules and regulations by providing training, on-site consultations, technical data, and technical and informational materials. The Division also gathers and monitors statistical data concerning job injuries and illnesses, and acts as a liaison between the Cabinet and the Kentucky Occupational Safety and Health Standards Board.

The Division of Employment Standards, Apprenticeship and Mediation is responsible for enforcing areas of Kentucky labor laws including minimum wage, overtime, prevailing wage, child labor, wage discrimination based on sex, apprenticeship and training and mediation.

The Department of Workplace Standards is funded with restricted agency receipts garnered through the Workers' Compensation Funding Commission under the authority of KRS 342; federal funding received from the U.S. Department of Labor, Occupational Safety and Health Administration; and General Fund dollars that support only the Division of Employment Standards, Apprenticeship and Mediation Services.



**Labor  
Workers' Claims**

	<b>Revised FY 2010</b>	<b>Requested FY 2011</b>	<b>Requested FY 2012</b>	<b>Recommended FY 2011</b>	<b>Recommended FY 2012</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Fund</b>					
Balance Forward	944,500				
Current Receipts	120,000	120,000	120,000	120,000	120,000
Non-Revenue Receipts	13,824,400	16,729,600	17,514,600	15,109,700	15,550,600
<b>Total Restricted Fund</b>	<b>14,888,900</b>	<b>16,849,600</b>	<b>17,634,600</b>	<b>15,229,700</b>	<b>15,670,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>14,888,900</b>	<b>16,849,600</b>	<b>17,634,600</b>	<b>15,229,700</b>	<b>15,670,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	12,152,100	13,892,400	14,947,100	12,567,400	12,994,300
Operating Expenses	2,604,500	2,663,500	2,677,500	2,652,300	2,666,300
Capital Outlay	132,300	293,700	10,000	10,000	10,000
<b>TOTAL EXPENDITURES</b>	<b>14,888,900</b>	<b>16,849,600</b>	<b>17,634,600</b>	<b>15,229,700</b>	<b>15,670,600</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Fund	14,888,900	16,849,600	17,634,600	15,229,700	15,670,600
<b>TOTAL EXPENDITURES</b>	<b>14,888,900</b>	<b>16,849,600</b>	<b>17,634,600</b>	<b>15,229,700</b>	<b>15,670,600</b>
<b>EXPENDITURES BY UNIT</b>					
Workers' Claims	14,888,900	16,849,600	17,634,600	15,229,700	15,670,600
<b>TOTAL EXPENDITURES</b>	<b>14,888,900</b>	<b>16,849,600</b>	<b>17,634,600</b>	<b>15,229,700</b>	<b>15,670,600</b>

The Department of Workers' Claims operates under the authority of KRS Chapter 11, 342, 336, and Executive Order 2009-537. The Department enforces statutes with regard to workers' compensation coverage for Kentucky's 2.1 million employees, administers workers' compensation claims and ensures that employers comply with the insurance, self-insurance, and rehabilitation provisions in KRS Chapter 342.

The Department has four divisions. The Division of Claims Processing processes injury claims. The Division of Information and Research collects, stores and retrieves data and disseminates information for the Department. The Division of Security and Compliance handles electronic filings for coverage, enforcement investigations and self-insurance issues. The Division of Ombudsman and Workers' Compensation Specialist Services provides services to employees, employers, insurance carriers, and medical providers.

The Office of Administrative Law Judges conducts hearings; supervises the presentation of evidence and renders final decisions, orders or awards regarding workers' compensation claims.

The Workers' Compensation Board is attached to the Department for administrative purposes. The Board rules on appeals of decisions rendered by administrative law judges in the Kentucky Workers Claims' and Compensation system pursuant to KRS 342.213 and KRS 342.285. The board consists of three members appointed by the Governor to four-year terms. These members must possess the qualifications of appeals court justices and are held to those same professional ethical standards of behavior and compensation. A decision from two of the three board members constitutes a decision of the board.

The Workers' Compensation Advisory Council and the Workers' Compensation Nominating Commission established by KRS Chapter 342 are attached to the Department for administrative purposes.

Funding for the Department of Workers' Claims is provided by the Kentucky Workers' Compensation Funding Commission's special assessments imposed upon workers' compensation premiums paid by employers and self-insureds.

**Labor**  
**Occupational Safety and Health Review Commission**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>Restricted Fund</b>					
Balance Forward	57,500				
Non-Revenue Receipts	448,300	527,100	556,100	519,800	530,800
<b>Total Restricted Fund</b>	505,800	527,100	556,100	519,800	530,800
<b>TOTAL SOURCE OF FUNDS</b>	505,800	527,100	556,100	519,800	530,800
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	462,900	484,700	513,700	477,400	488,400
Operating Expenses	42,900	42,400	42,400	42,400	42,400
<b>TOTAL EXPENDITURES</b>	505,800	527,100	556,100	519,800	530,800
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Fund	505,800	527,100	556,100	519,800	530,800
<b>TOTAL EXPENDITURES</b>	505,800	527,100	556,100	519,800	530,800
<b>EXPENDITURES BY UNIT</b>					
Occupational Safety and Health Review Commission	505,800	527,100	556,100	519,800	530,800
<b>TOTAL EXPENDITURES</b>	505,800	527,100	556,100	519,800	530,800

The Kentucky Occupational Safety and Health Review Commission is an independent quasi-judicial administrative agency which hears and rules on appeals of citations, pursuant to KRS 338.071 and KRS 338.081, issued by the Labor Cabinet's Division of Occupational Safety and Health Compliance.

The Commission receives and processes over 200 cases per year and holds hearings throughout the state. Written findings of fact, conclusions of law, and the recommended decisions issued by the hearing officers may be appealed to the Commission and then to Franklin Circuit Court.

Funding for the Commission is provided by the Kentucky Workers' Compensation Funding Commission's special assessments imposed upon workers' compensation premiums paid by employers and self-insureds.

**Labor**  
**Workers' Compensation Funding Commission**

	<b>Revised FY 2010</b>	<b>Requested FY 2011</b>	<b>Requested FY 2012</b>	<b>Recommended FY 2011</b>	<b>Recommended FY 2012</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation		19,000,000	19,000,000		
<b>Total General Fund</b>		19,000,000	19,000,000		
<b>Restricted Fund</b>					
Balance Forward	2,144,300				
Current Receipts	98,061,300	89,977,600	92,057,500	104,653,500	105,751,700
Non-Revenue Receipts	836,200	1,654,400	1,810,000	1,481,200	1,564,000
<b>Total Restricted Fund</b>	101,041,800	91,632,000	93,867,500	106,134,700	107,315,700
<b>TOTAL SOURCE OF FUNDS</b>	101,041,800	110,632,000	112,867,500	106,134,700	107,315,700
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	99,687,500	108,710,200	110,794,100	104,440,100	105,575,600
Operating Expenses	1,354,300	1,921,800	2,073,400	1,694,600	1,740,100
<b>TOTAL EXPENDITURES</b>	101,041,800	110,632,000	112,867,500	106,134,700	107,315,700
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund		19,000,000	19,000,000		
Restricted Fund	101,041,800	91,632,000	93,867,500	106,134,700	107,315,700
<b>TOTAL EXPENDITURES</b>	101,041,800	110,632,000	112,867,500	106,134,700	107,315,700
<b>EXPENDITURES BY UNIT</b>					
Workers' Compensation Funding Commission	1,805,700	1,847,400	2,006,000	1,674,200	1,760,000
Benefit Reserve	96,594,900	106,371,900	108,432,600	102,047,800	103,126,800
KCWP Fund	2,641,200	2,412,700	2,428,900	2,412,700	2,428,900
<b>TOTAL EXPENDITURES</b>	101,041,800	110,632,000	112,867,500	106,134,700	107,315,700

The Workers' Compensation Funding Commission was created through the passage of House Bill 1 by the 1987 Extraordinary Session of the General Assembly. House Bill 928, passed by the 1994 General Assembly, transferred the Commission to the Labor Cabinet for administrative purposes. The agency has the public purpose of controlling, investing, and managing the funds collected pursuant to KRS Chapter 342.

The Commission is governed by a seven-member Board of Directors. Board members include the Secretaries of Labor, Economic Development, and Finance and Administration Cabinets. In addition, the Governor appoints four members who represent labor, insurance companies writing workers' compensation insurance, employers, and self-insured employers and groups.

The Commission collects two separate assessments as required by KRS Chapter 342. One assessment is imposed on Kentucky Workers' Compensation premiums received by all insurance carriers and group self-insurers, and on a calculation-based premium equivalent for employers carrying their own risk. A second assessment is imposed on such premiums received from employers engaged in the severance or processing of coal. These funds are to be used to fund and pre-fund the liabilities of the Special Fund and the Coal Workers' Pneumoconiosis Fund; finance the administration and operations of the Special Fund and the Coal Workers' Pneumoconiosis Fund; finance the administration and operations of the Funding Commission; finance all programs in the Labor Cabinet except the Division of Employment Standards, Apprenticeship and Mediation; and pay the liabilities and fund the operating budget for the Uninsured Employers' Fund in the Office of the Attorney General.

These assessments are credited to the Commission's Benefit Reserve Fund, and the excess of collections over Special Fund liabilities, the Coal Workers' Pneumoconiosis Fund liabilities, and budgeted expenditures are invested according to the

Commission's policies and in compliance with KRS Chapter 386. The agency may perform or contract for audits of those entities subject to assessments, and may coordinate with other governmental agencies to ensure compliance with the statutes relating to Workers' Compensation funding.

The Board is required to engage a certified public accountant to conduct an annual examination of the Commission's affairs and report the findings to the Governor and the Auditor of Public Accounts.

Included in the operating expenses are the fund transfers that represent the amounts the Commission will transfer to the Labor Cabinet and the Uninsured Employers' Fund for those programs statutorily supported by assessments.

The Commission maintains a diverse financial long-term investment portfolio and has an agreement with the Office of Financial Management, within the Finance and Administration Cabinet, for short-term overnight investment advantages.

### **Policy**

The Benefit Reserve Fund has a sufficient balance to meet all claims, expected growth, and reserves for the upcoming biennium. Therefore, the Executive Budget does not include the \$19,000,000 required in KRS 342.122(1)(3).

The Executive Budget includes \$952,000 in each year of the biennium for Coal Workers' Pneumoconiosis Funds to support Mine Safety Training in the Office of Mine Safety and Licensing.

# Personnel

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	<b>Personnel</b>				
	<b>Revised FY 2010</b>	<b>Requested FY 2011</b>	<b>Requested FY 2012</b>	<b>Recommended FY 2011</b>	<b>Recommended FY 2012</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	31,642,900	1,934,100	2,505,400	49,214,900	75,314,900
Salary and Health Insurance Adjustments	-17,524,900				
Budget Reduction-General Fund	-12,248,000				
Mandated Expenditure Reductions	-93,600				
<b>Total General Fund</b>	<b>1,776,400</b>	<b>1,934,100</b>	<b>2,505,400</b>	<b>49,214,900</b>	<b>75,314,900</b>
<b>Restricted Fund</b>					
Balance Forward	16,296,100	16,658,700	10,080,500	15,450,200	10,078,600
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
<b>Total Restricted Fund</b>	<b>67,467,300</b>	<b>67,157,200</b>	<b>64,574,500</b>	<b>67,380,700</b>	<b>64,186,100</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>69,243,700</b>	<b>69,091,300</b>	<b>67,079,900</b>	<b>116,595,600</b>	<b>139,501,000</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	46,642,800	52,114,100	56,392,000	95,793,500	125,057,400
Operating Expenses	5,304,300	4,985,100	4,928,100	5,328,300	4,695,200
Grants Loans Benefits	1,776,400	1,831,300	1,831,300	1,740,900	1,740,900
Debt Service				3,574,000	3,574,000
Capital Outlay	70,000	80,300	10,300	80,300	10,300
<b>TOTAL EXPENDITURES</b>	<b>53,793,500</b>	<b>59,010,800</b>	<b>63,161,700</b>	<b>106,517,000</b>	<b>135,077,800</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,776,400	1,934,100	2,505,400	49,214,900	75,314,900
Restricted Fund	52,017,100	57,076,700	60,656,300	57,302,100	59,762,900
<b>TOTAL EXPENDITURES</b>	<b>53,793,500</b>	<b>59,010,800</b>	<b>63,161,700</b>	<b>106,517,000</b>	<b>135,077,800</b>
<b>EXPENDITURES BY UNIT</b>					
General Operations	21,280,900	23,189,500	24,804,900	26,934,500	26,984,200
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				43,900,000	70,000,000
State Group Health Insurance Fund	1,776,400	1,831,300	1,831,300	1,740,900	1,740,900
<b>TOTAL EXPENDITURES</b>	<b>53,793,500</b>	<b>59,010,800</b>	<b>63,161,700</b>	<b>106,517,000</b>	<b>135,077,800</b>

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.



**Personnel  
General Operations**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation		102,800	674,100	3,574,000	3,574,000
<b>Total General Fund</b>		102,800	674,100	3,574,000	3,574,000
<b>Restricted Fund</b>					
Balance Forward	2,656,200	2,492,600	971,400	1,284,100	921,100
Current Receipts	14,217,600	14,506,400	16,087,100	15,506,900	16,087,600
Non-Revenue Receipts	5,691,200	7,059,100	7,790,900	7,490,600	7,403,900
<b>Total Restricted Fund</b>	22,565,000	24,058,100	24,849,400	24,281,600	24,412,600
<b>TOTAL SOURCE OF FUNDS</b>	22,565,000	24,160,900	25,523,500	27,855,600	27,986,600
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	16,451,900	18,625,800	20,356,900	18,449,900	19,192,300
Operating Expenses	4,770,300	4,496,300	4,439,300	4,843,200	4,209,200
Debt Service				3,574,000	3,574,000
Capital Outlay	58,700	67,400	8,700	67,400	8,700
<b>TOTAL EXPENDITURES</b>	21,280,900	23,189,500	24,804,900	26,934,500	26,984,200
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund		102,800	674,100	3,574,000	3,574,000
Restricted Fund	21,280,900	23,086,700	24,130,800	23,360,500	23,410,200
<b>TOTAL EXPENDITURES</b>	21,280,900	23,189,500	24,804,900	26,934,500	26,984,200
<b>EXPENDITURES BY UNIT</b>					
General Administration	3,065,900	3,297,900	3,508,700	6,732,100	6,785,300
Governmental Service Center	1,368,400	1,377,000	1,434,000	1,416,900	1,419,600
Employee Relations	1,397,900	1,414,800	1,507,700	1,419,600	1,462,100
Employee Insurance	6,236,900	6,643,300	7,028,800	6,676,600	6,584,900
Personnel Administration	9,211,800	10,456,500	11,325,700	10,689,300	10,732,300
<b>TOTAL EXPENDITURES</b>	21,280,900	23,189,500	24,804,900	26,934,500	26,984,200

The General Operations unit includes the Office of the Secretary, the Department of Human Resources Administration and the Department of Employee Insurance.

The Secretary of the Personnel Cabinet is the executive and administrative head of the cabinet and supervises all activities of the cabinet. The Office of the Secretary includes: the Office of Administrative Services, the Office of Legal Services, the Office for Employee Relations, the Office of Diversity and Equality, the Governmental Services Center, and the Center for Strategic Innovation.

The Office of Administrative Services' responsibilities include overseeing the internal operations of the Cabinet, including personnel related matters, budgeting, accounting, property management, and procurement functions.

The Office of Legal Services provides legal services relating to the enforcement and application of state and federal laws and regulations governing employment with both the Cabinet and other Executive Branch agencies.

The Office of Employee Relations administers the Kentucky Employee Assistance Program which provides assistance to troubled employees; life insurance benefits for state employees; the employee suggestion system; a mediation program to help resolve employment problems; the state safety program; and the self-insured Workers' Compensation program. The Workers' Compensation program provides benefits to workers injured on the job and manages a return-to-work program. The program provides coverage for state employees, Murray State University, the Kentucky Community Technical College System, volunteer firefighters, volunteer ambulance personnel, and various local government entities.

The Office of Diversity and Equality is responsible for administering the Equal Employment Opportunity and Diversity Programs, the Minority Management Trainee Program, and the Commonwealth's affirmative action plan established in 18A.138.

The Governmental Services Center is responsible for government-wide training, consultation, and organizational development, including the coordination of the Commonwealth's strategic planning and performance measurement processes. It also has the responsibility of maintaining the employee performance management system.

The Center for Strategic Innovation is responsible for setting the strategic direction for the Cabinet, improving processes, developing services, and planning future service offerings.

The Department of Human Resources Administration consists of three divisions: the Division of Employee Management, the Division of Career Opportunities, and the Division of Technology Services. The responsibilities of this department include recruiting, counseling, and certifying persons for employment with the Commonwealth; maintaining the classification and compensation system; auditing and certifying state payrolls; preparing and maintaining the official personnel and payroll records; and coordinating information technology within the Cabinet. In addition, the development and implementation of the replacement personnel and payroll system is coordinated through the Department of Human Resources Administration.

The Department of Employee Insurance manages state government's self-insured health insurance program, the Kentucky Employees' Health Plan. The Plan provides health insurance coverage for state employees, state and teacher retirees that are not yet Medicare eligible, local boards of education, local health departments, and other public and quasi-public agencies. The Department also provides administrative support to the Group Health Insurance Board under KRS 18A.226 and 18A.227. There are two divisions organized under the department: the Division of Insurance Administration and the Division of Financial and Data Services.

### **Policy**

Included in the above General Fund appropriation is \$3,574,000 in fiscal year 2011 and \$3,574,000 in fiscal year 2012 for debt service on new bonds for the Kentucky Human Resources Information System (KHRIS). The new bond issue provides additional funding to the project to ensure its successful implementation.

**Personnel**  
**Public Employees Deferred Compensation Authority**

	<b>Revised FY 2010</b>	<b>Requested FY 2011</b>	<b>Requested FY 2012</b>	<b>Recommended FY 2011</b>	<b>Recommended FY 2012</b>
<b>SOURCE OF FUNDS</b>					
<b>Restricted Fund</b>					
Balance Forward	6,280,800	5,073,600	3,356,600	5,073,600	3,392,100
Current Receipts	6,086,500	6,953,000	7,741,000	6,953,000	7,741,000
Non-Revenue Receipts	-57,500	-60,000	-62,500	-60,000	-62,500
<b>Total Restricted Fund</b>	<b>12,309,800</b>	<b>11,966,600</b>	<b>11,035,100</b>	<b>11,966,600</b>	<b>11,070,600</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>12,309,800</b>	<b>11,966,600</b>	<b>11,035,100</b>	<b>11,966,600</b>	<b>11,070,600</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	6,790,900	8,182,400	8,695,900	8,149,700	8,570,200
Operating Expenses	436,700	417,800	418,000	415,000	416,900
Capital Outlay	8,600	9,800	1,200	9,800	1,200
<b>TOTAL EXPENDITURES</b>	<b>7,236,200</b>	<b>8,610,000</b>	<b>9,115,100</b>	<b>8,574,500</b>	<b>8,988,300</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Fund	7,236,200	8,610,000	9,115,100	8,574,500	8,988,300
<b>TOTAL EXPENDITURES</b>	<b>7,236,200</b>	<b>8,610,000</b>	<b>9,115,100</b>	<b>8,574,500</b>	<b>8,988,300</b>
<b>EXPENDITURES BY UNIT</b>					
Public Employees Deferred Compensation Authority	7,236,200	8,610,000	9,115,100	8,574,500	8,988,300
<b>TOTAL EXPENDITURES</b>	<b>7,236,200</b>	<b>8,610,000</b>	<b>9,115,100</b>	<b>8,574,500</b>	<b>8,988,300</b>

The Kentucky Public Employees Deferred Compensation Authority administers tax sheltered, supplemental retirement savings programs as established in the U.S. Internal Revenue Code Sections 457, 401(k), Roth 401(k), and 403(b) and in accordance with KRS 18A.230-18A.350. These programs are an optional benefit for Kentucky's public employees.

**Personnel**  
**Workers' Compensation Benefits and Reserve**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>Restricted Fund</b>					
Balance Forward	7,359,100	9,092,500	5,752,500	9,092,500	5,765,400
Current Receipts	25,290,900	22,100,000	23,000,000	22,100,000	23,000,000
Non-Revenue Receipts	-57,500	-60,000	-62,500	-60,000	-62,500
<b>Total Restricted Fund</b>	<b>32,592,500</b>	<b>31,132,500</b>	<b>28,690,000</b>	<b>31,132,500</b>	<b>28,702,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>32,592,500</b>	<b>31,132,500</b>	<b>28,690,000</b>	<b>31,132,500</b>	<b>28,702,900</b>
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs	23,400,000	25,305,900	27,339,200	25,293,900	27,294,900
Operating Expenses	97,300	71,000	70,800	70,100	69,100
Capital Outlay	2,700	3,100	400	3,100	400
<b>TOTAL EXPENDITURES</b>	<b>23,500,000</b>	<b>25,380,000</b>	<b>27,410,400</b>	<b>25,367,100</b>	<b>27,364,400</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
Restricted Fund	23,500,000	25,380,000	27,410,400	25,367,100	27,364,400
<b>TOTAL EXPENDITURES</b>	<b>23,500,000</b>	<b>25,380,000</b>	<b>27,410,400</b>	<b>25,367,100</b>	<b>27,364,400</b>
<b>EXPENDITURES BY UNIT</b>					
Workers' Compensation Benefits and Reserve	23,500,000	25,380,000	27,410,400	25,367,100	27,364,400
<b>TOTAL EXPENDITURES</b>	<b>23,500,000</b>	<b>25,380,000</b>	<b>27,410,400</b>	<b>25,367,100</b>	<b>27,364,400</b>

Created in 1990, the Workers' Compensation Benefits and Reserve is state government's self-insured Workers' Compensation program. The program provides coverage to the executive, legislative, and judicial branches of government, but excludes the Transportation Cabinet and all state universities except Murray State University. The program also covers the Kentucky Community and Technical College System, volunteer firefighters, volunteer ambulance personnel, and employees of some county clerk's or sheriff's offices when the county's population is 70,000 or more. Workers' Compensation includes a return-to-work program for injured employees, managed care, and a statewide safety program.

The revenue accruing to the program is derived from participating agencies based upon the claims history of the agency and the number of covered employees. Claims history is calculated based upon a three year running average.

**Personnel**  
**State Salary and Compensation Fund**

	Revised FY 2010	Requested FY 2011	Requested FY 2012	Recommended FY 2011	Recommended FY 2012
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	29,562,200			43,900,000	70,000,000
Salary and Health Insurance Adjustments	-17,524,900				
Budget Reduction-General Fund	-12,037,300				
<b>Total General Fund</b>				43,900,000	70,000,000
<b>TOTAL SOURCE OF FUNDS</b>				43,900,000	70,000,000
<b>EXPENDITURES BY CLASS</b>					
Personnel Costs				43,900,000	70,000,000
<b>TOTAL EXPENDITURES</b>				43,900,000	70,000,000
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund				43,900,000	70,000,000
<b>TOTAL EXPENDITURES</b>				43,900,000	70,000,000
<b>EXPENDITURES BY UNIT</b>					
State Salary Compensation Fund				43,900,000	70,000,000
<b>TOTAL EXPENDITURES</b>				43,900,000	70,000,000

The State Salary and Compensation Fund is a statewide pool to provide the additional funds necessary for state agencies to finance the salary and compensation policy for state employees.

**Policy**

Included in the General Fund appropriation is \$8,900,000 in fiscal year 2011 and \$18,000,000 in fiscal year 2012 to support an increase in the cost of the health insurance program.

House Bill 1 from the 2008 Special Session of the General Assembly included a goal to phase in the full actuarially required contribution rates for the Kentucky Employees Retirement System and the State Police Retirement System. The Executive Budget fully funds that goal in both years of the biennium. Included in the General Fund appropriation is \$35,000,000 in fiscal year 2011 and \$52,000,000 in fiscal year 2012 to support increases in the employer contribution rates for retirement. The employer contribution rates are as follows:

KERS Non-Hazardous	
Fiscal Year 2010	11.61%
Fiscal Year 2011	16.98%
Fiscal Year 2012	19.82%
KERS Hazardous Duty	
Fiscal Year 2010	24.69%
Fiscal Year 2011	26.12%
Fiscal Year 2012	28.98%
State Police	
Fiscal Year 2010	33.08%
Fiscal Year 2011	45.54%
Fiscal Year 2012	52.13%

<b>Personnel</b>					
<b>State Group Health Insurance Fund</b>					
	<b>Revised FY 2010</b>	<b>Requested FY 2011</b>	<b>Requested FY 2012</b>	<b>Recommended FY 2011</b>	<b>Recommended FY 2012</b>
<b>SOURCE OF FUNDS</b>					
<b>General Fund</b>					
Regular Appropriation	2,080,700	1,831,300	1,831,300	1,740,900	1,740,900
Budget Reduction-General Fund	-210,700				
Mandated Expenditure Reductions	-93,600				
<b>Total General Fund</b>	<b>1,776,400</b>	<b>1,831,300</b>	<b>1,831,300</b>	<b>1,740,900</b>	<b>1,740,900</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,776,400</b>	<b>1,831,300</b>	<b>1,831,300</b>	<b>1,740,900</b>	<b>1,740,900</b>
<b>EXPENDITURES BY CLASS</b>					
Grants Loans Benefits	1,776,400	1,831,300	1,831,300	1,740,900	1,740,900
<b>TOTAL EXPENDITURES</b>	<b>1,776,400</b>	<b>1,831,300</b>	<b>1,831,300</b>	<b>1,740,900</b>	<b>1,740,900</b>
<b>EXPENDITURES BY FUND SOURCE</b>					
General Fund	1,776,400	1,831,300	1,831,300	1,740,900	1,740,900
<b>TOTAL EXPENDITURES</b>	<b>1,776,400</b>	<b>1,831,300</b>	<b>1,831,300</b>	<b>1,740,900</b>	<b>1,740,900</b>
<b>EXPENDITURES BY UNIT</b>					
State Group Health Insurance Fund	1,776,400	1,831,300	1,831,300	1,740,900	1,740,900
<b>TOTAL EXPENDITURES</b>	<b>1,776,400</b>	<b>1,831,300</b>	<b>1,831,300</b>	<b>1,740,900</b>	<b>1,740,900</b>

The State Group Health Insurance Fund provides funding to support a dependent subsidy for quasi-governmental employers participating in the Kentucky Employees' Health Plan.

**Policy**

The Executive Budget provides General Fund support of \$1,740,900 in each year of the biennium to support a dependent subsidy for quasi-governmental employers participating in the State Group Health Insurance program. To participate in the fund, each quasi-government employer must certify to the Secretary of the Personnel Cabinet that no funds received from the pool are being utilized to fund any benefits for persons other than full-time employees. Only quasi-governmental employers that were participating in the group prior to the enactment of a dependent subsidy in the fall of 2004 are eligible to receive this funding.