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Commonwealth of Kentucky

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|---|---------------------------|--------------------------|---------------------------|----------------------------|----------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 9,701,394,100 | 8,591,061,400 | 9,526,311,100 | 9,478,895,200 | 9,779,620,200 |
| Surplus Expenditure Plan | | | 121,722,500 | | |
| Special Appropriation | 16,945,400 | 174,978,500 | -116,239,600 | | |
| Current Year Appropriation | | | 10,433,000 | | |
| Continuing Approp.-General Fund | 66,185,319 | 71,975,305 | 57,455,947 | 145,466,300 | 132,479,000 |
| Budget Reduction-General Fund | -1,083,932,600 | | | | |
| Mandated Expenditure Reductions | -242,636,700 | -126,504,100 | -107,776,300 | | |
| Mandated Allotments | 40,040,064 | 29,844,052 | 36,743,203 | | |
| Other | 16,111,700 | 31,059,800 | 34,691,000 | | |
| Total General Fund | 8,514,107,283 | 8,772,414,957 | 9,563,340,850 | 9,624,361,500 | 9,912,099,200 |
| Tobacco Settlement - Phase I | | | | | |
| Tobacco Settlement - Phase I | 121,580,000 | 114,318,100 | 105,714,800 | 94,393,600 | 93,093,500 |
| Continuing Approp.-Tobacco Settlement | 32,747,156 | 32,617,057 | 37,651,000 | 17,216,500 | 9,035,100 |
| Budget Reduction-General Fund Tobacco | -16,085,777 | -11,488,573 | -5,420,000 | | |
| Fund Transfers | | | -51,700 | | |
| Total Tobacco Settlement - Phase I | 138,241,380 | 135,446,584 | 137,894,100 | 111,610,100 | 102,128,600 |
| Restricted Funds | | | | | |
| Balance Forward | 588,720,223 | 791,884,763 | 766,578,850 | 529,518,900 | 359,436,800 |
| Current Receipts | 4,530,916,211 | 4,713,002,721 | 5,597,225,968 | 6,022,684,500 | 6,217,238,000 |
| Non-Revenue Receipts | 1,079,095,815 | 773,830,616 | 1,363,130,682 | 940,181,900 | 879,328,400 |
| Fund Transfers | -95,574,329 | -91,042,299 | -129,574,600 | -94,195,900 | -81,098,800 |
| Total Restricted Funds | 6,103,157,920 | 6,187,675,801 | 7,597,360,900 | 7,398,189,400 | 7,374,904,400 |
| Federal Funds | | | | | |
| Balance Forward | 71,865,396 | 119,673,205 | 123,586,742 | 34,884,700 | 16,719,800 |
| Current Receipts | 9,344,076,900 | 9,277,325,223 | 10,491,245,458 | 10,023,471,200 | 10,303,027,800 |
| Non-Revenue Receipts | 453,095,864 | 102,468,424 | 8,770,800 | 9,328,800 | 8,920,800 |
| ARRA Receipts | 1,075,996,651 | 942,308,790 | 175,577,900 | 10,974,500 | 784,900 |
| SFSF Receipts | 381,546,579 | 269,795,142 | | | |
| Total Federal Funds | 11,326,581,390 | 10,711,570,784 | 10,799,180,900 | 10,078,659,200 | 10,329,453,300 |
| Road Fund | | | | | |
| Regular Appropriation | 1,405,103,400 | 1,275,284,800 | 1,347,081,000 | 1,535,070,000 | 1,557,664,700 |
| Surplus Expenditure Plan | | 41,869,646 | 67,517,600 | | |
| Current Year Appropriation | | | 395,400 | | |
| Continuing Approp.-Road Fund | 284,237,794 | 313,871,582 | | | |
| Budget Reduction-Road Fund | -172,841,800 | | | | |
| Other | -30,269,186 | 27,922,615 | 34,065,400 | | |
| Total Road Fund | 1,486,230,208 | 1,658,948,643 | 1,449,059,400 | 1,535,070,000 | 1,557,664,700 |
| TOTAL SOURCE OF FUNDS | 27,568,318,182 | 27,466,056,769 | 29,546,836,150 | 28,747,890,200 | 29,276,250,200 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 5,778,756,887 | 5,955,665,833 | 5,880,867,201 | 6,100,550,409 | 6,236,538,329 |
| Operating Expenses | 2,301,371,788 | 2,296,004,058 | 3,179,903,246 | 3,304,296,491 | 3,376,215,871 |
| Grants Loans Benefits | 16,309,215,560 | 15,781,972,169 | 16,935,975,003 | 16,248,121,000 | 16,697,369,500 |
| Debt Service | 474,822,664 | 686,912,569 | 851,840,800 | 1,051,978,000 | 1,157,355,800 |
| Capital Outlay | 219,060,029 | 267,612,289 | 259,408,600 | 249,511,500 | 254,844,600 |
| Construction | 1,019,803,696 | 995,856,997 | 1,632,941,500 | 1,241,925,200 | 1,196,546,700 |
| TOTAL EXPENDITURES | 26,103,030,624 | 25,984,023,915 | 28,740,936,350 | 28,196,382,600 | 28,918,870,800 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 8,345,457,799 | 8,687,293,594 | 9,340,394,550 | 9,461,264,100 | 9,763,571,000 |
| Tobacco Settlement - Phase I | 105,624,319 | 94,787,409 | 117,664,600 | 100,281,400 | 99,826,700 |
| Restricted Funds | 5,311,296,127 | 5,419,619,172 | 7,067,842,000 | 7,038,752,600 | 7,185,392,000 |

| | | | | | |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|
| Federal Funds | 11,206,885,216 | 10,587,984,018 | 10,764,296,200 | 10,061,939,400 | 10,316,022,000 |
| Road Fund | 1,133,767,163 | 1,194,339,723 | 1,446,709,500 | 1,531,464,400 | 1,554,059,100 |
| TOTAL EXPENDITURES | 26,103,030,624 | 25,984,023,915 | 28,736,906,850 | 28,193,701,900 | 28,918,870,800 |
| EXPENDITURES BY UNIT | | | | | |
| Executive Branch | 25,723,736,786 | 25,592,312,926 | 28,331,258,350 | 27,777,604,600 | 28,500,232,100 |
| Legislative Branch | 51,751,738 | 47,873,790 | 49,889,900 | 50,929,900 | 56,080,800 |
| Judicial Branch | 327,542,100 | 343,837,200 | 355,758,600 | 365,167,400 | 362,557,900 |
| TOTAL EXPENDITURES | 26,103,030,624 | 25,984,023,915 | 28,736,906,850 | 28,193,701,900 | 28,918,870,800 |

Executive Branch

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|---|---------------------------|--------------------------|---------------------------|----------------------------|----------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 9,350,055,700 | 8,249,328,500 | 9,156,172,200 | 9,111,800,300 | 9,410,218,100 |
| Surplus Expenditure Plan | | | 121,722,500 | | |
| Special Appropriation | 16,945,400 | 174,978,500 | -116,239,600 | | |
| Current Year Appropriation | | | 10,433,000 | | |
| Continuing Approp.-General Fund | 43,175,757 | 43,153,982 | 42,806,347 | 132,036,000 | 121,722,500 |
| Budget Reduction-General Fund | -1,082,301,800 | | | | |
| Mandated Expenditure Reductions | -242,636,700 | -126,504,100 | -107,776,300 | | |
| Mandated Allotments | 40,040,064 | 29,844,052 | 36,743,203 | | |
| Other | 16,111,700 | 31,059,800 | 34,691,000 | | |
| Total General Fund | 8,141,390,121 | 8,401,860,734 | 9,178,552,350 | 9,243,836,300 | 9,531,940,600 |
| Tobacco Settlement - Phase I | | | | | |
| Tobacco Settlement - Phase I | 121,580,000 | 114,318,100 | 105,714,800 | 94,393,600 | 93,093,500 |
| Continuing Approp.-Tobacco Settlement | 32,747,156 | 32,617,057 | 37,651,000 | 17,216,500 | 9,035,100 |
| Budget Reduction-General Fund Tobacco | -16,085,777 | -11,488,573 | -5,420,000 | | |
| Fund Transfers | | | -51,700 | | |
| Total Tobacco Settlement - Phase I | 138,241,380 | 135,446,584 | 137,894,100 | 111,610,100 | 102,128,600 |
| Restricted Funds | | | | | |
| Balance Forward | 552,905,542 | 778,279,570 | 746,177,450 | 515,944,900 | 355,357,800 |
| Current Receipts | 4,507,653,198 | 4,685,182,551 | 5,577,501,668 | 6,003,046,500 | 6,193,936,500 |
| Non-Revenue Receipts | 1,065,877,715 | 760,953,916 | 1,346,210,682 | 923,261,900 | 862,408,400 |
| Fund Transfers | -95,574,329 | -91,042,299 | -129,574,600 | -94,195,900 | -81,098,800 |
| Total Restricted Funds | 6,030,862,127 | 6,133,373,738 | 7,540,315,200 | 7,348,057,400 | 7,330,603,900 |
| Federal Funds | | | | | |
| Balance Forward | 71,865,396 | 119,673,205 | 123,586,742 | 34,884,700 | 16,719,800 |
| Current Receipts | 9,341,527,400 | 9,274,094,823 | 10,487,323,458 | 10,020,514,900 | 10,300,071,900 |
| Non-Revenue Receipts | 453,095,864 | 102,468,424 | 8,770,800 | 9,328,800 | 8,920,800 |
| ARRA Receipts | 1,075,996,651 | 942,128,990 | 175,551,800 | 10,974,500 | 784,900 |
| SFSF Receipts | 381,546,579 | 269,795,142 | | | |
| Total Federal Funds | 11,324,031,890 | 10,708,160,584 | 10,795,232,800 | 10,075,702,900 | 10,326,497,400 |
| Road Fund | | | | | |
| Regular Appropriation | 1,405,103,400 | 1,275,284,800 | 1,347,081,000 | 1,535,070,000 | 1,557,664,700 |
| Surplus Expenditure Plan | | 41,869,646 | 67,517,600 | | |
| Current Year Appropriation | | | 395,400 | | |
| Continuing Approp.-Road Fund | 284,237,794 | 313,871,582 | | | |
| Budget Reduction-Road Fund | -172,841,800 | | | | |
| Other | -30,269,186 | 27,922,615 | 34,065,400 | | |
| Total Road Fund | 1,486,230,208 | 1,658,948,643 | 1,449,059,400 | 1,535,070,000 | 1,557,664,700 |
| TOTAL SOURCE OF FUNDS | 27,120,755,726 | 27,037,790,283 | 29,101,053,850 | 28,314,276,700 | 28,848,835,200 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 5,537,576,886 | 5,717,266,813 | 5,640,484,701 | 5,853,317,709 | 5,989,187,729 |
| Operating Expenses | 2,163,670,444 | 2,143,369,723 | 3,011,989,046 | 3,136,505,191 | 3,211,413,671 |
| Grants Loans Benefits | 16,309,215,560 | 15,781,972,169 | 16,935,975,003 | 16,248,121,000 | 16,697,369,500 |
| Debt Service | 474,822,664 | 686,912,569 | 851,840,800 | 1,051,978,000 | 1,157,355,800 |
| Capital Outlay | 218,647,535 | 266,934,654 | 258,027,300 | 245,757,500 | 248,358,700 |
| Construction | 1,019,803,696 | 995,856,997 | 1,632,941,500 | 1,241,925,200 | 1,196,546,700 |
| TOTAL EXPENDITURES | 25,723,736,786 | 25,592,312,926 | 28,331,258,350 | 27,777,604,600 | 28,500,232,100 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 8,027,404,061 | 8,331,416,709 | 8,982,165,850 | 9,094,176,100 | 9,392,007,500 |
| Tobacco Settlement - Phase I | 105,624,319 | 94,787,409 | 117,664,600 | 100,281,400 | 99,826,700 |
| Restricted Funds | 5,252,605,527 | 5,387,195,268 | 7,024,370,300 | 6,992,699,600 | 7,141,272,700 |

| | | | | | |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Federal Funds | 11,204,335,716 | 10,584,573,818 | 10,760,348,100 | 10,058,983,100 | 10,313,066,100 |
| Road Fund | 1,133,767,163 | 1,194,339,723 | 1,446,709,500 | 1,531,464,400 | 1,554,059,100 |
| TOTAL EXPENDITURES | 25,723,736,786 | 25,592,312,926 | 28,331,258,350 | 27,777,604,600 | 28,500,232,100 |
| EXPENDITURES BY UNIT | | | | | |
| General Government | 1,142,023,864 | 1,000,559,309 | 1,137,795,546 | 1,042,225,500 | 1,103,103,000 |
| Economic Development | 26,739,709 | 26,375,054 | 39,192,400 | 29,293,300 | 21,533,300 |
| Department of Education | 4,752,223,251 | 4,730,864,156 | 4,707,131,204 | 4,620,142,300 | 4,609,701,100 |
| Education and Workforce Development | 2,295,436,916 | 1,871,668,120 | 2,597,981,100 | 2,594,428,300 | 2,593,400,200 |
| Energy and Environment | 231,618,298 | 245,809,648 | 283,775,500 | 252,943,000 | 250,873,700 |
| Finance and Administration | 465,004,907 | 556,666,503 | 576,354,100 | 759,090,600 | 778,738,400 |
| Health and Family Services | 8,070,594,075 | 8,203,355,700 | 8,324,882,300 | 7,950,852,800 | 8,362,452,000 |
| Justice and Public Safety | 863,876,470 | 880,700,691 | 887,063,600 | 893,271,000 | 898,486,700 |
| Labor | 202,861,301 | 199,883,937 | 207,576,800 | 217,727,900 | 220,373,900 |
| Personnel | 49,731,248 | 56,750,849 | 66,821,700 | 67,656,600 | 68,960,400 |
| Postsecondary Education | 5,240,250,216 | 5,455,084,163 | 6,286,372,500 | 6,650,802,300 | 6,865,417,100 |
| Public Protection | 102,474,257 | 97,742,330 | 109,879,200 | 112,931,600 | 114,507,900 |
| Tourism, Arts and Heritage | 218,772,549 | 212,482,679 | 224,857,900 | 211,210,400 | 215,905,800 |
| Transportation | 2,061,329,726 | 2,054,369,786 | 2,880,374,500 | 2,375,029,000 | 2,396,778,600 |
| Statewide | 800,000 | | 1,200,000 | | |
| TOTAL EXPENDITURES | 25,723,736,786 | 25,592,312,926 | 28,331,258,350 | 27,777,604,600 | 28,500,232,100 |

General Government

General Government

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|---------------------------|--------------------------|---------------------------|----------------------------|----------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 589,056,600 | 576,998,500 | 606,954,600 | 656,766,600 | 724,754,300 |
| State Salary and Compensation Allocation | 2,988,800 | 5,678,200 | 8,239,000 | | |
| Special Appropriation | 4,498,400 | -7,800,000 | | | |
| Current Year Appropriation | | | 481,000 | | |
| Continuing Approp.-General Fund | 254,247 | 192,445 | 68,246 | | |
| Budget Reduction-General Fund | -14,253,400 | | | | |
| Mandated Expenditure Reductions | -8,335,900 | -4,327,400 | -15,276,300 | | |
| Mandated Allotments | 43,503,512 | 25,393,800 | 22,970,000 | | |
| Other | 16,113,900 | 31,059,800 | 34,691,000 | | |
| Total General Fund | 633,826,159 | 627,195,345 | 658,127,546 | 656,766,600 | 724,754,300 |
| Tobacco Settlement - Phase I | | | | | |
| Tobacco Settlement - Phase I | 28,928,600 | 32,082,758 | 19,741,600 | 18,850,600 | 16,291,800 |
| Continuing Approp.-Tobacco Settlement | 20,278,780 | 23,936,603 | 28,670,300 | 17,216,500 | 9,035,100 |
| Budget Reduction-General Fund Tobacco Fund Transfers | -937,265 | -3,733,278 | -51,700 | | |
| Total Tobacco Settlement - Phase I | 48,270,115 | 52,286,082 | 48,360,200 | 36,067,100 | 25,326,900 |
| Restricted Funds | | | | | |
| Balance Forward | 48,742,839 | 52,838,707 | 70,282,000 | 60,769,600 | 50,248,800 |
| Current Receipts | 115,968,325 | 124,148,767 | 149,727,500 | 157,594,300 | 162,960,200 |
| Non-Revenue Receipts | 38,460,688 | 43,373,546 | 54,844,500 | 59,250,100 | 59,967,500 |
| Fund Transfers | -2,144,321 | -3,007,900 | -6,124,200 | -3,400,000 | -3,300,000 |
| Total Restricted Funds | 201,027,531 | 217,353,120 | 268,729,800 | 274,214,000 | 269,876,500 |
| Federal Funds | | | | | |
| Balance Forward | 19,363,507 | 17,698,819 | 20,040,500 | 12,292,200 | 5,872,300 |
| Current Receipts | 317,730,588 | 161,959,970 | 221,382,500 | 125,602,200 | 119,467,100 |
| Non-Revenue Receipts | 3,271,333 | 288,285 | -50,300 | | |
| ARRA Receipts | 25,646,876 | 46,263,004 | 16,908,800 | 1,939,600 | 44,500 |
| Total Federal Funds | 366,012,304 | 226,210,078 | 258,281,500 | 139,834,000 | 125,383,900 |
| Road Fund | | | | | |
| Regular Appropriation | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| Total Road Fund | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| TOTAL SOURCE OF FUNDS | 1,249,636,110 | 1,123,544,625 | 1,233,999,046 | 1,107,381,700 | 1,145,841,600 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 256,802,712 | 264,471,026 | 278,189,500 | 285,880,600 | 291,185,800 |
| Operating Expenses | 78,337,511 | 78,390,213 | 81,733,046 | 78,966,400 | 78,907,500 |
| Grants Loans Benefits | 696,608,844 | 483,167,224 | 551,991,200 | 432,248,300 | 461,257,500 |
| Debt Service | 104,410,885 | 170,655,041 | 221,977,800 | 238,760,500 | 268,727,100 |
| Capital Outlay | 3,686,932 | 2,475,380 | 3,904,000 | 6,369,700 | 3,025,100 |
| Construction | 2,176,980 | 1,400,425 | | | |
| TOTAL EXPENDITURES | 1,142,023,864 | 1,000,559,309 | 1,137,795,546 | 1,042,225,500 | 1,103,103,000 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 620,688,044 | 623,203,002 | 651,268,746 | 656,766,600 | 724,754,300 |
| Tobacco Settlement - Phase I | 24,333,511 | 23,615,801 | 32,081,000 | 27,032,000 | 25,318,600 |
| Restricted Funds | 148,188,824 | 147,071,081 | 207,960,200 | 223,965,200 | 228,038,000 |
| Federal Funds | 348,313,485 | 206,169,568 | 245,989,300 | 133,961,700 | 124,492,100 |
| Road Fund | 500,000 | 499,857 | 496,300 | 500,000 | 500,000 |
| TOTAL EXPENDITURES | 1,142,023,864 | 1,000,559,309 | 1,137,795,546 | 1,042,225,500 | 1,103,103,000 |
| EXPENDITURES BY UNIT | | | | | |
| Office of the Governor | 8,393,094 | 6,919,315 | 8,241,400 | 8,108,100 | 8,125,200 |

| | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Office of State Budget Director | 3,198,638 | 2,974,733 | 3,146,700 | 3,228,900 | 3,392,800 |
| State Planning Fund | 187,800 | 178,500 | 173,200 | 158,700 | 158,700 |
| Homeland Security | 16,476,132 | 14,643,560 | 16,795,400 | 10,721,800 | 6,584,000 |
| Department of Veterans' Affairs | 45,002,822 | 46,999,498 | 46,699,600 | 52,388,600 | 54,292,800 |
| Governor's Office of Agricultural Policy | 22,977,591 | 24,051,729 | 32,136,600 | 25,449,700 | 23,381,500 |
| Kentucky Infrastructure Authority | 53,110,253 | 47,443,849 | 92,458,100 | 64,847,600 | 65,008,700 |
| Military Affairs | 300,845,856 | 133,449,474 | 173,319,000 | 92,591,100 | 93,085,400 |
| Commission on Human Rights | 1,976,314 | 2,000,247 | 1,916,100 | 1,849,700 | 1,882,300 |
| Commission on Women | 229,050 | 212,774 | 206,100 | 207,200 | 213,300 |
| Department for Local Government | 52,826,045 | 62,178,285 | 52,397,700 | 46,336,400 | 41,618,900 |
| Local Government Economic Assistance Fund | 57,388,216 | 64,151,429 | 68,851,100 | 73,792,800 | 76,786,400 |
| Local Government Economic Development Fund | 61,968,733 | 60,643,209 | 70,864,800 | 75,276,500 | 80,498,600 |
| Area Development Fund | 590,100 | 561,000 | 544,200 | 498,500 | 498,500 |
| Executive Branch Ethics Commission | 490,711 | 486,722 | 495,000 | 525,900 | 534,500 |
| Secretary of State | 2,770,272 | 2,832,844 | 2,712,000 | 3,494,600 | 3,405,900 |
| Board of Elections | 5,502,039 | 6,112,817 | 9,320,000 | 9,333,400 | 7,940,100 |
| Registry of Election Finance | 1,216,600 | 1,180,399 | 1,137,800 | 1,146,900 | 1,168,600 |
| Attorney General | 22,899,448 | 24,805,773 | 23,781,200 | 25,549,900 | 25,317,500 |
| Unified Prosecutorial System | 68,835,243 | 70,375,214 | 69,068,200 | 74,913,800 | 76,510,600 |
| Treasury | 2,869,100 | 2,830,691 | 2,887,100 | 3,144,700 | 3,195,900 |
| Agriculture | 29,455,659 | 28,878,159 | 30,182,100 | 29,447,200 | 28,882,500 |
| Auditor of Public Accounts | 10,273,565 | 10,603,710 | 10,706,600 | 10,856,700 | 10,995,700 |
| Personnel Board | 719,918 | 774,800 | 726,600 | 790,900 | 803,900 |
| Kentucky Retirement Systems | 23,914,434 | 23,931,689 | 38,282,300 | 38,245,000 | 38,855,900 |
| Occupational & Professional Boards & Commissions | 18,641,933 | 18,594,101 | 19,489,100 | 21,588,600 | 21,897,900 |
| Kentucky River Authority | 2,153,434 | 3,402,321 | 2,645,000 | 6,362,600 | 4,456,900 |
| School Facilities Construction Commission | 102,068,566 | 93,296,162 | 91,695,000 | 99,378,400 | 106,596,700 |
| Teachers' Retirement System | 209,954,599 | 227,871,247 | 250,667,300 | 256,700,400 | 311,722,400 |
| Judgments | 433,350 | 2,660,853 | 4,146 | | |
| Appropriations Not Otherwise Classified | 14,654,348 | 15,514,207 | 16,246,100 | 5,290,900 | 5,290,900 |
| TOTAL EXPENDITURES | 1,142,023,864 | 1,000,559,309 | 1,137,795,546 | 1,042,225,500 | 1,103,103,000 |

**General Government
Office of the Governor**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|---|-------------------|------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 6,722,600 | 6,077,800 | 6,017,000 | 5,219,500 | 5,313,600 |
| State Salary and Compensation Allocation | 127,500 | 218,700 | 311,900 | | |
| Budget Reduction-General Fund | -865,000 | | | | |
| Mandated Expenditure Reductions | -381,600 | -731,200 | -737,400 | | |
| Other | 2,200 | | | | |
| Total General Fund | 5,605,700 | 5,565,300 | 5,591,500 | 5,219,500 | 5,313,600 |
| Tobacco Settlement - Phase I | | | | | |
| Tobacco Settlement - Phase I | 1,525,000 | 1,553,758 | 2,050,000 | 1,950,600 | 1,912,500 |
| Continuing Approp.-Tobacco Settlement | 886,464 | 43,942 | 319,000 | 555,100 | 472,100 |
| Budget Reduction-General Fund Tobacco | -388,802 | -272,200 | | | |
| Total Tobacco Settlement - Phase I | 2,022,662 | 1,325,500 | 2,369,000 | 2,505,700 | 2,384,600 |
| Restricted Funds | | | | | |
| Balance Forward | 682,253 | 417,518 | 417,500 | 417,500 | 208,800 |
| Current Receipts | 125,029 | | | | |
| Total Restricted Funds | 807,282 | 417,518 | 417,500 | 417,500 | 208,800 |
| Federal Funds | | | | | |
| Balance Forward | | 213 | | | |
| Current Receipts | 260,121 | 441,469 | 433,900 | 267,500 | 182,000 |
| Non-Revenue Receipts | 159,429 | -91,150 | | | |
| ARRA Receipts | | 46,651 | 619,000 | 378,800 | 44,500 |
| Total Federal Funds | 419,550 | 397,183 | 1,052,900 | 646,300 | 226,500 |
| TOTAL SOURCE OF FUNDS | 8,855,194 | 7,705,500 | 9,430,900 | 8,789,000 | 8,133,500 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 5,521,967 | 4,952,963 | 5,073,500 | 4,990,700 | 5,010,900 |
| Operating Expenses | 1,145,157 | 1,010,668 | 1,122,200 | 1,101,700 | 1,101,700 |
| Grants Loans Benefits | 1,725,969 | 955,685 | 2,045,700 | 2,015,700 | 2,012,600 |
| TOTAL EXPENDITURES | 8,393,094 | 6,919,315 | 8,241,400 | 8,108,100 | 8,125,200 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 5,605,273 | 5,515,657 | 5,374,600 | 5,219,500 | 5,313,600 |
| Tobacco Settlement - Phase I | 1,978,719 | 1,006,476 | 1,813,900 | 2,033,600 | 2,376,300 |
| Restricted Funds | 389,765 | | | 208,700 | 208,800 |
| Federal Funds | 419,337 | 397,183 | 1,052,900 | 646,300 | 226,500 |
| TOTAL EXPENDITURES | 8,393,094 | 6,919,315 | 8,241,400 | 8,108,100 | 8,125,200 |
| EXPENDITURES BY UNIT | | | | | |
| Governor | 4,973,765 | 4,630,001 | 4,329,000 | 4,426,500 | 4,414,200 |
| Governor's Office Expense Allowance | 21,261 | 22,188 | 22,900 | 23,400 | 23,900 |
| Lieutenant Governor | 537,025 | 415,932 | 489,000 | 371,400 | 378,700 |
| Lt. Governor's Expense Allowance | 11,740 | 12,277 | 12,700 | 13,000 | 13,300 |
| Secretary of the Cabinet | 104,805 | 81,548 | 91,200 | 94,600 | 96,100 |
| Kentucky Commission on Military Affairs | 351,674 | 414,402 | 438,600 | 326,200 | 332,300 |
| Office of Minority Empowerment | 191,781 | 180,662 | 177,000 | 187,900 | 191,600 |
| Faith Based Initiatives | 88,686 | 66,046 | 66,100 | 70,700 | 72,300 |
| Early Childhood Advisory Council | 2,112,356 | 1,096,260 | 2,614,900 | 2,594,400 | 2,602,800 |
| TOTAL EXPENDITURES | 8,393,094 | 6,919,315 | 8,241,400 | 8,108,100 | 8,125,200 |

The Governor serves as the chief administrator of the Commonwealth and, in addition to other powers and duties, acts as Commander-in-Chief of all state military forces, makes appointments for vacancies to executive offices and memberships on boards and commissions authorized by statute, and has the power to grant pardons and commutations. As chief administrator

of Kentucky, the Governor ensures that state government provides needed services to the citizens of the Commonwealth at minimum cost to the taxpayer.

The Lieutenant Governor is a constitutional officer elected jointly with the Governor. The Lieutenant Governor is to assume the duties and responsibilities of the Office of the Governor should the Governor be impeached or removed from Office, die, fail to qualify, resign, or be unable to discharge the duties of that office. Additional duties of the Lieutenant Governor include serving on various boards and commissions, serving on Kentucky delegations to several interstate compact commissions, and appointing members to various boards.

The Secretary of the Executive Cabinet develops and implements the major program decisions for the Executive Branch of government. As part of these duties, the Secretary of the Cabinet oversees the administration of the various cabinets and agencies of state government and coordinates legislative policy for the Governor. This role promotes cooperation and coordination among all agencies and programs of state government.

The Military Affairs Commission (KRS 154.12-203) has been a part of the Office of the Governor since 1996. The Commission serves in an advisory capacity to the Governor, the General Assembly, the Kentucky Congressional Delegation, and other appropriate government officials. This commission is designed to support the U.S. military's widespread presence in Kentucky and to recognize its contribution to the economy and well-being of the Commonwealth. Among the installations and operations eligible for support are: Fort Knox, Fort Campbell, Bluegrass Station in Lexington, National Guard and Reserve operations throughout the state, and Bluegrass Army Depot in Richmond.

The Office of Minority Empowerment was established in 2005 pursuant to KRS 12.023. The primary purpose of the Office is to help minorities realize full access to their government and be responsive to the needs of Kentucky's minority community. More specifically, the Office is charged with the responsibility of developing policies affecting Kentucky's minority community in the areas of economic empowerment, health care, housing, education, government services, and the criminal justice system. The Office also will maximize economic opportunities for minorities by reviewing state contracts awarded to minority businesses and reviewing job training and technical education initiatives to ensure and enhance the effectiveness of such programs. The constituents served by this office include, but are not limited to, minority individuals as defined and referenced in KRS 12.070, such as Native Americans, Alaskan Natives, African Americans, Hispanics, the disabled community, small-, minority-, and woman-owned businesses, and other underrepresented ethnic groups.

The Office for Faith-Based and Community Nonprofit Social Services was established in 2005 pursuant to KRS 12.510. The Office has lead responsibility in the Executive Branch to establish policies, priorities, and objectives for State Government's comprehensive effort to enlist, equip, enable, empower, and expand the work of faith-based and other community organizations to the extent permitted by law. The office is patterned closely with a similar effort at the federal government level begun in 2001.

The Early Childhood Advisory Council established in the Governor's Office by Executive Order 2011-534 coordinates development and continuing activities of Community Early Childhood Councils. The councils work toward implementation of Kentucky's long-range strategic plan for early childhood development on the local level. The councils build upon existing resources, foster public-private partnerships, and work within their communities toward such goals as the availability of high quality, accessible, and affordable early childhood care and education options. The Early Childhood Advisory Council provides technical assistance, monitoring, and evaluation of outcomes of the local partnerships.

**General Government
Office of State Budget Director**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|-------------------|------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 3,791,900 | 3,175,400 | 3,143,600 | 2,963,100 | 3,021,900 |
| State Salary and Compensation Allocation | 49,400 | 94,000 | 135,000 | | |
| Budget Reduction-General Fund | -368,800 | | | | |
| Mandated Expenditure Reductions | -170,600 | -100,200 | -110,500 | | |
| Total General Fund | 3,301,900 | 3,169,200 | 3,168,100 | 2,963,100 | 3,021,900 |
| Restricted Funds | | | | | |
| Balance Forward | 859,278 | 859,278 | 857,800 | 757,800 | 492,000 |
| Fund Transfers | | -1,500 | -3,500 | | |
| Total Restricted Funds | 859,278 | 857,778 | 854,300 | 757,800 | 492,000 |
| TOTAL SOURCE OF FUNDS | 4,161,178 | 4,026,978 | 4,022,400 | 3,720,900 | 3,513,900 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 2,607,894 | 2,492,080 | 2,630,300 | 2,712,500 | 2,876,400 |
| Operating Expenses | 590,744 | 482,654 | 516,400 | 516,400 | 516,400 |
| TOTAL EXPENDITURES | 3,198,638 | 2,974,733 | 3,146,700 | 3,228,900 | 3,392,800 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 3,198,638 | 2,974,733 | 3,050,200 | 2,963,100 | 3,021,900 |
| Restricted Funds | | | 96,500 | 265,800 | 370,900 |
| TOTAL EXPENDITURES | 3,198,638 | 2,974,733 | 3,146,700 | 3,228,900 | 3,392,800 |
| EXPENDITURES BY UNIT | | | | | |
| Budget & Policy Analysis | 2,551,264 | 2,364,123 | 2,482,700 | 2,544,700 | 2,671,100 |
| Gov Office for Policy Research | 181,563 | 162,721 | 183,900 | 191,900 | 200,700 |
| Gov Office for Economic Analysis | 465,811 | 447,890 | 480,100 | 492,300 | 521,000 |
| TOTAL EXPENDITURES | 3,198,638 | 2,974,733 | 3,146,700 | 3,228,900 | 3,392,800 |

The Office of the State Budget Director, created in KRS 11.068, includes the Governor's Office for Policy and Management (GOPM), the Governor's Office for Policy Research (GOPR), and the Governor's Office for Economic Analysis (GOEA). Under the direction of the State Budget Director, these Offices serve as staff to the Governor, the Governor's Chief of Staff, the Secretary of the Cabinet, and the Secretary of the Finance and Administration Cabinet.

The Governor's Office for Policy and Management (GOPM) prepares the Executive Budget, the Governor's overall financial plan for state government. The preparation of the budget includes the transmittal of information and necessary forms to state agencies, assisting those agencies in the preparation of their budget requests, analyzing the requests, and making recommendations to the Governor. Following enactment of the budget by the General Assembly, GOPM helps agencies implement the appropriations acts through their expenditures for program activities.

The Governor's Office for Policy Research (GOPR) performs research and analysis on public policy issues important to the Commonwealth.

The Governor's Office for Economic Analysis (GOEA) assists the State Budget Director and the Consensus Forecasting Group in providing timely and accurate estimates of General Fund and Road Fund receipts used to build and implement the Budget of the Commonwealth. On October 15 of each odd-numbered year, a preliminary detailed estimate of revenues for the next two fiscal years is presented to the head of the budgeting agency for each branch of state government. To inform the Governor and the General Assembly for the biennial budget process, an official estimate is made in December and presented along with the Governor's Executive Budget recommendation to the General Assembly.

**General Government
State Planning Fund**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|------------------------------------|---------------------------|--------------------------|---------------------------|----------------------------|----------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 220,000 | 181,200 | 179,400 | 158,700 | 158,700 |
| Budget Reduction-General Fund | -22,300 | | | | |
| Mandated Expenditure Reductions | -9,900 | -2,700 | -6,200 | | |
| Total General Fund | 187,800 | 178,500 | 173,200 | 158,700 | 158,700 |
| TOTAL SOURCE OF FUNDS | 187,800 | 178,500 | 173,200 | 158,700 | 158,700 |
| EXPENDITURES BY CLASS | | | | | |
| Grants Loans Benefits | 187,800 | 178,500 | 173,200 | 158,700 | 158,700 |
| TOTAL EXPENDITURES | 187,800 | 178,500 | 173,200 | 158,700 | 158,700 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 187,800 | 178,500 | 173,200 | 158,700 | 158,700 |
| TOTAL EXPENDITURES | 187,800 | 178,500 | 173,200 | 158,700 | 158,700 |
| EXPENDITURES BY UNIT | | | | | |
| State Planning Fund | 187,800 | 178,500 | 173,200 | 158,700 | 158,700 |
| TOTAL EXPENDITURES | 187,800 | 178,500 | 173,200 | 158,700 | 158,700 |

The State Planning Fund supports statewide planning projects designed to improve the delivery of government services. Under Chapter 147 of the Kentucky Revised Statutes, overall planning and development functions are responsibilities of the Governor's Cabinet. KRS 147.075 delegates these functions to a Cabinet committee, designated as the State Planning Committee, which fulfills these responsibilities through its management of the State Planning Fund. The State Planning Committee includes the Governor, representatives from the various program cabinets, and the State Budget Director. The Governor serves as the Chairman of the Committee and the State Budget Director serves as its Secretary. The Governor's Office for Policy and Management reviews proposed planning projects, makes recommendations for funding to the Governor and the other members of the State Planning Committee, and provides staff support to the Committee.

**General Government
Homeland Security**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|---------------------------|--------------------------|---------------------------|----------------------------|----------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 290,000 | 212,300 | 210,200 | 202,500 | 207,500 |
| State Salary and Compensation Allocation | 7,100 | 14,500 | 20,500 | | |
| Budget Reduction-General Fund | -66,000 | | | | |
| Mandated Expenditure Reductions | -11,100 | -16,300 | -15,300 | | |
| Total General Fund | 220,000 | 210,500 | 215,400 | 202,500 | 207,500 |
| Restricted Funds | | | | | |
| Balance Forward | 884,282 | 438,705 | 507,100 | 327,200 | 194,300 |
| Current Receipts | 971,901 | 1,011,024 | 1,042,600 | 1,067,100 | 1,094,900 |
| Non-Revenue Receipts | 1,456 | 652 | 300 | 138,500 | 143,100 |
| Fund Transfers | | -7,200 | | | |
| Total Restricted Funds | 1,857,639 | 1,443,181 | 1,550,000 | 1,532,800 | 1,432,300 |
| Federal Funds | | | | | |
| Balance Forward | | | 251,900 | | |
| Current Receipts | 14,058,988 | 14,055,203 | 14,871,400 | 8,930,800 | 4,857,600 |
| Non-Revenue Receipts | 528,209 | -556,372 | | | |
| Total Federal Funds | 14,587,198 | 13,498,831 | 15,123,300 | 8,930,800 | 4,857,600 |
| Road Fund | | | | | |
| Regular Appropriation | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 |
| Total Road Fund | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 |
| TOTAL SOURCE OF FUNDS | 16,914,837 | 15,402,512 | 17,138,700 | 10,916,100 | 6,747,400 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 2,356,548 | 1,841,337 | 1,799,200 | 2,178,100 | 2,137,700 |
| Operating Expenses | 226,789 | 360,646 | 219,100 | 218,400 | 219,100 |
| Grants Loans Benefits | 13,873,775 | 12,408,298 | 14,777,100 | 8,325,300 | 4,227,200 |
| Capital Outlay | 19,020 | 33,279 | | | |
| TOTAL EXPENDITURES | 16,476,132 | 14,643,560 | 16,795,400 | 10,721,800 | 6,584,000 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 220,000 | 210,500 | 203,000 | 202,500 | 207,500 |
| Restricted Funds | 1,418,934 | 936,140 | 1,222,800 | 1,338,500 | 1,268,900 |
| Federal Funds | 14,587,198 | 13,246,919 | 15,123,300 | 8,930,800 | 4,857,600 |
| Road Fund | 250,000 | 250,000 | 246,300 | 250,000 | 250,000 |
| TOTAL EXPENDITURES | 16,476,132 | 14,643,560 | 16,795,400 | 10,721,800 | 6,584,000 |
| EXPENDITURES BY UNIT | | | | | |
| Office of Homeland Security | 15,618,656 | 14,106,380 | 14,900,900 | 9,877,200 | 5,809,000 |
| Commerical Mobile Radio Service | 857,476 | 537,180 | 1,894,500 | 844,600 | 775,000 |
| TOTAL EXPENDITURES | 16,476,132 | 14,643,560 | 16,795,400 | 10,721,800 | 6,584,000 |

The Kentucky Office of Homeland Security (KOHS), administratively attached to the Office of the Governor in accordance with KRS 39G.010, was created to coordinate efforts with public and private partners on issues affecting homeland security. KOHS focuses on preparing Kentucky for man-made or natural disasters. Although its primary role is to serve as the state's administrative liaison with the U. S. Department of Homeland Security, KOHS has initiated a comprehensive prevention-focused homeland security strategy to ensure Kentucky's communities, first responders and families have the resources and information necessary to be prepared for disaster or attack.

The Commercial Mobile Radio Service Emergency Telecommunications Board (CMRS) is administratively attached to the Kentucky Office of Homeland Security pursuant to KRS 65.7623. The CMRS Board collects user fees monthly from subscribers of the approximately 35 wireless carriers providing wireless telephone service in Kentucky. These fees are used to fund technology upgrades at Kentucky's enhanced 911 centers and to enhance the networks operated by the carriers.

**General Government
Veterans' Affairs**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|---------------------------|--------------------------|---------------------------|----------------------------|----------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 18,783,200 | 16,651,100 | 16,836,600 | 17,978,500 | 14,045,400 |
| State Salary and Compensation Allocation | 344,200 | 656,700 | 946,500 | | |
| Budget Reduction-General Fund | -1,510,200 | | | | |
| Mandated Expenditure Reductions | -793,100 | -461,100 | -589,600 | | |
| Total General Fund | 16,824,100 | 16,846,700 | 17,193,500 | 17,978,500 | 14,045,400 |
| Restricted Funds | | | | | |
| Balance Forward | 99,768 | 1,651,353 | 713,000 | 157,200 | 102,300 |
| Current Receipts | 30,525,450 | 30,569,661 | 31,624,000 | 34,355,200 | 40,380,400 |
| Non-Revenue Receipts | -795,142 | -704,536 | | | |
| Fund Transfers | | -650,700 | -1,871,500 | | |
| Total Restricted Funds | 29,830,076 | 30,865,778 | 30,465,500 | 34,512,400 | 40,482,700 |
| TOTAL SOURCE OF FUNDS | 46,654,176 | 47,712,478 | 47,659,000 | 52,490,900 | 54,528,100 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 37,307,973 | 38,652,732 | 37,848,600 | 43,584,000 | 45,483,700 |
| Operating Expenses | 7,340,652 | 7,814,421 | 8,319,100 | 8,280,500 | 8,285,000 |
| Grants Loans Benefits | 324,883 | 524,149 | 524,100 | 524,100 | 524,100 |
| Capital Outlay | 29,155 | 301 | 7,800 | | |
| Construction | 158 | 7,894 | | | |
| TOTAL EXPENDITURES | 45,002,822 | 46,999,498 | 46,699,600 | 52,388,600 | 54,292,800 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 16,824,100 | 16,846,700 | 16,391,300 | 17,978,500 | 14,045,400 |
| Restricted Funds | 28,178,722 | 30,152,798 | 30,308,300 | 34,410,100 | 40,247,400 |
| TOTAL EXPENDITURES | 45,002,822 | 46,999,498 | 46,699,600 | 52,388,600 | 54,292,800 |
| EXPENDITURES BY UNIT | | | | | |
| Commissioner's Office, Field Serv's & Cemeteries | 4,156,207 | 4,525,110 | 4,486,400 | 4,688,700 | 4,746,000 |
| Kentucky Veterans' Centers | 40,846,615 | 42,474,388 | 42,213,200 | 47,699,900 | 49,546,800 |
| TOTAL EXPENDITURES | 45,002,822 | 46,999,498 | 46,699,600 | 52,388,600 | 54,292,800 |

The Kentucky Department of Veterans' Affairs (KDVA), established by KRS 40.300, assists over 370,000 Kentucky veterans and their families in applying for federal, state, and local veteran's benefits. Services include: benefits counseling and claims processing regarding the existence or availability of educational, training, and retraining facilities; health, medical rehabilitation, and housing services and facilities; employment and reemployment services; and provision of services under federal, state, and local laws affording rights, privileges, and benefits to eligible veterans and their dependents. These services are supported by a cooperative network of veterans' benefits field representatives, volunteers, and personal service contracts with major veterans' organizations.

Pursuant to KRS 40.325, the Office of Kentucky Veterans' Centers within the KDVA manages Kentucky's three state veterans' nursing homes, which serve the long-term nursing care needs of Kentucky's elderly veteran population, which includes about 110,000 of Kentucky's veterans.

The Thomson-Hood Veterans' Center, located in Wilmore in Jessamine County, is a 285-bed long-term nursing care facility specifically for Kentucky's elderly veteran population. The Eastern Kentucky Veterans' Center is a 120-bed facility located in Hazard (Perry County). The Western Kentucky Veterans' Center is a 120-bed facility in Hanson (Hopkins County). Both facilities opened in 2002 and include in-house physician care, nurse practitioners, 24-hour nursing staff, and staffing for a rehab therapy department, barbershop, library, gift shop, laundry facility, and a dietary department.

KDVA is completing a 36-bed expansion at the Western Kentucky Veterans' Center that utilizes the new "Community Living Concept" recently required by the federal Veterans' Administration. Three 12-bed buildings will provide a more personalized care for its residents. A fourth 120-bed Veterans' Center, in Hardin County, is anticipated to begin construction during the 2012-2014 biennium and will also utilize the "Community Living Concept."

The KDVA is required by KRS 40.315 to establish and maintain Kentucky state veterans' cemeteries. The Kentucky Veterans' Cemetery-West is located on Highway 41A south of Hopkinsville. The Veterans' Cemetery-Central in Ft. Knox opened in June

2007. The Veterans' Cemetery-North near Williamstown opened in early fiscal year 2009. The Veterans' Cemetery-Northeast in Greenup County opened in the fall of 2010. Each facility includes an administration building, a maintenance building with service area, committal facility, a columbarium, appropriate parking, road network, walking path and landscaping. The Veterans Cemetery-Southeast in Leslie County was authorized by the 2006 General Assembly and is in the process of site selection.

KRS 40.600 established the Women Veterans Program to ensure Kentucky women veterans have equitable access to federal and state veterans' services and benefits. KRS 40.350 established the Wounded or Disabled Veterans Program to assist wounded or disabled veterans in the transition from active service and ensure they receive the federal, state and private benefits to which they are entitled as wounded or disabled veterans.

The KDVA contracts with Volunteers of America to help support the operation of a Homeless Veterans' Transitional Shelter which opened for business in April 2005 on the Leestown Veterans Administration Hospital property in Lexington.

Policy

Included in the General Fund is \$445,000 in fiscal year 2013 and \$812,000 in fiscal year 2014 for the expanded operation of the 36-bed increase at the Western Kentucky Veterans' Center.

General Government
Governor's Office of Agricultural Policy

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|---|-------------------|------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| Tobacco Settlement - Phase I | | | | | |
| Tobacco Settlement - Phase I | 27,403,600 | 30,529,000 | 17,691,600 | 16,900,000 | 14,379,300 |
| Continuing Approp.-Tobacco Settlement | 19,392,316 | 23,892,661 | 28,351,300 | 16,661,400 | 8,563,000 |
| Budget Reduction-General Fund Tobacco | -548,463 | -3,461,078 | | | |
| Fund Transfers | | | -51,700 | | |
| Total Tobacco Settlement - Phase I | 46,247,454 | 50,960,583 | 45,991,200 | 33,561,400 | 22,942,300 |
| Restricted Funds | | | | | |
| Balance Forward | 344,888 | 391,309 | 400,900 | 380,400 | 354,300 |
| Current Receipts | 599,104 | 530,543 | 414,800 | 425,200 | 90,700 |
| Non-Revenue Receipts | | 53,776 | 350,000 | | |
| Fund Transfers | | -28,800 | -39,800 | | |
| Total Restricted Funds | 943,992 | 946,828 | 1,125,900 | 805,600 | 445,000 |
| Federal Funds | | | | | |
| Non-Revenue Receipts | 57 | 50,344 | -50,300 | | |
| ARRA Receipts | 70,060 | 846,115 | 1,174,300 | | |
| Total Federal Funds | 70,117 | 896,458 | 1,124,000 | | |
| TOTAL SOURCE OF FUNDS | 47,261,562 | 52,803,869 | 48,241,100 | 34,367,000 | 23,387,300 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 1,458,413 | 1,627,937 | 1,557,200 | 1,321,200 | 1,342,000 |
| Operating Expenses | 263,080 | 350,828 | 302,700 | 478,800 | 458,000 |
| Grants Loans Benefits | 21,256,098 | 22,072,964 | 30,276,700 | 23,649,700 | 21,581,500 |
| TOTAL EXPENDITURES | 22,977,591 | 24,051,729 | 32,136,600 | 25,449,700 | 23,381,500 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| Tobacco Settlement - Phase I | 22,354,792 | 22,609,325 | 30,267,100 | 24,998,400 | 22,942,300 |
| Restricted Funds | 552,683 | 545,945 | 745,500 | 451,300 | 439,200 |
| Federal Funds | 70,117 | 896,458 | 1,124,000 | | |
| TOTAL EXPENDITURES | 22,977,591 | 24,051,729 | 32,136,600 | 25,449,700 | 23,381,500 |
| EXPENDITURES BY UNIT | | | | | |
| Governor's Office of Agricultural Policy | 22,977,591 | 24,051,729 | 32,136,600 | 25,449,700 | 23,381,500 |
| TOTAL EXPENDITURES | 22,977,591 | 24,051,729 | 32,136,600 | 25,449,700 | 23,381,500 |

The Governor's Office of Agricultural Policy (GOAP) is the Governor's direct link to the Commonwealth's agricultural industry. The Kentucky Agricultural Development Board, the Kentucky Agricultural Finance Corporation and the Kentucky Agricultural Resource Development Authority are staffed by the employees in this Office.

The Kentucky Agricultural Development Board, authorized in KRS 248.707, distributes funds received by the Commonwealth from the Tobacco Master Settlement Agreement (Phase I money). The Board invests in innovative proposals that increase net farm income and assists tobacco farmers and tobacco-impacted communities by stimulating markets, finding new ways to add value to existing products, and promoting diversification of Kentucky's agricultural economy.

The Agricultural Development Board has sixteen members, described in KRS 248.707(2). They are the Governor, Commissioner of Agriculture, Secretary of the Cabinet for Economic Development, Director of the University of Kentucky Cooperative Extension Service and President of Kentucky State University, along with eleven members appointed by the Governor to staggered terms. Those appointees include representatives of the Kentucky Farm Bureau, the Kentucky Chamber of Commerce, an attorney, an agricultural lender, and seven active farmers.

Half of Kentucky's tobacco settlement receipts are allocated to the Agricultural Development Fund. That amount is further divided between a counties account for county level grants and a state account for investments that have a regional or statewide purpose. From the state account, the General Assembly has appropriated debt service for bonds to support farmland preservation and safe drinking water, water and sewer infrastructure projects, the Kentucky Agricultural Heritage Center, improvements to 4-H camps and FFA Leadership Center, and funding for land conservation programs.

A portion of funds received into the Agriculture Development Fund are allocated for projects at the county level. The specific funding level of a county is dependent upon its tobacco-production dependency in relation to other counties within the state as described in KRS 248.703(3). One hundred and eighteen of Kentucky's 120 counties receive a portion county allocation. Each

county has a council of local agriculture leaders who consider applications for grants from the county's share of funds and prioritizes them for the Agricultural Development Board, which has the final grant authority for each county's funds. The Board has developed several programs in which counties may participate. Funds are provided as matching grants.

In addition to their work with the Kentucky Agricultural Development Fund, personnel at GOAP provide staffing for the Kentucky Agricultural Finance Corporation. The Kentucky Agricultural Finance Corporation is a *de jure* municipal corporation created in KRS 247.944 to provide access to capital for farmers and other agricultural enterprises. The Commissioner of the Kentucky Department of Agriculture serves as the Chair and the Secretary of the Finance Cabinet serves as another statutory member. The Governor appoints the remaining ten board members.

Policy

The Budget of the Commonwealth suspends KRS 248.703(1)(a), and directs that the counties' portion of the Tobacco Settlement-Phase I payments will be \$14,278,000 in fiscal year 2013 and \$14,083,600 fiscal year 2014.

**General Government
Kentucky Infrastructure Authority**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|-------------------|-------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 1,758,100 | 1,530,400 | 1,515,100 | 1,385,800 | 1,551,300 |
| State Salary and Compensation Allocation | 17,000 | 34,500 | 48,800 | | |
| Budget Reduction-General Fund | -146,700 | | | | |
| Mandated Expenditure Reductions | -43,000 | -40,300 | -53,400 | | |
| Total General Fund | 1,585,400 | 1,524,600 | 1,510,500 | 1,385,800 | 1,551,300 |
| Restricted Funds | | | | | |
| Balance Forward | 64,279 | 305,690 | 139,100 | 21,300 | 21,300 |
| Current Receipts | 796,994 | 253,381 | 34,018,800 | 34,116,600 | 34,141,000 |
| Non-Revenue Receipts | 391,680 | 386,967 | | | |
| Fund Transfers | -37,200 | -24,000 | -37,300 | | |
| Total Restricted Funds | 1,215,754 | 922,038 | 34,120,600 | 34,137,900 | 34,162,300 |
| Federal Funds | | | | | |
| Balance Forward | 1 | 1 | | | |
| Current Receipts | 27,978,320 | 11,691,383 | 43,493,800 | 29,345,200 | 29,316,400 |
| Non-Revenue Receipts | 1,961 | -1,961 | | | |
| ARRA Receipts | 22,634,509 | 33,446,907 | 13,385,800 | | |
| Total Federal Funds | 50,614,791 | 45,136,331 | 56,879,600 | 29,345,200 | 29,316,400 |
| TOTAL SOURCE OF FUNDS | 53,415,945 | 47,582,969 | 92,510,700 | 64,868,900 | 65,030,000 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 2,867,350 | 2,738,058 | 2,777,300 | 2,979,300 | 3,005,700 |
| Operating Expenses | 139,008 | 139,506 | 219,200 | 291,100 | 291,100 |
| Grants Loans Benefits | 50,103,896 | 44,566,285 | 57,229,600 | 29,345,200 | 29,316,400 |
| Debt Service | | | 32,232,000 | 32,232,000 | 32,395,500 |
| TOTAL EXPENDITURES | 53,110,253 | 47,443,849 | 92,458,100 | 64,847,600 | 65,008,700 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 1,585,400 | 1,524,600 | 1,479,200 | 1,385,800 | 1,551,300 |
| Restricted Funds | 910,064 | 782,919 | 34,099,300 | 34,116,600 | 34,141,000 |
| Federal Funds | 50,614,790 | 45,136,330 | 56,879,600 | 29,345,200 | 29,316,400 |
| TOTAL EXPENDITURES | 53,110,253 | 47,443,849 | 92,458,100 | 64,847,600 | 65,008,700 |
| EXPENDITURES BY UNIT | | | | | |
| Kentucky Infrastructure Authority | 53,110,253 | 47,443,849 | 92,458,100 | 64,847,600 | 65,008,700 |
| TOTAL EXPENDITURES | 53,110,253 | 47,443,849 | 92,458,100 | 64,847,600 | 65,008,700 |

The Kentucky Infrastructure Authority (KIA) pursuant to KRS Chapter 224A funds the acquisition and construction of infrastructure projects as defined in KRS 224A.011(16) and the remediation of property owned by governmental agencies. KIA also coordinates regional infrastructure planning to promote higher levels of technical, managerial and financial capacity of water based utilities. KIA with the assistance of the Area Development Districts coordinates water and wastewater planning by the Area Water Management Councils. The Councils establish water planning areas, develop and maintain the regional water management plan and identify and prioritize water and wastewater projects. The authority is administratively attached to the Department for Local Government.

The agency is authorized to issues notes and bonds to provide infrastructure financing for governmental agencies and to a limited extent investor-owned private utilities. The provisions of KRS 224A.165 dictate certain limits on the amount of notes and bonds the Authority can have outstanding. The purpose of the loans is to assist in financing the construction of infrastructure projects. The Authority also provides grants and subsidized loan incentives.

The following provides a description of the Authority's programs:

Fund A Wastewater Revolving Loan Program – Local wastewater treatment facilities that qualify under the U.S. Environmental Protection Agency (EPA) standards are financed through this program. Jointly administered by the KIA and the Kentucky Division of Water in the Energy and Environment Cabinet, loans are provided to governmental agencies at below-market interest rates.

Fund B Revolving Loan/Grant Program – Loans are made to governmental entities that are unable to wholly finance a project through other public grant or loan programs, through commercial credit at reasonable rates, or from their own resources. The loans are offered at or below market interest rates for a term not to exceed 30 years. Grants are available, but are reserved for borrowers facing both a financial hardship and an extreme health hazard.

Fund B 2020 Program – This fund provides financing primarily for, but not limited to, water service projects. The fund promotes the merger and consolidation of systems, and encourages the increased financial, managerial, and technical capacity of systems to provide service.

Fund C Governmental Agencies Program – This program provides local governmental agencies access to funding at better terms than could be obtained on an independent basis. Loans are available at terms of up to thirty years for any eligible infrastructure project owned by governmental entities in the Commonwealth. The loans may be used to fund totally a construction project or they can be used to supplement grants or cash contributions.

Fund F Drinking Water Revolving Loan Fund – This fund was established to assist in financing local drinking water treatment and distribution facilities that qualify under EPA requirements. Projects must be recommended by the Kentucky Division of Water in the Energy and Environment Cabinet from the Project Priority List and must be financially feasible as determined by KIA staff.

Coal Development and Tobacco Development Funds – These funds were created by the 2003 Regular Session of the General Assembly to support various water and sewer projects in Coal Producing and Tobacco Producing Counties. The Authority coordinates the process of implementation and provides project administration for the projects funded in these programs.

Infrastructure for Economic Development Funds – These funds were authorized by the 2005, 2006 and 2008 General Assembly for an array of water and sewer projects included in the Commonwealth budget by specific designation. The Authority coordinates the implementation process and provides project administration for the projects funded in these programs.

Local Government Economic Development Fund – (Coal Severance Tax Projects) – These funds were authorized by the 2008, 2010 and 2012 General Assembly from the respective single county fund for projects in coal-producing counties. The Authority coordinates the process of implementation and provides project administration for the water and sewer related projects funded in this program. The program is administered jointly with the Department for Local Government.

Policy

The Budget of the Commonwealth includes General Fund appropriations in the amount of \$370,000 in fiscal year 2013 and \$370,000 in fiscal year 2014 from the Local Government Economic Development Fund to support services provided to coal producing counties by KIA.

Included in the General Fund appropriation is \$67,000 in fiscal year 2014 for debt service to support \$1,500,000 in bonds to match an estimated \$34,106,000 in Federal Funds for the Federally Assisted Wastewater Revolving Loan Fund program (Fund A).

Included in the General Fund appropriation is \$96,500 in fiscal year 2014 for debt service to support \$2,200,000 in bonds to match an estimated \$24,440,000 in Federal Funds for the Safe Drinking Water State Revolving Loan Fund program (Fund F).

**General Government
Military Affairs**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|-------------------|------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 10,833,800 | 9,678,500 | 8,947,900 | 8,513,600 | 8,674,700 |
| State Salary and Compensation Allocation | 172,900 | 336,300 | 486,500 | | |
| Budget Reduction-General Fund | -1,186,200 | | | | |
| Mandated Expenditure Reductions | -478,400 | -223,500 | -316,200 | | |
| Mandated Allotments | 33,550,000 | 12,500,000 | 12,500,000 | | |
| Total General Fund | 42,892,100 | 22,291,300 | 21,618,200 | 8,513,600 | 8,674,700 |
| Restricted Funds | | | | | |
| Balance Forward | 12,645,508 | 10,711,464 | 20,584,400 | 20,584,300 | 20,194,500 |
| Current Receipts | 41,686,458 | 42,480,956 | 40,632,200 | 40,504,500 | 40,432,400 |
| Non-Revenue Receipts | -3,923,967 | 2,723,883 | 317,900 | 340,600 | 379,700 |
| Fund Transfers | | -235,300 | -870,000 | | |
| Total Restricted Funds | 50,407,999 | 55,681,003 | 60,664,500 | 61,429,400 | 61,006,600 |
| Federal Funds | | | | | |
| Balance Forward | | | | | |
| Current Receipts | 224,284,631 | 79,102,983 | 112,081,400 | 42,842,600 | 43,114,400 |
| Non-Revenue Receipts | 2,043,002 | -209,790 | | | |
| ARRA Receipts | 185,771 | | | | |
| Total Federal Funds | 226,513,404 | 78,893,193 | 112,081,400 | 42,842,600 | 43,114,400 |
| TOTAL SOURCE OF FUNDS | 319,813,503 | 156,865,496 | 194,364,100 | 112,785,600 | 112,795,700 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 34,527,051 | 36,915,077 | 35,654,700 | 36,977,000 | 36,418,900 |
| Operating Expenses | 35,703,231 | 34,109,215 | 36,383,700 | 34,189,200 | 35,016,600 |
| Grants Loans Benefits | 226,317,391 | 60,089,875 | 97,480,600 | 17,624,900 | 17,849,900 |
| Debt Service | 1,402,188 | 1,714,199 | 1,800,000 | 1,800,000 | 1,800,000 |
| Capital Outlay | 2,883,985 | 613,306 | 2,000,000 | 2,000,000 | 2,000,000 |
| Construction | 12,011 | 7,802 | | | |
| TOTAL EXPENDITURES | 300,845,856 | 133,449,474 | 173,319,000 | 92,591,100 | 93,085,400 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 34,635,917 | 19,459,654 | 21,157,400 | 8,513,600 | 8,674,700 |
| Restricted Funds | 39,696,535 | 35,096,628 | 40,080,200 | 41,234,900 | 41,296,300 |
| Federal Funds | 226,513,404 | 78,893,193 | 112,081,400 | 42,842,600 | 43,114,400 |
| TOTAL EXPENDITURES | 300,845,856 | 133,449,474 | 173,319,000 | 92,591,100 | 93,085,400 |
| EXPENDITURES BY UNIT | | | | | |
| Statutory State Operations | 24,339,962 | 25,411,149 | 23,510,400 | 23,790,100 | 23,776,000 |
| Emergency Management | 233,431,177 | 67,230,140 | 104,756,900 | 25,354,900 | 25,489,000 |
| National Guard Operations | 867,702 | 200,000 | 200,000 | 200,000 | 200,000 |
| Emergency & Public Safety Operations | 3,618,956 | 5,910,731 | 2,500,000 | | |
| Bluegrass Station | 8,737,717 | 7,805,708 | 8,858,300 | 8,689,300 | 8,716,700 |
| Central Clothing Distribution | 28,314,148 | 25,555,862 | 28,592,600 | 29,603,000 | 29,902,700 |
| Federal & Grant Operations | 1,536,192 | 1,335,884 | 4,900,800 | 4,953,800 | 5,001,000 |
| TOTAL EXPENDITURES | 300,845,856 | 133,449,474 | 173,319,000 | 92,591,100 | 93,085,400 |

The Department of Military Affairs is responsible for all military matters and disaster and emergency service coordination in the Commonwealth. The Governor is constitutional Commander-in-Chief of the Kentucky National Guard and appoints the Adjutant General. The Adjutant General commands the Kentucky National Guard and directs and coordinates all programs in the Department.

Units of the Kentucky National Guard may be called to duty by the Governor in the event of civil strife or disorder or the occurrence of natural or man-made disasters. The Department has the responsibility for organizing, equipping, training, and housing these units.

The Department consists of the following organizational units: The Division of Emergency Management; the Office of Kentucky Community Crisis Response; and the Office of Management and Administration, which contains the Division of Administrative Services, Division of Facilities, Logistics Operations Division, Bluegrass Station Division, and the Youth Challenge Program.

The Division of Emergency Management is responsible for all aspects of emergency management including planning, assessment, mitigation, response, and recovery in the Commonwealth. The Division works with local emergency management programs to maintain a coordinated program and operates field offices across the state. The Emergency Operations Center in Frankfort is the hub for coordination during an emergency and is operated by the Division. The Center operates on a twenty-four hour basis and serves as a warning point, communications and command center.

The Kentucky Community Crisis Response Board oversees the delivery of crisis response services including consultation, risk assessment, referral, and on site crisis intervention services to persons impacted by an emergency or disaster.

The Division of Facilities is responsible for maintaining nearly 50 armories across the state as well as the facilities at Wendell H. Ford Regional Training Center in Muhlenberg County, the Emergency Operations Center in Frankfort, and various other facilities statewide.

The Department also operates Bluegrass Station in Fayette County, formerly AVON Army Depot. The property was acquired by the Commonwealth in 1989 under the Base Re-alignment and Closure Act. Bluegrass Station houses the Logistic Operations Division's Central Clothing Distribution Facility as well as several other tenants, primarily United States Department of Defense contractors.

The Youth Challenge Program is a 22-week residential development and training program for youth between 16 - 18 years of age who are high school dropouts, drug-free, unemployed and free of serious involvement in the criminal justice system. The program is operated by the Kentucky National Guard and supports approximately 200 participants annually.

**General Government
Commission on Human Rights**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|-------------------|------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 2,060,400 | 1,721,500 | 1,704,300 | 1,616,100 | 1,648,700 |
| State Salary and Compensation Allocation | 31,400 | 57,700 | 83,400 | | |
| Budget Reduction-General Fund | -247,000 | | | | |
| Mandated Expenditure Reductions | -76,100 | -55,000 | -60,200 | | |
| Total General Fund | 1,768,700 | 1,724,200 | 1,727,500 | 1,616,100 | 1,648,700 |
| Federal Funds | | | | | |
| Balance Forward | 39,347 | 176,411 | 129,600 | 129,600 | 129,600 |
| Current Receipts | 344,680 | 229,229 | 256,100 | 233,600 | 233,600 |
| Total Federal Funds | 384,027 | 405,640 | 385,700 | 363,200 | 363,200 |
| TOTAL SOURCE OF FUNDS | 2,152,727 | 2,129,840 | 2,113,200 | 1,979,300 | 2,011,900 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 1,705,926 | 1,721,716 | 1,553,900 | 1,518,900 | 1,553,200 |
| Operating Expenses | 270,388 | 278,530 | 362,200 | 330,800 | 329,100 |
| TOTAL EXPENDITURES | 1,976,314 | 2,000,247 | 1,916,100 | 1,849,700 | 1,882,300 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 1,768,698 | 1,724,200 | 1,660,000 | 1,616,100 | 1,648,700 |
| Federal Funds | 207,616 | 276,047 | 256,100 | 233,600 | 233,600 |
| TOTAL EXPENDITURES | 1,976,314 | 2,000,247 | 1,916,100 | 1,849,700 | 1,882,300 |
| EXPENDITURES BY UNIT | | | | | |
| General Administration and Support | 804,600 | 751,013 | 751,000 | 720,200 | 734,700 |
| Enforcement Branch | 630,268 | 710,236 | 596,200 | 571,000 | 577,800 |
| Research and Information | 359,746 | 359,569 | 358,100 | 352,500 | 359,600 |
| Legal Affairs | 181,700 | 179,429 | 210,800 | 206,000 | 210,200 |
| TOTAL EXPENDITURES | 1,976,314 | 2,000,247 | 1,916,100 | 1,849,700 | 1,882,300 |

The Kentucky Commission on Human Rights is the sole state civil rights enforcement agency in Kentucky, and is mandated to "...safeguard all individuals within the state from discrimination." Pursuant to KRS Chapter 344, the Commission investigates, litigates, and administratively decides complaints of discrimination in the areas of employment, public accommodation, housing, and credit based on race, religion, national origin, age, disability, sex, smoking in employment, and familial status for housing decisions. The Commission has four service units: General Administration and Support, Enforcement, Research and Information, and Legal Affairs.

General Administration and Support performs personnel and fiscal activities and serves as a liaison with the Governor's Office, legislators, and other agencies in state government. This unit is responsible for development of internal policy directives and legislative initiatives.

The Enforcement Branch consists of two sections: Employment/Public Accommodations and Housing. Employees assigned to these sections receive, investigate, and conciliate complaints of discrimination in the areas of employment, public accommodation, credit transactions, and housing.

The Research and Information Branch provides technical assistance and education to local citizen groups, employers, public accommodations staff, educational institutions, local human rights commissions, and government officials. The staff conducts seminars and workshops on sexual harassment, the Kentucky Civil Rights Act, cultural diversity, and the Americans with Disabilities Act.

The Legal Affairs Branch litigates discrimination cases before administrative hearing officers, provides legal advice to inquiries, sworn complaints, and file closures. The legal staff takes depositions of witnesses, prepares legal briefs and appeals, and serves as in-house counsel.

**General Government
Commission on Women**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|-------------------|------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 237,900 | 212,100 | 210,000 | 206,400 | 212,400 |
| State Salary and Compensation Allocation | 5,700 | 11,300 | 16,000 | | |
| Budget Reduction-General Fund | -15,100 | | | | |
| Mandated Expenditure Reductions | -10,800 | -8,900 | -7,500 | | |
| Total General Fund | 217,700 | 214,500 | 218,500 | 206,400 | 212,400 |
| Restricted Funds | | | | | |
| Balance Forward | 14,582 | 1,728 | 1,700 | 1,700 | 900 |
| Total Restricted Funds | 14,582 | 1,728 | 1,700 | 1,700 | 900 |
| TOTAL SOURCE OF FUNDS | 232,282 | 216,228 | 220,200 | 208,100 | 213,300 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 214,503 | 197,354 | 188,700 | 189,800 | 195,900 |
| Operating Expenses | 14,547 | 15,420 | 17,400 | 17,400 | 17,400 |
| TOTAL EXPENDITURES | 229,050 | 212,774 | 206,100 | 207,200 | 213,300 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 216,196 | 212,774 | 206,100 | 206,400 | 212,400 |
| Restricted Funds | 12,854 | | | 800 | 900 |
| TOTAL EXPENDITURES | 229,050 | 212,774 | 206,100 | 207,200 | 213,300 |
| EXPENDITURES BY UNIT | | | | | |
| Commission on Women | 229,050 | 212,774 | 206,100 | 207,200 | 213,300 |
| TOTAL EXPENDITURES | 229,050 | 212,774 | 206,100 | 207,200 | 213,300 |

The Kentucky Commission on Women (KCW), authorized in KRS 344.510, consults with and advises the Governor and the agencies, department, boards and commissions of the state and local and municipal governments on matters pertaining to, and of interest to women. The KCW promotes, encourages, and provides advisory assistance in the establishment of local volunteer community improvement programs for, and of interest to women. The KCW conducts programs, studies, seminars, and conferences, and encourages state and local women's business, professional, and civic organizations to do likewise, to educate the public to the problems of women. The KCW cooperates with the federal government and with the governments of other states in programs relating to women.

The KCW maintains and provides a clearinghouse for information and referrals on a variety of issues affecting women, and may serve as a resource for the executive branch on various legislative matters pertaining to women.

The KCW maintains the watercolor Kentucky Women Remembered Exhibit in the West Wing of the Capitol. The KCW staff coordinates state-wide collaborative efforts, such as the Women's Leadership Council and the Kentucky Women's Health Coalition, in order to communicate to the executive branch the challenges and resources that exist for Kentucky women.

**General Government
Department for Local Government**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|-------------------|-------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 11,443,800 | 8,558,500 | 8,472,900 | 7,743,300 | 7,932,100 |
| State Salary and Compensation Allocation | 110,900 | 199,500 | 285,300 | | |
| Budget Reduction-General Fund | -2,653,000 | | | | |
| Mandated Expenditure Reductions | -218,400 | -465,900 | -510,600 | | |
| Total General Fund | 8,683,300 | 8,292,100 | 8,247,600 | 7,743,300 | 7,932,100 |
| Restricted Funds | | | | | |
| Balance Forward | 103,127 | 3,388 | 150,700 | 37,100 | 23,500 |
| Current Receipts | 1,163 | 67,578 | 186,400 | 186,400 | 186,300 |
| Non-Revenue Receipts | -78,223 | 100,000 | -100,000 | | |
| Total Restricted Funds | 26,067 | 170,966 | 237,100 | 223,500 | 209,800 |
| Federal Funds | | | | | |
| Balance Forward | 2,153,781 | | 3,955,300 | 1,439,400 | |
| Current Receipts | 40,177,369 | 47,398,679 | 41,144,100 | 35,392,900 | 33,486,800 |
| Non-Revenue Receipts | 193,388 | 1,029,017 | | | |
| ARRA Receipts | 1,595,547 | 9,398,742 | 500,000 | 1,560,800 | |
| Total Federal Funds | 44,120,086 | 57,826,438 | 45,599,400 | 38,393,100 | 33,486,800 |
| TOTAL SOURCE OF FUNDS | 52,829,453 | 66,289,504 | 54,084,100 | 46,359,900 | 41,628,700 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 5,824,809 | 5,316,156 | 5,028,100 | 5,166,400 | 5,288,600 |
| Operating Expenses | 711,698 | 628,807 | 525,400 | 500,000 | 500,000 |
| Grants Loans Benefits | 46,289,538 | 56,233,322 | 46,844,200 | 40,670,000 | 35,742,300 |
| Debt Service | | | | | 88,000 |
| TOTAL EXPENDITURES | 52,826,045 | 62,178,285 | 52,397,700 | 46,336,400 | 41,618,900 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 8,683,280 | 8,286,852 | 8,037,700 | 7,743,300 | 7,932,100 |
| Restricted Funds | 22,679 | 20,310 | 200,000 | 200,000 | 200,000 |
| Federal Funds | 44,120,086 | 53,871,123 | 44,160,000 | 38,393,100 | 33,486,800 |
| TOTAL EXPENDITURES | 52,826,045 | 62,178,285 | 52,397,700 | 46,336,400 | 41,618,900 |
| EXPENDITURES BY UNIT | | | | | |
| Operations | 5,236,700 | 4,981,527 | 4,807,000 | 4,708,000 | 4,896,800 |
| Grants | 47,589,345 | 57,196,758 | 47,590,700 | 41,628,400 | 36,722,100 |
| TOTAL EXPENDITURES | 52,826,045 | 62,178,285 | 52,397,700 | 46,336,400 | 41,618,900 |

The Department for Local Government (DLG), pursuant to KRS 147A.002, is an independent agency attached to the Office of the Governor. DLG serves as the liaison between the Governor and local units of government. It coordinates and resolves local government issues and concerns. The Department administers grants-in-aid, and serves as the cognizant state agency for Kentucky's fifteen Area Development Districts.

The Commissioner's Office formulates policy that governs programs administered by the Department. The office also serves as a liaison with state and federal agencies that deal with each of the Kentucky's 120 counties, 435 cities, 1400 special districts and the 15 Area Development Districts. The Trover Grant which brings University of Louisville medical students to the Western Kentucky Coal Fields for a portion of their residency is administered by the Commissioner's Office.

The Federal Grants Office administers the Community Development Block Grant program for small cities, the Neighborhood Stabilization Program, the Land and Water Conservation Fund and the Kentucky Recreational Trails program. Moreover, the Office develops and conducts training programs for local governments across the Commonwealth in conjunction with other governmental agencies, associations and the Area Development Districts. It maintains the Commonwealth's Clearinghouse for all federal grants and administers the Joint Funding Agreement and Appalachian Regional Commission grants.

The Flood Control program also is administered by the Federal Grants Office. In partnership with federal and local agencies, the matching program lessens flood damage losses by providing structural and nonstructural assistance to Kentucky communities. The Fund ensures that matching funds required by the U.S. Army Corp of Engineers, Federal Emergency Management Agency,

and Natural Resources Conservation Service are available for vital projects. The program provides matching dollars for federal grants for straight sewage pipe removal projects funded by the Personal Responsibility in a Desirable Environment program.

The Field Services Office makes state government more accessible to citizens of the Commonwealth. Field service representatives travel throughout the Commonwealth of Kentucky and answer citizens' questions, resolve problems, and aid local government officials with their government duties.

The Office of Financial Management and Administrative Services provides agency administrative support. It has responsibility for personnel administration, payroll, purchasing, library management, accounting, and budgeting for the entire agency. The Office provides information technology support for the Department and to local government units.

The Office of State Grants promotes economic development in Kentucky's localities. It is responsible for financial management, accounting, and fund allocation and reporting of the Local Government Economic Development Fund (LGEDF) which contains the Local Government Economic Development Program (LGEDP) and the Local Government Economic Assistance Fund (LGEAF) The agency also reviews and approves LGEDF statutory grant applications. In addition, the Office of State Grants oversees additional programs assigned by the General Assembly through the budget and as requested by other State agencies.

Policy

The Budget of the Commonwealth includes an allocation from the General Fund of \$1 million in each year of the biennium for the Trover Clinic Grant in Madisonville. These General Fund dollars are derived from coal severance revenues.

Included in the General Fund appropriation for fiscal year 2014 is \$88,000 for debt service to support bonds in the amount of \$2,000,000 for the Flood Control Matching Fund.

Included in the Restricted Funds appropriation in each fiscal year of the biennium is \$200,000 for support of the 12 Multi-County Regional Industrial Park Authorities funded from the Local Government Economic Development Fund's Multi-County account.

General Government
Local Government Economic Assistance Fund

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|------------------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 56,989,350 | 54,422,100 | 67,281,600 | 73,792,800 | 76,786,400 |
| Other | 399,000 | 9,729,500 | 1,569,500 | | |
| Total General Fund | 57,388,350 | 64,151,600 | 68,851,100 | 73,792,800 | 76,786,400 |
| TOTAL SOURCE OF FUNDS | 57,388,350 | 64,151,600 | 68,851,100 | 73,792,800 | 76,786,400 |
| EXPENDITURES BY CLASS | | | | | |
| Grants Loans Benefits | 57,388,216 | 64,151,429 | 68,851,100 | 73,792,800 | 76,786,400 |
| TOTAL EXPENDITURES | 57,388,216 | 64,151,429 | 68,851,100 | 73,792,800 | 76,786,400 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 57,388,216 | 64,151,429 | 68,851,100 | 73,792,800 | 76,786,400 |
| TOTAL EXPENDITURES | 57,388,216 | 64,151,429 | 68,851,100 | 73,792,800 | 76,786,400 |
| EXPENDITURES BY UNIT | | | | | |
| County Coal Severance | 32,730,101 | 36,058,359 | 40,561,800 | 43,168,800 | 44,920,100 |
| Cities Coal Severance | 3,618,114 | 3,981,391 | 4,506,900 | 4,796,500 | 4,991,100 |
| County Mineral Severance | 18,961,312 | 21,725,033 | 21,404,200 | 23,244,800 | 24,187,700 |
| Cities Mineral Severance | 2,078,689 | 2,386,646 | 2,378,200 | 2,582,700 | 2,687,500 |
| TOTAL EXPENDITURES | 57,388,216 | 64,151,429 | 68,851,100 | 73,792,800 | 76,786,400 |

The Local Government Economic Assistance Fund (LGEAF) in KRS 42.450-42.495 is a revenue sharing program that was created by the 1980 Regular Session of the General Assembly to return a portion of the coal and minerals severance taxes to local governments in areas where the minerals were extracted. These funds are used by those communities to strengthen and “to improve the environment for new industry and to improve the quality of life of the residents”. Counties that contain industries that are involved in the production of coal or minerals such as natural gas, oil, and stone and incorporated cities within those counties are eligible to receive LGEAF payments. Likewise, counties and their cities affected by the transportation of coal are eligible to receive a portion of the returned severance taxes.

The LGEAF coal severance tax program currently returns funds to an estimated 61 counties and approximately 259 cities at the end of each fiscal quarter. Kentucky law provides that an amount equal to 15 percent of the coal severance tax receipts be transferred to the LGEAF for subsequent allocation and distribution to local governments. Quarterly allocations are made to localities according to such criteria as population, income, the amount and distance coal is transported over local areas, and taxes collected from the county.

Additionally, the LGEAF minerals severance tax program currently returns funds to an estimated 100 counties and approximately 350 cities at the end of each fiscal quarter. Kentucky law provides that an amount equal to 50 percent of the other mineral tax receipts be transferred to the LGEAF for subsequent allocation and distribution to local governments. Quarterly allocations are made to localities according to such criteria as population, income, the amount and distance coal is transported over local areas, and taxes collected from the county.

KRS 42.455(2)(3)(4) specifically prohibits the expenditure of LGEAF for the administration of government. Coal “impact” counties must expend 100 percent of funds in the transportation category. Thirty percent of all funds given to coal “producer” counties must be expended on the county coal haul road system. Expenditure of the remaining 70 percent given to coal “producers” and 100 percent of non-coal mineral severance producing funds must be directly related to the remaining priority categories:

- Public safety, including law enforcement, fire protection, ambulance service and other related services,
- Environmental protection, including sewage disposal, sanitation, solid waste and other related programs,
- Public transportation, including mass transit systems, streets and roads,
- Health,
- Recreation,
- Libraries and educational facilities,
- Services for the poor, aged, and handicapped,
- Industrial and economic development,
- Vocational education; and
- Workforce.

General Government
Local Government Economic Development Fund

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|------------------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 46,256,050 | 39,313,000 | 37,743,300 | 75,276,500 | 80,498,600 |
| Other | 15,712,700 | 21,330,300 | 33,121,500 | | |
| Total General Fund | 61,968,750 | 60,643,300 | 70,864,800 | 75,276,500 | 80,498,600 |
| TOTAL SOURCE OF FUNDS | 61,968,750 | 60,643,300 | 70,864,800 | 75,276,500 | 80,498,600 |
| EXPENDITURES BY CLASS | | | | | |
| Grants Loans Benefits | 61,968,733 | 60,643,209 | 70,864,800 | 75,276,500 | 80,498,600 |
| TOTAL EXPENDITURES | 61,968,733 | 60,643,209 | 70,864,800 | 75,276,500 | 80,498,600 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 61,968,733 | 60,643,209 | 70,864,800 | 75,276,500 | 80,498,600 |
| TOTAL EXPENDITURES | 61,968,733 | 60,643,209 | 70,864,800 | 75,276,500 | 80,498,600 |
| EXPENDITURES BY UNIT | | | | | |
| Economic Development Fund | 61,968,733 | 60,643,209 | 70,864,800 | 75,276,500 | 80,498,600 |
| TOTAL EXPENDITURES | 61,968,733 | 60,643,209 | 70,864,800 | 75,276,500 | 80,498,600 |

The Local Government Economic Development Fund (LGEDF) in KRS 42.458-42.495 is a revenue-sharing program that was created by the 1992 Kentucky General Assembly to provide coal producing counties with the means to diversify their economies. The governing statute mandates that 35 percent of coal severance tax revenue be returned to coal producing counties. Two-thirds of the funds are distributed to individual county accounts using a formula based on coal severance taxes paid from the county, surplus labor rate, relative mining earnings, and relative mining employment. One-third of the dollars are reserved for the Multi-County Fund for joint projects. Kentucky law limits the use of the LGEDF to industrial park development projects, regional parks and job development incentive grants made to individual firms. Currently, 35 of the 45 original counties receive coal severance allocations.

The Department for Local Government (DLG) is responsible for LGEDF financial management, accounting, and fund allocation and reporting. It also reviews and approves LGEDF grant applications for both the Single County and Multi-County Accounts. DLG oversees those projects and others authorized by the General Assembly through the budget.

Policy

The accompanying chart illustrates the policy described below.

Off-the-Top Funding Items: Notwithstanding KRS 342.122(1) (c), no General Fund appropriation is provided to the Kentucky Workers' Compensation Funding Commission in fiscal year 2013 and fiscal year 2014.

Notwithstanding KRS 42.4582 and KRS 42.4585, \$872,500 in each fiscal year is provided to the Osteopathic Medicine Scholarship Program within the Kentucky Higher Education Assistance Authority and \$1,000,000 in each fiscal year is provided to the Trover Clinic Grant within the Department for Local Government.

Out-of-the-Middle Funding Items: The Budget of the Commonwealth provides funding to support the Read to Achieve Program in the Department of Education of \$3,000,000 each year, support services provided to coal producing counties by the Department of Local Government and the Kentucky Infrastructure Authority by allocating \$1,039,700 in each fiscal year, allocation of \$300,000 each year for a Mining Engineering Scholarship Program at the University of Kentucky, funding for the Robinson Scholars Program in the amount of \$1,000,000 in each fiscal year to the University of Kentucky, \$2,500,000 in each fiscal year to the Department of Education for purpose of enhancing education technology in local school districts within coal-producing counties, \$952,000 additional funds in fiscal year 2012 and \$7,552,000 is provided each year of the 2012-14 biennium to the Mine Safety and Licensing budget to help implement mine safety statutory requirements, and \$500,000 is provided in fiscal year 2014 for the Save the Children program. Debt service support of \$25,503,800 is provided each year as follows; \$4,617,900 each year for \$54,700,000 in schools facilities construction projects (2002-04), \$4,091,400 each year for \$54,765,000 for KIA water and sewer projects (2002-04), \$694,200 in each year for part of the \$80,000,000 in KIA water and sewer projects (2004-06), \$8,562,300 in each year for part of the \$100,000,000 in KIA water and sewer projects (2006-08), and \$7,538,000 in each year for part of \$75,000,000 in KIA water and sewer projects (2008-10).

Multi-County Fund Items: The Budget of the Commonwealth finances the following items from the Multi-County Fund: the transfer of \$5,778,500 in each fiscal year to the General Fund to pay the debt service on the \$80,000,000 Infrastructure for Economic Development Fund for Coal-Producing Counties Bond Pool (2004-2006), \$2,000,000 in each fiscal year of the biennium to the Office of Drug Control Policy to support the Operation Unite grants in coal-producing counties, \$1,800,000 in each fiscal year to the Justice and Public Safety Cabinet's Office of Drug Control Policy to support the Drug Court program serving coal-producing counties, \$3,500,000 in each fiscal year to the Department for Energy Development and Independence to

support energy research and development projects targeted solely to Kentucky's LGEDF eligible counties, \$200,000 in each fiscal year from the LGEDF Multi-County Fund to the Department for Local Government to be distributed to the 12 Multi-County Regional Industrial Park Authorities, \$1,250,000 in each fiscal year for the planning and design of the renovation of Rupp Arena and only in fiscal year 2013 funding of \$972,000 is provided for a mine safety licensing and mapping application, \$2,000,000 is provided to the Leslie County Fiscal Court for the veterans cemetery and \$200,000 is provided to the Public Service Commission for an impact study of utility rates on the aluminum smelting industry.

Notwithstanding KRS 42.4588(2), LGEDF allocations from the Single County Funds to each coal-producing county, and from the Multi-County Fund above the amounts specified in the budget bill may be used to support the nonrecurring investments in public health and safety, economic development, public infrastructure, information technology development and access, and public water and wastewater development.

Severance Tax Dedicated Programs 2012-2014 Biennium

| | FY 2012 Revised | FY 2013 Enacted | FY 2014 Enacted |
|---|--------------------|--------------------|--------------------|
| Coal Severance Tax Resources | | | |
| Coal Severance Tax* | 325,730,600 | 333,792,400 | 350,141,500 |
| Less: Worker's Comp Set Aside (to General Fund) | (19,000,000) | | |
| Less: Osteopathic Medicine Scholarship Program | (872,500) | (872,500) | (872,500) |
| Less: Trover Clinic Grant | (1,000,000) | (1,000,000) | (1,000,000) |
| Less: Mine Safety | (4,400,000) | | |
| Total coal severance tax resources to be distributed | 300,458,100 | 331,919,900 | 348,269,000 |

| | | | |
|--|-------------------|-------------------|-------------------|
| Local Government Economic Assistance Fund (LGEAF) | | | |
| Coal Severance Tax Revenue (15% of Revenue) | 45,068,700 | 49,788,000 | 52,240,400 |
| Other Mineral Severance Tax Revenue (50% of Revenue) | 23,782,400 | 24,004,800 | 24,546,000 |
| LGEAF Appropriation | 68,851,100 | 73,792,800 | 76,786,400 |

| | | | |
|---|-------------------|-------------------|-------------------|
| Local Government Economic Development Fund (LGEDF) | | | |
| Coal Severance (35% of amounts remaining to be distributed) | 105,160,300 | 116,172,000 | 121,894,100 |
| Less: Debt Service (Past Bond Appropriations 2002-2010) | (25,503,800) | (25,503,800) | (25,503,800) |
| Less: Read to Achieve (Education) | (3,000,000) | (3,000,000) | (3,000,000) |
| Less: School Technology in Coal Counties (Education) | (2,500,000) | (2,500,000) | (2,500,000) |
| Less: Robinson Scholars Program (UK) | (1,000,000) | (1,000,000) | (1,000,000) |
| Less: Mining Engineering Scholarship Program (UK) | (300,000) | (300,000) | (300,000) |
| Less: LGEDF Project Administration (DLG - KIA) | (1,039,700) | (1,039,700) | (1,039,700) |
| Less: Mine Safety (Natural Resources) | (952,000) | (7,552,000) | (7,552,000) |
| Less: Save the Children (Education) | | | (500,000) |
| LGEDF Appropriation for County Distribution | 70,864,800 | 75,276,500 | 80,498,600 |
| LGEDF for Single County Distribution (66.7% of LGEDF Distribution) | 47,243,200 | 50,184,300 | 53,665,700 |

| | | | |
|--|-------------------|-------------------|-------------------|
| Local Government Economic Development Multi-County Fund | | | |
| Multi-County Allocation (33.3% of LGEDF County Distribution) | 23,621,600 | 25,092,200 | 26,832,900 |
| Balance Forward from prior fiscal year | 8,794,800 | | |
| Total Multi-County Resources | 32,416,400 | 25,092,200 | 26,832,900 |
| Less: Debt Service - \$80m Water & Sewer Bonds 2004-06 (KIA) | (5,778,500) | (5,778,500) | (5,778,500) |
| Less: Drug Courts (Office of Drug Control Policy) | (1,800,000) | (1,800,000) | (1,800,000) |
| Less: Operation Unite (Office of Drug Control Policy) | (2,000,000) | (2,000,000) | (2,000,000) |
| Less: Energy Research Grants (Energy Development & Independence) | (3,500,000) | (3,500,000) | (3,500,000) |
| Less: 12 Multi-County Regional Industrial Park Authorities | (200,000) | (200,000) | (200,000) |
| Less: Rupp Arena Renovation Planning and Design (Capital Project) | | (1,250,000) | (1,250,000) |
| Less: Mine Safety, Licensing & Mapping Application (Natural Resources) | | (972,000) | |
| Less: Leslie County Veterans Center (Leslie County Fiscal Court) | | (2,000,000) | |
| Less: Study of Utility Rate Impact on Aluminum Smelter Industry (PSC) | | (200,000) | |
| Less: Multi-County Uses | (19,137,900) | (7,391,700) | (12,304,400) |
| Balance | - | - | - |

**Revenue numbers account for quarter lag*

**General Government
Area Development Fund**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|------------------------------------|---------------------------|--------------------------|---------------------------|----------------------------|----------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 691,200 | 569,600 | 563,900 | 498,500 | 498,500 |
| Budget Reduction-General Fund | -70,000 | | | | |
| Mandated Expenditure Reductions | -31,100 | -8,600 | -19,700 | | |
| Total General Fund | 590,100 | 561,000 | 544,200 | 498,500 | 498,500 |
| TOTAL SOURCE OF FUNDS | 590,100 | 561,000 | 544,200 | 498,500 | 498,500 |
| EXPENDITURES BY CLASS | | | | | |
| Grants Loans Benefits | 590,100 | 561,000 | 544,200 | 498,500 | 498,500 |
| TOTAL EXPENDITURES | 590,100 | 561,000 | 544,200 | 498,500 | 498,500 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 590,100 | 561,000 | 544,200 | 498,500 | 498,500 |
| TOTAL EXPENDITURES | 590,100 | 561,000 | 544,200 | 498,500 | 498,500 |
| EXPENDITURES BY UNIT | | | | | |
| Area Development Fund | 590,100 | 561,000 | 544,200 | 498,500 | 498,500 |
| TOTAL EXPENDITURES | 590,100 | 561,000 | 544,200 | 498,500 | 498,500 |

The Area Development Fund is a revenue sharing program that was created by the 1976 Regular Session of the General Assembly to fund capital projects in accordance with KRS 42.350 (2) in communities within each of the 15 Area Development Districts. The Area Development Districts rank and recommend projects that they consider eligible for funding to the Commissioner of the Department for Local Government.

**General Government
Executive Branch Ethics Commission**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|---------------------------|--------------------------|---------------------------|----------------------------|----------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 448,500 | 451,700 | 447,200 | 438,700 | 447,300 |
| State Salary and Compensation Allocation | 8,100 | 15,500 | 22,000 | | |
| Mandated Expenditure Reductions | | -7,600 | | | |
| Total General Fund | 456,600 | 459,600 | 469,200 | 438,700 | 447,300 |
| Restricted Funds | | | | | |
| Balance Forward | 34,461 | 56,931 | 90,300 | 105,000 | 78,300 |
| Current Receipts | 56,581 | 60,500 | 60,500 | 60,500 | 60,500 |
| Total Restricted Funds | 91,041 | 117,431 | 150,800 | 165,500 | 138,800 |
| TOTAL SOURCE OF FUNDS | 547,641 | 577,031 | 620,000 | 604,200 | 586,100 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 418,930 | 422,130 | 430,000 | 460,900 | 469,500 |
| Operating Expenses | 71,780 | 64,591 | 65,000 | 65,000 | 65,000 |
| TOTAL EXPENDITURES | 490,711 | 486,722 | 495,000 | 525,900 | 534,500 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 456,600 | 459,600 | 449,200 | 438,700 | 447,300 |
| Restricted Funds | 34,111 | 27,122 | 45,800 | 87,200 | 87,200 |
| TOTAL EXPENDITURES | 490,711 | 486,722 | 495,000 | 525,900 | 534,500 |
| EXPENDITURES BY UNIT | | | | | |
| Executive Branch Ethics Commission | 490,711 | 486,722 | 495,000 | 525,900 | 534,500 |
| TOTAL EXPENDITURES | 490,711 | 486,722 | 495,000 | 525,900 | 534,500 |

In accordance with KRS 11A, the Executive Branch Ethics Commission is responsible for reviewing the personal financial interests of the constitutional officers and management personnel in state government in order to prevent conflicts of interest. Additionally, the Commission issues advisory opinions with regard to ethical conduct, investigates and enforces possible violations of the Code, and provides a registration mechanism for executive agency lobbyists.

**General Government
Secretary of State**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|-------------------|------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 2,050,000 | 1,771,400 | 1,753,700 | 1,646,100 | 1,681,900 |
| State Salary and Compensation Allocation | 42,900 | 80,200 | 115,000 | | |
| Budget Reduction-General Fund | -191,300 | | | | |
| Mandated Expenditure Reductions | -92,300 | -115,500 | -112,200 | | |
| Total General Fund | 1,809,300 | 1,736,100 | 1,756,500 | 1,646,100 | 1,681,900 |
| Restricted Funds | | | | | |
| Balance Forward | 207,163 | 100,979 | 1,042,800 | 1,315,500 | 574,600 |
| Current Receipts | 2,201,788 | 2,823,098 | 2,165,000 | 2,107,600 | 2,202,000 |
| Fund Transfers | -1,347,000 | -826,300 | -849,700 | -1,000,000 | -1,000,000 |
| Total Restricted Funds | 1,061,951 | 2,097,777 | 2,358,100 | 2,423,100 | 1,776,600 |
| Federal Funds | | | | | |
| Current Receipts | | 41,744 | | | |
| Total Federal Funds | | 41,744 | | | |
| TOTAL SOURCE OF FUNDS | 2,871,251 | 3,875,622 | 4,114,600 | 4,069,200 | 3,458,500 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 2,031,226 | 2,122,031 | 2,092,400 | 2,654,600 | 2,709,800 |
| Operating Expenses | 639,051 | 667,351 | 606,300 | 672,000 | 672,000 |
| Grants Loans Benefits | 500 | 275 | 200 | | |
| Capital Outlay | 99,494 | 43,188 | 13,100 | 168,000 | 24,100 |
| TOTAL EXPENDITURES | 2,770,272 | 2,832,844 | 2,712,000 | 3,494,600 | 3,405,900 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 1,809,300 | 1,736,100 | 1,669,400 | 1,646,100 | 1,681,900 |
| Restricted Funds | 960,972 | 1,055,000 | 1,042,600 | 1,848,500 | 1,724,000 |
| Federal Funds | | 41,744 | | | |
| TOTAL EXPENDITURES | 2,770,272 | 2,832,844 | 2,712,000 | 3,494,600 | 3,405,900 |
| EXPENDITURES BY UNIT | | | | | |
| General Administration | 1,049,895 | 1,573,544 | 1,540,900 | 1,798,800 | 1,670,600 |
| General Operations | 1,720,377 | 1,259,300 | 1,171,100 | 1,695,800 | 1,735,300 |
| TOTAL EXPENDITURES | 2,770,272 | 2,832,844 | 2,712,000 | 3,494,600 | 3,405,900 |

The Secretary of State, a constitutional officer as provided in Section 91 of the Kentucky Constitution, directs the Department of State of the Commonwealth. KRS 117.015 designates the Secretary of State as the chief Election Officer of the Commonwealth and the chair of the State Board of Elections. In addition, the Secretary of State appoints notaries public; issues Kentucky Colonel Commissions; is the keeper of the Seal of the Commonwealth of Kentucky; and maintains records of all official acts of the Governor as well as all legislation passed by the General Assembly.

The Office of the Secretary of State consists of the following organizational units: the Division of Corporate Records, which contains the Business Filings Branch, the Business Records Branch, and the Uniform Commercial Code Branch; and the Division of Administration.

The Division of Corporate Records is responsible for the registration and incorporation of businesses, both domestic and foreign, profit and non-profit, including the administration of documents of merger, dissolution, and name changes. It also accepts and processes filings for limited liability companies and registered limited liability partnerships. These entities must also file articles of organization with the Secretary of State as well as amendments, mergers and dissolutions.

The Division of Administration is responsible for executive policy and management functions for the entire office. It prepares and records official documents for the Governor; administers Kentucky's notary public law; issues commissions, pardons, commutations, and extraditions; processes service of summonses; and implements the election laws of the Commonwealth.

The State Land Office is also under the supervision of the Secretary of State. It preserves Kentucky's land grant records and fulfills daily inquiries and requests for copies of those records. It files city annexations and incorporations, state deeds, and new land patents, and it provides the public with certified copies of land surveys, grants, and military warrants. The restoration process consists of indexing, de-acidifying, laminating, and bonding, thus safely preserving Kentucky's original land grants.

Policy

Restricted Fund appropriations made to the Secretary of State shall not lapse and shall be used for continuation of current activities in the Office of the Secretary of State.

**General Government
Board of Elections**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|---------------------------|--------------------------|---------------------------|----------------------------|----------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 2,847,400 | 3,930,500 | 3,891,200 | 3,907,900 | 2,514,600 |
| State Salary and Compensation Allocation | 17,600 | 35,100 | 50,700 | | |
| Budget Reduction-General Fund | -176,700 | | | | |
| Mandated Expenditure Reductions | | -39,400 | -45,300 | | |
| Mandated Allotments | 178,512 | | | | |
| Total General Fund | 2,866,812 | 3,926,200 | 3,896,600 | 3,907,900 | 2,514,600 |
| Restricted Funds | | | | | |
| Balance Forward | 643,540 | 705,109 | 621,800 | 493,800 | 395,800 |
| Current Receipts | 111,653 | 48,573 | 32,000 | 22,000 | 22,000 |
| Non-Revenue Receipts | 124,312 | 3,737 | | | |
| Fund Transfers | | | -1,200 | | |
| Total Restricted Funds | 879,505 | 757,419 | 652,600 | 515,800 | 417,800 |
| Federal Funds | | | | | |
| Balance Forward | 17,170,377 | 17,522,194 | 15,703,700 | 10,723,200 | 5,742,700 |
| Current Receipts | 2,842,465 | 232,628 | 325,000 | 325,000 | 325,000 |
| Total Federal Funds | 20,012,842 | 17,754,822 | 16,028,700 | 11,048,200 | 6,067,700 |
| TOTAL SOURCE OF FUNDS | 23,759,159 | 22,438,441 | 20,577,900 | 15,471,900 | 9,000,100 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 970,424 | 986,151 | 1,018,200 | 1,079,100 | 1,098,400 |
| Operating Expenses | 999,521 | 637,479 | 822,600 | 745,400 | 745,400 |
| Grants Loans Benefits | 3,532,094 | 4,489,187 | 7,479,200 | 7,508,900 | 6,096,300 |
| TOTAL EXPENDITURES | 5,502,039 | 6,112,817 | 9,320,000 | 9,333,400 | 7,940,100 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 2,836,995 | 3,926,073 | 3,855,700 | 3,907,900 | 2,514,600 |
| Restricted Funds | 174,395 | 135,593 | 158,800 | 120,000 | 120,000 |
| Federal Funds | 2,490,649 | 2,051,151 | 5,305,500 | 5,305,500 | 5,305,500 |
| TOTAL EXPENDITURES | 5,502,039 | 6,112,817 | 9,320,000 | 9,333,400 | 7,940,100 |
| EXPENDITURES BY UNIT | | | | | |
| General Administration and Support | 1,426,500 | 1,291,042 | 1,243,300 | 1,223,000 | 1,246,300 |
| State Share of County Election Expenses | 54,200 | 1,382,250 | 1,382,900 | 1,412,600 | |
| State Share of Voter Registration Expenses | 1,307,883 | 1,296,823 | 1,288,300 | 1,288,300 | 1,288,300 |
| Presidential Electors | | | | 4,000 | |
| Election Fund | 2,713,456 | 2,142,702 | 5,405,500 | 5,405,500 | 5,405,500 |
| TOTAL EXPENDITURES | 5,502,039 | 6,112,817 | 9,320,000 | 9,333,400 | 7,940,100 |

The State Board of Elections administers the election laws of the state pursuant to KRS Chapters 116, 117, 118, 118A, 119, and 120; supervises the registration and purgation of voters; appoints the political party representatives to the 120 county boards of elections; and certifies official election results.

KRS 117.015 designates the Secretary of State as the chair of the Board. Six other members are appointed by the Governor.

General Administration and Support

The General Administration and Support program objectives are to maintain an up-to-date computerized record of registered voters in the state, certify election results, produce precinct rosters, issue certification of nomination and election, train county clerks in election duties, and conduct a nonpartisan voter education program.

The State Board of Elections' online Election Night Tally System provides up-to-the-minute, unofficial election results on all candidates who file with the state.

State Share of County Election Expenses

The State Share of County Election Expenses program reimburses county fiscal courts the state's share of county election expenses pursuant to KRS 117.345(2).

The state currently has 3,578 precincts with over 3.1 million registered voters. The number of precincts increases as voter registration totals increase and as reapportionment of county commissioner/magisterial districts and congressional and state redistricting occur.

State Share of Voter Registration Expenses

The State Board of Elections remits payment to county clerks for newly registered voters pursuant to KRS 116.145. There is a significant increase of newly registered voters in years that county and presidential candidates are on the ballot.

The State Board of Elections remits reimbursement to county clerks an amount not to exceed fifty cents (\$0.50) per registered voter in the county per year for the cost of employing office personnel necessary for the conduct of elections, including the registration and purgation of voters in the county pursuant to KRS 117.343 and KRS 116.112(7).

Election Fund

The Help America Vote Act (HAVA) became law in 2002. The Act imposed new election requirements on states and called for the upgrade of voting machines to be in compliance by January 1, 2006.

The Commonwealth initially received \$32.9 million in federal funds to carry out the requirements of HAVA, which were matched with state funds at a rate of five percent. The funds were used for the purchase of voting equipment, voter education, poll worker training, and enhancement of the statewide voter registration system. On December 8, 2006 the Board adopted the 2006 Amended State Plan, which indicated that the Commonwealth was in compliance with the requirements of HAVA.

Policy

The Budget of the Commonwealth includes General Fund in the amount of \$1,412,600 in fiscal year 2013 for the State Share of County Election Expenses.

Notwithstanding KRS 116.145, the State Board of Elections shall set a rate for the fee for new voter registration paid to the county clerks within the available appropriated resources. The State Board of Elections shall also set a fixed rate for the expenses outlined in KRS 117.343 within the available appropriated resources. Notwithstanding KRS 117.345(2), the State Board of Elections shall set a rate for the expenses outlined in KRS 117.345(2) for precincts with a voting machine within the available resources, not to exceed \$300 per precinct per election.

**General Government
Registry of Election Finance**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|-------------------|------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 1,382,200 | 1,177,700 | 1,165,900 | 1,146,900 | 1,168,600 |
| State Salary and Compensation Allocation | 21,900 | 40,900 | 58,800 | | |
| Budget Reduction-General Fund | -126,900 | | | | |
| Mandated Expenditure Reductions | -60,600 | -38,200 | -41,200 | | |
| Total General Fund | 1,216,600 | 1,180,400 | 1,183,500 | 1,146,900 | 1,168,600 |
| Restricted Funds | | | | | |
| Balance Forward | 121 | | | | |
| Fund Transfers | -121 | | | | |
| Total Restricted Funds | | | | | |
| TOTAL SOURCE OF FUNDS | 1,216,600 | 1,180,400 | 1,183,500 | 1,146,900 | 1,168,600 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 1,063,038 | 1,012,319 | 1,032,100 | 1,053,900 | 1,067,100 |
| Operating Expenses | 153,562 | 168,080 | 105,700 | 93,000 | 101,500 |
| TOTAL EXPENDITURES | 1,216,600 | 1,180,399 | 1,137,800 | 1,146,900 | 1,168,600 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 1,216,600 | 1,180,399 | 1,137,800 | 1,146,900 | 1,168,600 |
| TOTAL EXPENDITURES | 1,216,600 | 1,180,399 | 1,137,800 | 1,146,900 | 1,168,600 |
| EXPENDITURES BY UNIT | | | | | |
| Registry of Election Finance | 1,216,600 | 1,180,399 | 1,137,800 | 1,146,900 | 1,168,600 |
| TOTAL EXPENDITURES | 1,216,600 | 1,180,399 | 1,137,800 | 1,146,900 | 1,168,600 |

The role of the Kentucky Registry of Election Finance is to ensure the integrity of the Commonwealth's electoral process by making certain there is full public access to campaign financial data and financial disclosure reports, and by administering Kentucky's campaign finance laws.

Under KRS Chapter 121, Kentucky's campaign finance laws apply to all candidates for public office, except federal office, as well as political issues committees, permanent committees, state and local party executive committees, inaugural committees, and caucus campaign committees. The Registry also receives, compiles, and maintains financial disclosure reports of elected officials and candidates for specified offices as provided in KRS Chapter 61.

Regulatory functions of the Registry include: educating candidates and committees on campaign finance laws; ensuring compliance with campaign finance reporting requirements, including the timely filing of campaign finance reports; providing the means for electronic reporting of campaign finance data; conducting desk reviews and random audits; investigating complaints; and adjudicating charges of administrative violations of campaign finance laws.

The Registry's public disclosure role is a key component of the campaign finance laws. Registry employees routinely work with members of the public and the media to fill open records requests and to assist in On-line Searchable Database searches.

Pursuant to KRS 121.170(5), the Registry receives copies of reports filed with the Federal Election Commission by federally registered out-of-state permanent committees that contribute to Kentucky candidates. These and the reports of other candidates and committees who are required to file with the Federal Election Commission may be viewed at the Registry's office in Frankfort pursuant to 2 U.S.C. Section 439(c).

**General Government
Attorney General**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|-------------------|-------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 13,284,000 | 10,861,200 | 10,752,500 | 10,084,300 | 10,292,300 |
| State Salary and Compensation Allocation | 219,200 | 414,100 | 614,700 | | |
| Budget Reduction-General Fund | -1,640,900 | | | | |
| Mandated Expenditure Reductions | -579,300 | -602,000 | -578,600 | | |
| Mandated Allotments | 125,000 | 33,400 | | | |
| Total General Fund | 11,408,000 | 10,706,700 | 10,788,600 | 10,084,300 | 10,292,300 |
| Restricted Funds | | | | | |
| Balance Forward | 3,805,540 | 4,923,865 | 9,008,100 | 6,663,600 | 4,639,200 |
| Current Receipts | 2,858,306 | 7,962,307 | 1,462,000 | 3,907,000 | 3,282,000 |
| Non-Revenue Receipts | 7,192,066 | 6,290,764 | 6,479,100 | 7,156,100 | 7,233,200 |
| Fund Transfers | | -92,100 | -160,200 | | |
| Total Restricted Funds | 13,855,912 | 19,084,836 | 16,789,000 | 17,726,700 | 15,154,400 |
| Federal Funds | | | | | |
| Balance Forward | | | | | |
| Current Receipts | 2,231,414 | 2,302,720 | 2,181,100 | 2,378,100 | 2,378,100 |
| Non-Revenue Receipts | 109,334 | 43,770 | | | |
| ARRA Receipts | 218,653 | 1,675,907 | 1,229,700 | | |
| Total Federal Funds | 2,559,401 | 4,022,396 | 3,410,800 | 2,378,100 | 2,378,100 |
| TOTAL SOURCE OF FUNDS | 27,823,313 | 33,813,932 | 30,988,400 | 30,189,100 | 27,824,800 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 15,591,221 | 16,463,802 | 16,135,300 | 17,548,900 | 17,968,800 |
| Operating Expenses | 2,446,803 | 2,622,950 | 1,785,100 | 1,916,900 | 1,475,200 |
| Grants Loans Benefits | 4,861,424 | 5,719,020 | 5,860,800 | 6,084,100 | 5,873,500 |
| TOTAL EXPENDITURES | 22,899,448 | 24,805,773 | 23,781,200 | 25,549,900 | 25,317,500 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 11,408,000 | 10,706,700 | 10,245,000 | 10,084,300 | 10,292,300 |
| Restricted Funds | 8,932,047 | 10,076,694 | 10,125,400 | 13,087,500 | 12,647,100 |
| Federal Funds | 2,559,401 | 4,022,378 | 3,410,800 | 2,378,100 | 2,378,100 |
| TOTAL EXPENDITURES | 22,899,448 | 24,805,773 | 23,781,200 | 25,549,900 | 25,317,500 |
| EXPENDITURES BY UNIT | | | | | |
| Administrative Services | 2,964,068 | 4,385,707 | 4,067,500 | 5,287,400 | 4,754,600 |
| Criminal Services | 8,123,465 | 7,793,644 | 7,408,600 | 7,519,000 | 7,600,700 |
| Advocacy Services | 3,775,864 | 3,458,855 | 3,117,800 | 3,381,800 | 3,383,200 |
| Civil Services | 2,170,117 | 2,326,272 | 2,287,300 | 2,461,700 | 2,603,800 |
| Uninsured Employers Fund | 5,865,934 | 6,841,295 | 6,900,000 | 6,900,000 | 6,975,200 |
| TOTAL EXPENDITURES | 22,899,448 | 24,805,773 | 23,781,200 | 25,549,900 | 25,317,500 |

The Attorney General, as the Commonwealth's constitutional chief law enforcement officer, performs a range of legal, investigative, and administrative duties. The Office has ten organizational units to support the mission of the office.

The duties of the Office of Administrative Services include: personnel, payroll, fiscal, budget, information systems, state and federal grants, and employee training. The duties of the Office of Prosecutors Advisory Council include: personnel, payroll, fiscal, budget, state and federal grants, and legal education related to the Unified Prosecutorial System, along with the maintenance of child sexual abuse caseload and statistics, and the responsibility for the Victim and Witness Protection program.

The Office of Criminal Appeals represents the Commonwealth in all state and federal criminal appeals in which the Commonwealth has an interest. The Office of Medicaid Fraud and Abuse Control investigates and prosecutes cases of Medicaid Provider fraud pursuant to KRS 194A.505 and KRS 205, and further complaints of abuse, neglect, and exploitation of residents in Medicaid facilities. The Department of Criminal Investigations investigates specialized, primarily white-collar criminal activity, identity theft, and computer crimes. The Office of Special Prosecutions pursuant to KRS 15.190-215, prosecutes complex criminal cases when local prosecutors need assistance or disqualification from the case, prosecutes thefts from the Commonwealth by employees or elected officials, and prosecutes election and ethics law violations.

The Office of Consumer Protection enforces the provisions of the Consumer Protection Act that prohibit unfair, false, misleading, and deceptive acts or practices in trade or commerce and provides educational services to the elderly. The Office of Rate Intervention is responsible for representing the interests of consumers before federal, state, and local rate-making and regulatory bodies in the areas of utilities and health care insurance. The Office of Victim's Advocacy administers the victim's advocate program and provides support services to victims of crime.

The Office of Civil and Environmental Law represents the state's boards and agencies; issues formal opinions; represents state officials, elected prosecutors, and the judiciary in legal proceedings; provides hearing officer services and mediation to state agencies; and intervenes in constitutional challenges to state statutes. The Office serves as the legal representative of the Uninsured Employer's Fund in all proceedings to enforce Workers' Compensation claims involving the Fund. The Uninsured Employer's Fund, pursuant to KRS 342.760, is responsible for payment of Workers' Compensation to employees when the employer does not have Workers' Compensation insurance.

**General Government
Commonwealth's Attorneys**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|-------------------|-------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 33,147,800 | 35,628,300 | 35,272,000 | 38,867,700 | 39,630,700 |
| State Salary and Compensation Allocation | 725,000 | 1,386,400 | 1,987,800 | | |
| Special Appropriation | 2,291,300 | | | | |
| Current Year Appropriation | | | 243,000 | | |
| Mandated Expenditure Reductions | | -383,400 | | | |
| Total General Fund | 36,164,100 | 36,631,300 | 37,502,800 | 38,867,700 | 39,630,700 |
| Restricted Funds | | | | | |
| Balance Forward | 562,909 | 862,435 | 990,200 | 693,900 | 393,600 |
| Current Receipts | 1,048,421 | 1,114,585 | 1,157,200 | 1,195,000 | 1,193,500 |
| Non-Revenue Receipts | 39,401 | -39,401 | -13,300 | | |
| Total Restricted Funds | 1,650,730 | 1,937,619 | 2,134,100 | 1,888,900 | 1,587,100 |
| Federal Funds | | | | | |
| Balance Forward | | -20,004 | | | |
| Current Receipts | 69,138 | -28,375 | 242,400 | 102,300 | 100,500 |
| Non-Revenue Receipts | 83,600 | 141,296 | -45,900 | -48,500 | -45,200 |
| ARRA Receipts | 115,446 | 314,983 | | | |
| Total Federal Funds | 268,185 | 407,900 | 196,500 | 53,800 | 55,300 |
| TOTAL SOURCE OF FUNDS | 38,083,015 | 38,976,819 | 39,833,400 | 40,810,400 | 41,273,100 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 32,295,228 | 33,259,971 | 33,520,900 | 36,137,200 | 36,891,600 |
| Operating Expenses | 4,881,474 | 4,715,489 | 3,940,800 | 4,256,800 | 4,352,800 |
| Grants Loans Benefits | 851 | 2,654 | 28,000 | 22,800 | 2,000 |
| Capital Outlay | 62,713 | 8,231 | | | |
| TOTAL EXPENDITURES | 37,240,265 | 37,986,345 | 37,489,700 | 40,416,800 | 41,246,400 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 36,163,781 | 36,631,105 | 35,853,000 | 38,867,700 | 39,630,700 |
| Restricted Funds | 788,295 | 947,339 | 1,440,200 | 1,495,300 | 1,560,400 |
| Federal Funds | 288,189 | 407,900 | 196,500 | 53,800 | 55,300 |
| TOTAL EXPENDITURES | 37,240,265 | 37,986,345 | 37,489,700 | 40,416,800 | 41,246,400 |
| EXPENDITURES BY UNIT | | | | | |
| Commonwealth's Attorneys | 37,240,265 | 37,986,345 | 37,489,700 | 40,416,800 | 41,246,400 |
| TOTAL EXPENDITURES | 37,240,265 | 37,986,345 | 37,489,700 | 40,416,800 | 41,246,400 |

The Commonwealth's Attorneys program is made up of 57 elected Commonwealth's Attorneys and their staffs, one for each judicial circuit. As of January 1, 2008, 51 circuits have full-time Commonwealth's Attorneys, with the remaining being part-time. Commonwealth's Attorneys are responsible for all felony prosecutions, including those prosecutions in which the penalty of death may be imposed upon the defendant. The prosecution of each felony requires a thorough investigation that involves extensive research and trial preparation by the prosecutor. Witness interviews, grand jury presentations, motions (including post-conviction motions), conferences, plea-bargaining, case studies, continuing legal education and participation on multi-disciplinary teams are a part of each prosecutor's responsibility in representing the Commonwealth and citizens of Kentucky as the state's attorney.

Pursuant to KRS 15.725, the Commonwealth's Attorneys attend each circuit court held in the judicial circuit. The Commonwealth's Attorneys, except as provided by KRS 15.715, have the duty to prosecute all violations of the criminal and penal laws which are tried in the circuit court. In addition, the Commonwealth's Attorneys have the primary responsibility within the judicial circuit to present evidence to the grand jury concerning such violations.

In accordance with KRS 15.735, the Commonwealth's Attorneys serve as special prosecutors in cases where the regularly elected prosecutors have been disqualified.

Policy

The Budget of the Commonwealth includes additional General Fund in fiscal year 2012 in the amount of \$243,000 for Commonwealth's Attorneys. An additional \$500,000 from the General Fund was provided each fiscal year to restore a majority of the budget reductions from the 2010-12 biennial budget.

**General Government
County Attorneys**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|---------------------------|--------------------------|---------------------------|----------------------------|----------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 28,153,200 | 30,547,600 | 30,242,100 | 33,596,300 | 34,308,200 |
| State Salary and Compensation Allocation | 652,500 | 1,256,900 | 1,808,400 | | |
| Special Appropriation | 2,207,100 | | | | |
| Current Year Appropriation | | | 238,000 | | |
| Mandated Expenditure Reductions | | -119,300 | | | |
| Total General Fund | 31,012,800 | 31,685,200 | 32,288,500 | 33,596,300 | 34,308,200 |
| Restricted Funds | | | | | |
| Balance Forward | 383,202 | 335,157 | 285,300 | 186,700 | 112,700 |
| Current Receipts | 94,348 | 172,252 | 205,100 | 243,400 | 254,000 |
| Total Restricted Funds | 477,550 | 507,409 | 490,400 | 430,100 | 366,700 |
| Federal Funds | | | | | |
| Balance Forward | | 20,004 | | | |
| Current Receipts | 459,792 | 428,397 | 499,900 | 534,800 | 576,800 |
| Non-Revenue Receipts | | | 45,900 | 48,500 | 45,200 |
| ARRA Receipts | | 33,147 | | | |
| Total Federal Funds | 459,792 | 481,549 | 545,800 | 583,300 | 622,000 |
| TOTAL SOURCE OF FUNDS | 31,950,141 | 32,674,158 | 33,324,700 | 34,609,700 | 35,296,900 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 29,643,019 | 30,722,587 | 30,710,500 | 33,314,100 | 34,078,700 |
| Operating Expenses | 1,946,776 | 1,665,782 | 868,000 | 1,182,400 | 1,185,000 |
| Grants Loans Benefits | | 500 | | 500 | 500 |
| Capital Outlay | 5,184 | | | | |
| TOTAL EXPENDITURES | 31,594,979 | 32,388,869 | 31,578,500 | 34,497,000 | 35,264,200 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 31,012,798 | 31,685,200 | 30,729,000 | 33,596,300 | 34,308,200 |
| Restricted Funds | 142,393 | 222,120 | 303,700 | 317,400 | 334,000 |
| Federal Funds | 439,787 | 481,549 | 545,800 | 583,300 | 622,000 |
| TOTAL EXPENDITURES | 31,594,979 | 32,388,869 | 31,578,500 | 34,497,000 | 35,264,200 |
| EXPENDITURES BY UNIT | | | | | |
| County Attorneys | 31,594,979 | 32,388,869 | 31,578,500 | 34,497,000 | 35,264,200 |
| TOTAL EXPENDITURES | 31,594,979 | 32,388,869 | 31,578,500 | 34,497,000 | 35,264,200 |

Pursuant to KRS 15.725(2), each County Attorney attends the district court in the respective county and prosecutes all violations of criminal and penal laws within the jurisdiction of that district court. In accordance with KRS 15.735, County Attorneys also serve as special prosecutors in cases where the elected prosecutors have been disqualified.

Criminal cases at the district level include felonies (until the case is transferred to circuit court), misdemeanors, juvenile cases, and traffic cases. County Attorneys prosecute the majority of DUI cases. Most counties have Family Court, Drug Court, and/or Truancy Court requiring representation from the Office of the County Attorney. The County Attorney receives numerous criminal complaints from local law enforcement and the general public and frequently mediates local complaints so many of the services provided may never appear on a court docket. County Attorneys are also required to participate on multi-disciplinary teams involving child sexual abuse cases.

Policy

The Budget of the Commonwealth includes General Fund in fiscal year 2012 in the amount of \$238,000 for County Attorneys. An additional \$500,000 from the General Fund was provided each fiscal year to restore a majority of the budget reductions from the 2010-12 biennial budget.

**General Government
Treasury**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|-------------------|------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 1,927,600 | 1,646,200 | 1,629,700 | 1,725,400 | 1,766,400 |
| State Salary and Compensation Allocation | 36,200 | 67,900 | 157,200 | | |
| Budget Reduction-General Fund | -184,300 | | | | |
| Mandated Expenditure Reductions | -86,700 | -53,500 | -58,900 | | |
| Total General Fund | 1,692,800 | 1,660,600 | 1,728,000 | 1,725,400 | 1,766,400 |
| Restricted Funds | | | | | |
| Balance Forward | 186,960 | 61,760 | 100,400 | | |
| Non-Revenue Receipts | 801,100 | 1,011,300 | 952,900 | 1,169,300 | 1,179,500 |
| Fund Transfers | | -24,100 | -61,200 | | |
| Total Restricted Funds | 988,060 | 1,048,960 | 992,100 | 1,169,300 | 1,179,500 |
| Road Fund | | | | | |
| Regular Appropriation | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 |
| Total Road Fund | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 |
| TOTAL SOURCE OF FUNDS | 2,930,860 | 2,959,560 | 2,970,100 | 3,144,700 | 3,195,900 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 2,402,431 | 2,288,005 | 2,497,000 | 2,676,800 | 2,727,700 |
| Operating Expenses | 466,355 | 537,360 | 390,100 | 467,900 | 468,200 |
| Construction | 315 | 5,325 | | | |
| TOTAL EXPENDITURES | 2,869,100 | 2,830,691 | 2,887,100 | 3,144,700 | 3,195,900 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 1,692,800 | 1,632,268 | 1,645,000 | 1,725,400 | 1,766,400 |
| Restricted Funds | 926,300 | 948,565 | 992,100 | 1,169,300 | 1,179,500 |
| Road Fund | 250,000 | 249,857 | 250,000 | 250,000 | 250,000 |
| TOTAL EXPENDITURES | 2,869,100 | 2,830,691 | 2,887,100 | 3,144,700 | 3,195,900 |
| EXPENDITURES BY UNIT | | | | | |
| General Administration and Support | 1,284,323 | 1,213,880 | 1,160,900 | 1,243,400 | 1,268,900 |
| Disbursements and Accounting | 658,477 | 668,246 | 734,100 | 732,000 | 747,500 |
| Abandoned Property Administration | 926,300 | 948,565 | 992,100 | 1,169,300 | 1,179,500 |
| TOTAL EXPENDITURES | 2,869,100 | 2,830,691 | 2,887,100 | 3,144,700 | 3,195,900 |

The Treasury Department is the central administrative agency responsible for the receipt and custody of all revenues collected by state government and for writing all checks and disbursing state funds, as outlined in KRS Chapter 41.

The State Treasurer, a constitutional officer as provided in Section 91 of the Kentucky Constitution, heads the Treasury Department. The Treasurer also serves on the Kentucky Lottery Board, the Kentucky Higher Education Assistance Board, as trustee of the Kentucky Teachers' Retirement System, and is Vice-Chair of the State Investment Commission. The Treasury Department reviews and records all investment transactions of the Commonwealth.

The General Administration and Support Division provides management support for Treasury including: fiscal control, personnel administration, and policy development and implementation. The Division issues over 6,500,000 checks and stubs each year, sends over 7,000,000 ACH payments, reconciles the various Commonwealth bank accounts, reconciles daily with the State Depository, administers and records court-ordered withholdings, and produces wire transfers for state government.

The Disbursements and Accounting Division receives all funds of the Commonwealth including fees, grants, taxes, federal funds, fees from officials in counties over 75,000 in population, and fees from various boards and commissions. This program also receives, balances, and deposits all withholdings. A computer analysis is maintained on daily receipts and disbursements, which subsequently is submitted to the Finance and Administration Cabinet for accounting posting.

The Unclaimed Property Division is responsible for administering the provisions of KRS Chapter 393 related to escheats. This program receives unclaimed property reports from holders and potential holders of unclaimed property, collects unclaimed property, pursues the location and collection of the property, and attempts to locate the rightful property owner.

Policy

Restricted Funds are provided in accordance with KRS 393.250 for the administration of the Unclaimed Property program in the amount of \$1,169,300 in fiscal year 2013 and \$1,179,500 in fiscal year 2014. This action reflects the movement of available off-budget Restricted Funds to on-budget status to support ongoing activities of the Unclaimed Property program.

Road Fund money in the amount of \$250,000 is included each year of the biennium to support the central check writing system and other central administrative responsibilities of state government.

The Budget of the Commonwealth includes \$277,000 in capital construction surplus appropriations in the capital budget in each fiscal year of the biennium for the lease purchase of two laser check printers and two fold sealers.

**General Government
Agriculture**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|---|---------------------------|--------------------------|---------------------------|----------------------------|----------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 21,249,200 | 17,095,800 | 16,924,800 | 15,815,200 | 16,089,400 |
| State Salary and Compensation Allocation | 266,300 | 495,100 | 714,000 | | |
| Continuing Approp.-General Fund | 253,273 | 192,445 | 64,100 | | |
| Budget Reduction-General Fund | -2,871,000 | | | | |
| Mandated Expenditure Reductions | -911,600 | -600,400 | -684,100 | | |
| Total General Fund | 17,986,173 | 17,182,945 | 17,018,800 | 15,815,200 | 16,089,400 |
| Restricted Funds | | | | | |
| Balance Forward | 3,882,165 | 6,305,049 | 8,183,100 | 7,386,800 | 5,464,000 |
| Current Receipts | 6,155,976 | 6,434,826 | 6,166,700 | 6,289,500 | 6,302,400 |
| Non-Revenue Receipts | 1,925,930 | 958,182 | 1,348,800 | 170,300 | 145,800 |
| Fund Transfers | | -203,300 | -410,400 | | |
| Total Restricted Funds | 11,964,070 | 13,494,757 | 15,288,200 | 13,846,600 | 11,912,200 |
| Federal Funds | | | | | |
| Balance Forward | | | | | |
| Current Receipts | 5,023,670 | 6,063,910 | 5,853,400 | 5,249,400 | 4,895,900 |
| Non-Revenue Receipts | 152,351 | -116,869 | | | |
| ARRA Receipts | 826,891 | 500,552 | | | |
| Total Federal Funds | 6,002,912 | 6,447,593 | 5,853,400 | 5,249,400 | 4,895,900 |
| TOTAL SOURCE OF FUNDS | 35,953,155 | 37,125,294 | 38,160,400 | 34,911,200 | 32,897,500 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 15,942,898 | 16,473,344 | 15,983,300 | 16,098,900 | 16,513,800 |
| Operating Expenses | 5,923,395 | 5,959,372 | 8,312,400 | 8,159,300 | 7,607,900 |
| Grants Loans Benefits | 6,221,930 | 5,065,822 | 4,857,400 | 4,488,800 | 4,260,800 |
| Capital Outlay | 536,497 | 607,024 | 1,029,000 | 700,200 | 500,000 |
| Construction | 830,939 | 772,597 | | | |
| TOTAL EXPENDITURES | 29,455,659 | 28,878,159 | 30,182,100 | 29,447,200 | 28,882,500 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 17,793,725 | 17,118,873 | 16,427,300 | 15,815,200 | 16,089,400 |
| Restricted Funds | 5,659,022 | 5,311,694 | 7,901,400 | 8,382,600 | 7,897,200 |
| Federal Funds | 6,002,912 | 6,447,593 | 5,853,400 | 5,249,400 | 4,895,900 |
| TOTAL EXPENDITURES | 29,455,659 | 28,878,159 | 30,182,100 | 29,447,200 | 28,882,500 |
| EXPENDITURES BY UNIT | | | | | |
| Strategic Planning and Administration | 3,432,770 | 3,806,773 | 3,690,500 | 3,441,800 | 3,472,900 |
| Motor Fuel Inspection and Testing | 811,840 | 899,589 | 885,400 | 916,700 | 936,900 |
| Consumer and Environmental Programs | 12,442,409 | 12,380,645 | 13,735,300 | 14,077,400 | 14,378,200 |
| State Veterinarian | 3,273,240 | 3,367,052 | 3,372,800 | 3,270,900 | 3,323,400 |
| Animal Control | 73,547 | 10,371 | 181,300 | 150,000 | 100,000 |
| Market Promotion and Protection | 81,267 | 83,155 | 111,200 | 112,600 | 111,900 |
| Mexico Office | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Farmland Preservation | 833,982 | 798,254 | 974,700 | 602,800 | 350,000 |
| Agriculture Marketing and Product Promotion | 7,147,081 | 7,059,518 | 6,698,100 | 6,375,000 | 5,709,200 |
| Small Winery Support Fund | 461,423 | 372,802 | 432,800 | 400,000 | 400,000 |
| TOTAL EXPENDITURES | 28,657,559 | 28,878,159 | 30,182,100 | 29,447,200 | 28,882,500 |

The Department of Agriculture, as defined in KRS Chapter 246, is headed by the Commissioner of Agriculture, a Constitutional Officer. The State Board of Agriculture, appointed by the Governor, acts as an advisory body to the elected Commissioner.

The Office of the Commissioner provides leadership and management for the Department, and includes the Division of Public Relations. The Office for Strategic Planning and Administration is responsible for personnel functions, budgeting, financial operation, and information technology systems.

The Office for Consumer and Environmental Protection directs programs which have a direct bearing on agricultural revenue. The Office conducts the grain regulation program, certifies all sales made by solid weight or liquid volume, licenses egg wholesalers, and inspects amusement rides operating within the Commonwealth. Duties include the distribution of commodity foods to qualifying institutions and individuals on behalf of the United States Department of Agriculture. This office is responsible for conducting various pest and noxious weed control programs, enforcing federal and state laws and regulations pertaining to the control of pesticide use and application, and liaison between the regulator and those being regulated. In addition, the Office will operate the state's motor fuel and pesticide testing laboratory, authorized by the General Assembly in 2006.

The Office of State Veterinarian protects the livestock industry pursuant to KRS Chapter 257. Its primary function is the prevention and eradication of animal disease, and to ensure the health of the state's multi-billion dollar animal agriculture industries. It enforces Kentucky's statutes on animal importation and movement, and provides numerous other services to the livestock and poultry industries.

The Office for Agricultural Marketing and Product Promotion develops and manages programs which promote Kentucky-produced agricultural products, including grading and inspecting specific products and commodities and reporting market news. Responsibilities of this office include the research and development of new and expanded outlets for Kentucky's agricultural products, agricultural education, agritourism development, farm safety, administration of the Shows and Fairs Promotion Division, and farmland preservation. The Office is also responsible for providing testing services for hay and other forages essential for Kentucky's livestock industries. The Small Farm Winery Support Fund was created in 2006 and the Department administers \$400,000 each year of the biennium to develop marketing and promotion strategies to assist this emerging industry.

**General Government
Auditor of Public Accounts**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|-------------------|-------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 5,660,300 | 4,625,800 | 4,579,500 | 4,401,100 | 4,479,000 |
| State Salary and Compensation Allocation | 122,100 | 242,200 | 346,700 | | |
| Budget Reduction-General Fund | -791,500 | | | | |
| Mandated Expenditure Reductions | -241,600 | -235,700 | -209,900 | | |
| Total General Fund | 4,749,300 | 4,632,300 | 4,716,300 | 4,401,100 | 4,479,000 |
| Restricted Funds | | | | | |
| Balance Forward | 35 | 3 | 38,700 | | |
| Current Receipts | 5,524,233 | 6,117,301 | 6,618,600 | 6,455,600 | 6,516,700 |
| Fund Transfers | | -107,200 | -384,600 | | |
| Total Restricted Funds | 5,524,269 | 6,010,104 | 6,272,700 | 6,455,600 | 6,516,700 |
| TOTAL SOURCE OF FUNDS | 10,273,569 | 10,642,404 | 10,989,000 | 10,856,700 | 10,995,700 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 9,361,381 | 9,491,175 | 9,765,900 | 10,193,700 | 10,327,400 |
| Operating Expenses | 912,184 | 1,112,535 | 940,700 | 663,000 | 668,300 |
| TOTAL EXPENDITURES | 10,273,565 | 10,603,710 | 10,706,600 | 10,856,700 | 10,995,700 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 4,749,300 | 4,632,300 | 4,433,900 | 4,401,100 | 4,479,000 |
| Restricted Funds | 5,524,265 | 5,971,410 | 6,272,700 | 6,455,600 | 6,516,700 |
| TOTAL EXPENDITURES | 10,273,565 | 10,603,710 | 10,706,600 | 10,856,700 | 10,995,700 |
| EXPENDITURES BY UNIT | | | | | |
| Auditor of Public Accounts | 1,046,178 | 1,085,600 | 1,127,700 | 1,122,700 | 1,079,600 |
| Financial Audit | 8,055,492 | 8,136,610 | 7,797,200 | 8,023,800 | 8,268,100 |
| Technology and Specialized Audits | 1,171,895 | 1,381,500 | 1,781,700 | 1,710,200 | 1,648,000 |
| TOTAL EXPENDITURES | 10,273,565 | 10,603,710 | 10,706,600 | 10,856,700 | 10,995,700 |

The Auditor of Public Accounts is the constitutional officer responsible for auditing all state agencies and county governments, pursuant to KRS Chapter 43. Statutory responsibility requires the Auditor's Office to examine the state general accounts, the accounts of all state agencies, all private and semi-private agencies receiving or handling state funds, and all state revenue collections. The Auditor must examine the management and control of all institutions and public works in which the state has financial interest or legal power.

The Auditor's Office is responsible for assisting state and local officials in establishing and maintaining proper accounting records, internal controls, and administrative controls over public funds. The Office responds to requests from public officials, the general public, the Legislative Research Commission, and the Governor's Office concerning financial and program matters, special audits, and investigations. Also, the Auditor of Public Accounts has primary responsibility for auditing (per US Office of Management and Budget requirement) the \$3.2 billion of American Recovery and Reinvestment Act funds Kentucky receives, in addition to auditing existing federal programs.

The Auditor of Public Accounts has three program areas: Administration, Office of Financial Audit, and the Office of Technology and Special Audits.

The Administration area includes the Office of the State Auditor, the Office of Legal and Records Services, and the Office of Planning and Management. All policy, budget, fiscal, legal, and personnel duties are performed within the Administration area.

The Office of Financial Audits is responsible for financial audits of state agency transactions, pursuant to KRS 43.050, and of county officials such as fiscal courts, sheriffs, county clerks, property valuation administrators, county attorneys, and circuit clerks per KRS 43.070. The Single Audit Act of 1984 as enacted by the United States Congress is also one of the responsibilities for the Auditor of Public Accounts.

The Office of Technology and Special Audits is responsible for internal technology systems, data processing systems, special examinations, security consultation and training, as well as performance audits of public entities to increase the effectiveness and reduce the cost of the delivery of services.

**General Government
Personnel Board**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|------------------------------------|-------------------|------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| Restricted Funds | | | | | |
| Balance Forward | 8,782 | 83,062 | 53,500 | | |
| Current Receipts | 794,199 | 768,338 | 724,400 | 790,900 | 803,900 |
| Fund Transfers | | -23,100 | -51,300 | | |
| Total Restricted Funds | 802,981 | 828,300 | 726,600 | 790,900 | 803,900 |
| TOTAL SOURCE OF FUNDS | 802,981 | 828,300 | 726,600 | 790,900 | 803,900 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 604,670 | 668,695 | 624,800 | 689,300 | 702,000 |
| Operating Expenses | 115,248 | 106,105 | 101,800 | 101,600 | 101,900 |
| TOTAL EXPENDITURES | 719,918 | 774,800 | 726,600 | 790,900 | 803,900 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| Restricted Funds | 719,918 | 774,800 | 726,600 | 790,900 | 803,900 |
| TOTAL EXPENDITURES | 719,918 | 774,800 | 726,600 | 790,900 | 803,900 |
| EXPENDITURES BY UNIT | | | | | |
| Personnel Board | 719,918 | 774,800 | 726,600 | 790,900 | 803,900 |
| TOTAL EXPENDITURES | 719,918 | 774,800 | 726,600 | 790,900 | 803,900 |

Created by the 1982 General Assembly, the Personnel Board is composed of seven members. The Governor appoints five, and two are classified employees elected by their colleagues. Pursuant to KRS 18A.0551, elections for the two classified employee members of the Board are held every four years.

The Personnel Board serves in a quasi-judicial capacity and assists the Personnel Cabinet in the development of administrative regulations pertaining to the classified service. The Board administers the appeals process of applicants for classified positions and conducts hearings for any non-probationary employee who is dismissed, demoted, suspended, or otherwise penalized for cause.

Policy

The Personnel Board will coordinate with the Finance and Administration Cabinet to assess each agency of the Executive Branch under KRS 18A based upon the authorized permanent full-time 18A positions of each agency as of July 1.

**General Government
Kentucky Retirement Systems**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|------------------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| Restricted Funds | | | | | |
| Balance Forward | 2,684,538 | 2,909,849 | 2,164,100 | | |
| Current Receipts | 94,194 | -93,044 | | | |
| Non-Revenue Receipts | 24,045,551 | 23,278,998 | 36,118,200 | 38,245,000 | 38,855,900 |
| Total Restricted Funds | 26,824,283 | 26,095,803 | 38,282,300 | 38,245,000 | 38,855,900 |
| TOTAL SOURCE OF FUNDS | 26,824,283 | 26,095,803 | 38,282,300 | 38,245,000 | 38,855,900 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 19,530,401 | 20,299,047 | 32,753,500 | 32,716,200 | 33,327,100 |
| Operating Expenses | 3,040,025 | 3,032,104 | 5,212,900 | 5,212,900 | 5,212,900 |
| Grants Loans Benefits | 20,454 | | | | |
| Capital Outlay | 15,787 | | 315,900 | 315,900 | 315,900 |
| Construction | 1,307,767 | 600,538 | | | |
| TOTAL EXPENDITURES | 23,914,434 | 23,931,689 | 38,282,300 | 38,245,000 | 38,855,900 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| Restricted Funds | 23,914,434 | 23,931,689 | 38,282,300 | 38,245,000 | 38,855,900 |
| TOTAL EXPENDITURES | 23,914,434 | 23,931,689 | 38,282,300 | 38,245,000 | 38,855,900 |
| EXPENDITURES BY UNIT | | | | | |
| Kentucky Retirement Systems | 23,914,434 | 23,931,689 | 38,282,300 | 38,245,000 | 38,855,900 |
| TOTAL EXPENDITURES | 23,914,434 | 23,931,689 | 38,282,300 | 38,245,000 | 38,855,900 |

Kentucky Retirement Systems administers three retirement systems which are qualified governmental defined benefit plans under Section 401(a) of the Internal Revenue Code: Kentucky Employees Retirement System (state employees, universities, health departments, certain boards) governed by KRS 61.510-61.705; County Employees Retirement System (employees of cities, counties, local government entities, and classified employees of school boards) governed by KRS 78.510-78.852; and State Police Retirement System (uniformed officers of Kentucky State Police) governed by KRS 16.505-16.652. Medical insurance benefits are governed by KRS 61.701-61.702. The systems were established in the 1950s to provide a pension that, when coupled with Social Security, would provide the career employee with sufficient income to maintain his or her pre-retirement standard of living.

Kentucky Retirement Systems is administered by a nine-member board of trustees consisting of the Secretary of the Personnel Cabinet, three members appointed by the Governor, and five members elected by employees and retirees of the three retirement systems. The Board is responsible for the collection and investment of contributions. Members of the Board are considered fiduciaries and are required to administer the funds in the sole interest of the members and beneficiaries of the systems. The Board is required to invest the funds under the "prudent person" rule. Investments are diversified among common stocks, government and private bonds, real estate and cash equivalents. An actuarial valuation is conducted each year to determine the funding status of the three systems, and an annual independent audit is performed as well.

Employers contribute a percentage of gross payroll recommended by the actuarial valuation. However, the General Assembly may adopt a rate that varies from the actuarial valuation. Employees contribute at a fixed rate set in the statutes. The assets of the system are considered trust funds. All expenses are paid from the trust.

Restricted Funds providing for the operations of the Kentucky Retirement Systems in the Budget of the Commonwealth are transferred from trust funds held by the System for the benefit of members and beneficiaries. The trust funds include investment earnings, employee contributions, and employer contributions from agencies supported by the General Fund, the Road Fund, Federal Funds, and Restricted Funds.

General Government
Occupational & Professional Boards & Commissions

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|-------------------|-------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| Restricted Funds | | | | | |
| Balance Forward | 15,952,261 | 16,356,197 | 18,111,200 | 18,379,200 | 15,978,800 |
| Current Receipts | 19,839,669 | 21,126,676 | 20,592,000 | 21,588,200 | 21,155,500 |
| Non-Revenue Receipts | -33,800 | -44,250 | 465,100 | | |
| Fund Transfers | -760,000 | -733,300 | -1,300,000 | -2,400,000 | -2,300,000 |
| Total Restricted Funds | 34,998,130 | 36,705,323 | 37,868,300 | 37,567,400 | 34,834,300 |
| TOTAL SOURCE OF FUNDS | 34,998,130 | 36,705,323 | 37,868,300 | 37,567,400 | 34,834,300 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 14,109,869 | 14,109,557 | 14,529,900 | 16,344,700 | 16,676,000 |
| Operating Expenses | 3,985,685 | 4,047,764 | 4,386,200 | 4,521,700 | 4,532,900 |
| Grants Loans Benefits | 505,167 | 391,331 | 546,000 | 680,000 | 662,800 |
| Capital Outlay | 15,422 | 39,181 | 27,000 | 42,200 | 26,200 |
| Construction | 25,790 | 6,269 | | | |
| TOTAL EXPENDITURES | 18,641,933 | 18,594,101 | 19,489,100 | 21,588,600 | 21,897,900 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| Restricted Funds | 18,641,933 | 18,594,101 | 19,489,100 | 21,588,600 | 21,897,900 |
| TOTAL EXPENDITURES | 18,641,933 | 18,594,101 | 19,489,100 | 21,588,600 | 21,897,900 |
| EXPENDITURES BY UNIT | | | | | |
| Accountancy | 514,460 | 419,230 | 487,300 | 519,500 | 526,400 |
| Certification of Alcohol and Drug Counselors | 63,110 | 53,839 | 66,200 | 82,200 | 82,200 |
| Applied Behavior Analysis Licensing | | | 6,000 | 6,000 | 6,000 |
| Architects | 340,669 | 378,176 | 389,200 | 405,400 | 411,600 |
| Certification for Professional Art Therapists | 7,939 | 6,368 | 11,200 | 11,200 | 11,200 |
| Auctioneers | 314,607 | 341,423 | 354,700 | 366,800 | 372,300 |
| Barbering | 294,932 | 277,560 | 290,000 | 303,200 | 307,300 |
| Chiropractic Examiners | 221,402 | 286,907 | 259,200 | 282,600 | 286,600 |
| Dentistry | 764,276 | 777,100 | 739,500 | 753,000 | 760,900 |
| Diabetes Educators | | | 1,000 | 1,000 | 1,000 |
| Licensure & Cert. for Dietitians & Nutritionists | 51,033 | 57,902 | 68,600 | 73,900 | 73,900 |
| Embalmers and Funeral Directors | 368,291 | 340,817 | 349,000 | 362,300 | 368,800 |
| Licensure for Prof. Engineers and Land Surveyors | 1,170,856 | 1,124,250 | 1,172,000 | 1,215,400 | 1,234,800 |
| Certification of Fee-Based Pastoral Counselors | 2,045 | 3,364 | 3,400 | 3,600 | 3,600 |
| Registration for Professional Geologists | 83,134 | 99,482 | 113,300 | 106,900 | 106,900 |
| Hairdressers and Cosmetologists | 1,182,870 | 1,172,076 | 1,120,900 | 1,286,900 | 1,305,600 |
| Specialists in Hearing Instruments | 49,579 | 36,676 | 51,900 | 81,100 | 81,100 |
| Interpreters for the Deaf and Hard of Hearing | 25,762 | 27,023 | 30,500 | 45,900 | 45,900 |
| Home Inspectors | 37,103 | 25,882 | 74,300 | 83,800 | 83,800 |
| Examiners & Registration of Landscape Architects | 67,211 | 62,066 | 63,000 | 62,600 | 63,500 |
| Licensure of Marriage and Family Therapists | 64,194 | 57,517 | 82,000 | 116,400 | 116,400 |
| Licensure for Massage Therapy | 84,019 | 128,385 | 128,900 | 160,600 | 160,600 |
| Medical Licensure | 2,529,918 | 2,489,363 | 2,500,500 | 2,764,700 | 2,817,600 |
| Nursing | 4,664,531 | 4,895,470 | 5,004,100 | 5,902,900 | 5,959,700 |
| Licensure for Nursing Home Administrators | 46,349 | 43,421 | 46,300 | 61,100 | 61,100 |
| Licensure for Occupational Therapy | 69,068 | 115,995 | 106,000 | 135,200 | 135,200 |

| | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Ophthalmic Dispensers | 32,835 | 50,373 | 56,500 | 55,200 | 55,200 |
| Optometric Examiners | 175,919 | 184,707 | 186,100 | 191,500 | 193,800 |
| Pharmacy | 1,323,596 | 1,305,593 | 1,300,900 | 1,473,100 | 1,538,700 |
| Physical Therapy | 323,142 | 390,547 | 384,500 | 407,800 | 413,100 |
| Podiatry | 22,545 | 23,228 | 23,800 | 24,300 | 24,300 |
| Private Investigators | 74,377 | 53,467 | 78,800 | 101,500 | 101,500 |
| Licensed Professional Counselors | 93,560 | 118,748 | 124,900 | 154,900 | 154,900 |
| Proprietary Education | 200,587 | 201,034 | 233,700 | 187,700 | 187,700 |
| Prosthetics, Orthotics and Pedorthics | | | 9,000 | 9,000 | 9,000 |
| Examiners of Psychology | 185,442 | 206,033 | 188,200 | 236,400 | 236,400 |
| Real Estate Appraisers | 583,130 | 477,067 | 649,600 | 659,100 | 665,500 |
| Real Estate Commission | 1,926,049 | 1,609,659 | 1,918,800 | 2,008,700 | 2,041,800 |
| Respiratory Care | 170,716 | 187,571 | 192,500 | 193,100 | 196,100 |
| Social Work | 213,771 | 217,360 | 233,800 | 244,400 | 248,200 |
| Speech-Language Pathology and Audiology | 105,245 | 141,572 | 154,800 | 170,100 | 170,100 |
| Veterinary Examiners | 193,664 | 206,848 | 234,200 | 277,600 | 277,600 |
| TOTAL EXPENDITURES | 18,641,933 | 18,594,101 | 19,489,100 | 21,588,600 | 21,897,900 |

The 42 occupational and professional licensing and regulatory Boards and Commissions were created to safeguard the life, health, safety, and welfare of the people of the Commonwealth who avail themselves of the services licensed or regulated by the Boards. Appointed by the Governor, board members represent both industry and consumer interests.

The general objectives of the Boards and Commissions are: to examine and license all qualified applicants; to enforce the ethical, legal, and professional standards and regulations of the Boards; to ensure compliance with licensure requirements; and to administer the programs of the Boards in an efficient manner. The Occupational Boards and Commissions operate solely from agency receipts.

Twenty one of the 42 Boards and Commissions employ the services of the Division of Occupations and Professions in the Public Protection Cabinet to carry out their administrative functions.

Policy

House Bill 308 abolishes the Board of Proprietary Education and establishes the Kentucky Commission on Proprietary Education as an independent agency attached to the Workforce Development Cabinet for administrative purposes.

House Bill 137 creates the Kentucky Board of Medical Imaging and Radiation Therapy and establishes its duties. Oversight of the fields of medical imaging and radiation therapy was previously administered by the Department of Public Health in the Cabinet for Health and Family Services.

**General Government
Kentucky River Authority**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|-------------------|------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 304,800 | 257,700 | 255,100 | 242,300 | 246,400 |
| State Salary and Compensation Allocation | 5,000 | 9,600 | 13,800 | | |
| Budget Reduction-General Fund | -29,100 | | | | |
| Mandated Expenditure Reductions | -13,700 | -8,600 | -9,000 | | |
| Total General Fund | 267,000 | 258,700 | 259,900 | 242,300 | 246,400 |
| Restricted Funds | | | | | |
| Balance Forward | 2,574,311 | 3,170,163 | 2,715,500 | 2,860,600 | 1,019,900 |
| Current Receipts | 2,482,356 | 2,733,295 | 2,625,200 | 4,279,600 | 4,842,000 |
| Non-Revenue Receipts | | 6,795 | | | |
| Fund Transfers | | -51,000 | -83,500 | | |
| Total Restricted Funds | 5,056,667 | 5,859,254 | 5,257,200 | 7,140,200 | 5,861,900 |
| TOTAL SOURCE OF FUNDS | 5,323,667 | 6,117,954 | 5,517,100 | 7,382,500 | 6,108,300 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 567,957 | 592,235 | 660,600 | 686,100 | 700,300 |
| Operating Expenses | 146,796 | 105,912 | 125,900 | 111,500 | 111,400 |
| Grants Loans Benefits | 184,926 | 312,965 | 250,000 | 260,000 | 260,000 |
| Debt Service | 1,240,208 | 1,260,339 | 1,256,200 | 2,320,500 | 3,385,200 |
| Capital Outlay | 13,548 | 1,130,871 | 352,300 | 2,984,500 | |
| TOTAL EXPENDITURES | 2,153,434 | 3,402,321 | 2,645,000 | 6,362,600 | 4,456,900 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 266,930 | 258,639 | 248,400 | 242,300 | 246,400 |
| Restricted Funds | 1,886,504 | 3,143,682 | 2,396,600 | 6,120,300 | 4,210,500 |
| TOTAL EXPENDITURES | 2,153,434 | 3,402,321 | 2,645,000 | 6,362,600 | 4,456,900 |
| EXPENDITURES BY UNIT | | | | | |
| General Operations | 638,447 | 1,880,794 | 1,117,900 | 1,133,000 | 825,300 |
| Locks and Dams Construction/Maintenance | 1,240,208 | 1,260,339 | 1,256,200 | 4,971,700 | 3,385,200 |
| Locks and Dams Operations | 274,779 | 261,189 | 270,900 | 257,900 | 246,400 |
| TOTAL EXPENDITURES | 2,153,434 | 3,402,321 | 2,645,000 | 6,362,600 | 4,456,900 |

The mission of the Kentucky River Authority is to protect the quality and sufficiency of the water supply in the Kentucky River Basin. The people and businesses in 42 counties depend on the river and its tributaries for clean drinking water, for commercial and industrial uses, and for the generation of electricity. The water supply is maintained in a series of pools behind 14 dams that were originally constructed by the Army Corps of Engineers beginning about 1837. Some of those dams also contain working locks that allow commercial and recreational boat traffic to move up and down the river. The Authority collects a water withdrawal fee from each water utility and business user in the watershed that supports programs which benefit the entire watershed. In addition, a second fee is collected from users who withdraw water from the main stem of the river. Those funds support the lock and dam renovation and reconstruction projects the Authority undertakes from time to time. The Authority also receives a small General Fund appropriation to staff the four operating locks during the summer, when there is considerable recreational activity on the river.

The Authority is created in KRS 151.705 as a public corporation and independent state agency. While administratively attached to the Finance and Administration Cabinet, the Authority is governed by a board that consists of the Secretary of Finance and Administration, the Secretary of Energy and Environment and ten members appointed by the Governor. Those ten include a mayor and a county judge-executive from jurisdictions within the Kentucky River Basin, an engineer and a water quality expert. The board appoints an executive director and other staff necessary to carry out the responsibilities of the Authority.

The Authority has acquired title to the locks and dams upriver from Frankfort from the Army Corps of Engineers. Dams 1 through 4 between the Ohio River and Frankfort are maintained by the Authority under a long-term lease agreement until such time as the Army declares them to be surplus property.

**General Government
School Facilities Construction Commission**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|---|--------------------|-------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 111,003,200 | 101,433,100 | 102,802,000 | 99,378,400 | 106,596,700 |
| State Salary and Compensation Allocation | 5,900 | 11,100 | 16,000 | | |
| Special Appropriation | | -7,800,000 | | | |
| Budget Reduction-General Fund | -600,000 | | | | |
| Mandated Expenditure Reductions | -4,126,000 | -10,100 | -11,110,500 | | |
| Total General Fund | 106,283,100 | 93,634,100 | 91,707,500 | 99,378,400 | 106,596,700 |
| TOTAL SOURCE OF FUNDS | 106,283,100 | 93,634,100 | 91,707,500 | 99,378,400 | 106,596,700 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 274,585 | 262,368 | 263,900 | 282,600 | 288,900 |
| Operating Expenses | 25,491 | 29,806 | 22,700 | 38,600 | 38,600 |
| Debt Service | 101,768,490 | 93,003,988 | 91,408,400 | 99,057,200 | 106,269,200 |
| TOTAL EXPENDITURES | 102,068,566 | 93,296,162 | 91,695,000 | 99,378,400 | 106,596,700 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 102,068,566 | 93,296,162 | 91,695,000 | 99,378,400 | 106,596,700 |
| TOTAL EXPENDITURES | 102,068,566 | 93,296,162 | 91,695,000 | 99,378,400 | 106,596,700 |
| EXPENDITURES BY UNIT | | | | | |
| School Facilities Construction Commission | 102,068,566 | 93,296,162 | 91,695,000 | 99,378,400 | 106,596,700 |
| TOTAL EXPENDITURES | 102,068,566 | 93,296,162 | 91,695,000 | 99,378,400 | 106,596,700 |

The School Facilities Construction Commission (SFCC), created by the 1985 Extraordinary Session of the General Assembly (KRS 157.611 et seq.), exists to assist local school districts with their school building needs. The Commission is responsible for the distribution of state funds via offers of assistance for approved building or renovation projects. The Commission is empowered to act on behalf of local school districts to issue bonds in the name of the Commission and to enter into lease arrangements with local boards of education to finance construction of new facilities or major renovation of existing school facilities.

Offers of assistance are made to eligible local school districts which have demonstrated a reasonable local effort to provide adequate school facilities but still have unmet building needs. Required local effort consists of a levy equivalent to at least five cents per hundred dollars of assessed valuation as well as available funds within a district's capital outlay and building funds and related bonding capacity. Unmet building needs are the costs of projects on a district's facilities plan as approved by the Kentucky Department of Education that remain after the application of local effort. A given district qualifies for offers of assistance based on its unmet need relative to unmet need statewide.

The School Facilities Construction Commission also is charged with distributing state funds allocated to the Kentucky Education Technology System's trust fund to assist local school districts in addressing their unmet education technology needs.

Policy

The Budget of the Commonwealth includes additional debt service necessary to fulfill commitments made by previous sessions of the General Assembly in authorizing additional bonded indebtedness and related offers of assistance to local school districts.

The Budget of the Commonwealth includes \$8,437,500 in fiscal year 2014 for debt service for \$100,000,000 in bonds to finance the offers of assistance authorized by the 2010 Regular Session of the General Assembly.

The enacted budget authorizes the School Facilities Construction Commission to make an additional \$100,000,000 in new offers of assistance during the 2012-14 biennium in anticipation of debt service availability during the 2014-16 biennium.

**General Government
Teachers' Retirement System**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|------------------------------------|-------------------|------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 201,252,600 | 219,491,900 | 238,637,000 | 244,670,100 | 299,692,100 |
| Total General Fund | 201,252,600 | 219,491,900 | 238,637,000 | 244,670,100 | 299,692,100 |
| Restricted Funds | | | | | |
| Balance Forward | 2,118,884 | 2,187,713 | 3,104,800 | | |
| Current Receipts | 503 | -33,082 | | | |
| Non-Revenue Receipts | 8,770,325 | 9,346,679 | 8,925,500 | 12,030,300 | 12,030,300 |
| Total Restricted Funds | 10,889,712 | 11,501,310 | 12,030,300 | 12,030,300 | 12,030,300 |
| TOTAL SOURCE OF FUNDS | 212,142,312 | 230,993,210 | 250,667,300 | 256,700,400 | 311,722,400 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 7,445,383 | 7,152,030 | 9,774,700 | 9,774,700 | 9,774,700 |
| Operating Expenses | 1,250,489 | 1,244,447 | 2,096,700 | 2,096,700 | 2,096,700 |
| Grants Loans Benefits | 201,252,600 | 144,798,254 | 143,355,800 | 141,319,300 | 174,902,900 |
| Debt Service | | 74,676,515 | 95,281,200 | 103,350,800 | 124,789,200 |
| Capital Outlay | 6,128 | | 158,900 | 158,900 | 158,900 |
| TOTAL EXPENDITURES | 209,954,599 | 227,871,247 | 250,667,300 | 256,700,400 | 311,722,400 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 201,252,600 | 219,474,715 | 238,637,000 | 244,670,100 | 299,692,100 |
| Restricted Funds | 8,701,999 | 8,396,531 | 12,030,300 | 12,030,300 | 12,030,300 |
| TOTAL EXPENDITURES | 209,954,599 | 227,871,247 | 250,667,300 | 256,700,400 | 311,722,400 |
| EXPENDITURES BY UNIT | | | | | |
| Teachers' Retirement System | 209,954,599 | 227,871,247 | 250,667,300 | 256,700,400 | 311,722,400 |
| TOTAL EXPENDITURES | 209,954,599 | 227,871,247 | 250,667,300 | 256,700,400 | 311,722,400 |

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

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

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

Benefits are financed through member contributions, corresponding contributions by the state, and income accruing from the invested reserves of the system. The General Assembly has set the member and employer contribution rate at 9.855 percent of gross salary for persons other than university faculty members joining the system prior to July 1, 2008. Persons joining on or after that date contribute 10.855 percent of gross salary with the employer contributing the same amount. University faculty members who joined the system prior to July 1, 2008 contribute 8.375 percent of gross salary and their employer matches this amount. University faculty members joining on or after that date contribute 9.375 percent of gross salary with the employer matching that amount. In addition, each employer contributes an overmatch of 3.25 percent of gross salary to help reduce the system's unfunded liability. The reserves of the agency are invested in a manner that will provide a reasonable rate of return with major emphasis on the protection of the reserves.

HB 540 enacted by the 2010 Regular Session of the General Assembly requires additional contributions to ensure the solvency and stability of the retirement system's medical insurance fund. In addition to the above-referenced contribution rates, members hired prior to July 1, 2008 will contribute an additional 0.25% in fiscal 2011, an additional 0.5% in fiscal 2012, an additional 1.0% in fiscal 2013, an additional 1.5% in fiscal 2014, an additional 2.25% in fiscal 2015 and an additional 3.0% in fiscal 2016. Members hired July

1, 2008 or later will contribute an additional 0.5% in fiscal 2014, an additional 1.25% in fiscal 2015, and an additional 2.0% in fiscal 2016. This will bring total member medical insurance contributions to 3.75% in fiscal 2016 for all members. As with other employee contributions, employers will match these amounts.

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

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

Policy

The Budget of the Commonwealth includes General Fund support in the amount of \$103,350,800 in fiscal year 2013 and \$103,331,200 in fiscal year 2014 for debt service on bonds issued 1) to repay past borrowings from the State Accumulation Fund (the Pension fund) on behalf of the Medical Insurance Fund during the period of fiscal year 2005 through fiscal year 2010, and 2) meet the needs of the Medical Insurance Fund during the 2010-12 biennium. The need for the Medical Insurance Fund for the 2012-2014 biennium consists of \$28,500,000 representing the State's portion of the shared responsibility plan outlined in KRS 161.550 as enacted in 2010, and the unfunded portion of health insurance in the amount of \$123,900,000. The amount of General Fund support included for the fiscal year 2014 debt service on these bonds is \$21,458,000.

The Budget of the Commonwealth includes General Fund support in the amount of \$38,700,000 for the Medical Insurance Fund for the 2014 fiscal year which consists of the State's portion of the shared responsibility plan outlined in KRS 161.550

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

The Budget of the Commonwealth includes \$4,190,000 in fiscal year 2013 and \$8,630,400 in fiscal year 2014 in General Fund support for initial payments on the amortized cost of increased retirement allowances for those recipients retiring during the 2012-2014 biennium who are eligible to add accrued sick leave to their final year of service.

Also included in the Budget of the Commonwealth is \$3,363,200 in General Fund support in fiscal year 2013 and \$3,363,200 in fiscal year 2014 for amortization payments to cover the 2010-12 biennial cost of the medical insurance subsidy for dependent spouses of retirees under the age of 65. The subsidy was initially started by House Bill 1 enacted by the October 2004 Extraordinary Session of the General Assembly.

**General Government
Judgments**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|------------------------------------|---------------------------|--------------------------|---------------------------|----------------------------|----------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Continuing Approp.-General Fund | 974 | | 4,146 | | |
| Mandated Allotments | 450,000 | 2,665,000 | | | |
| Total General Fund | 450,974 | 2,665,000 | 4,146 | | |
| TOTAL SOURCE OF FUNDS | 450,974 | 2,665,000 | 4,146 | | |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 81,124 | | | | |
| Operating Expenses | 352,225 | 2,660,853 | 4,146 | | |
| TOTAL EXPENDITURES | 433,350 | 2,660,853 | 4,146 | | |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 433,350 | 2,660,853 | 4,146 | | |
| TOTAL EXPENDITURES | 433,350 | 2,660,853 | 4,146 | | |
| EXPENDITURES BY UNIT | | | | | |
| Judgments | 433,350 | 2,660,853 | 4,146 | | |
| TOTAL EXPENDITURES | 433,350 | 2,660,853 | 4,146 | | |

The timing of payments of judgments is dependent on many factors beyond the control of the Commonwealth. As provided in the Appropriations Act, any judgments or contingent liabilities for the 2012-2014 biennium will be paid from the General Fund Surplus Account (unappropriated surplus) or the Budget Reserve Trust Fund.

General Government
Appropriations Not Otherwise Classified

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|-------------------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 6,267,500 | 5,776,100 | 5,776,100 | 5,290,900 | 5,290,900 |
| Budget Reduction-General Fund | -491,400 | | | | |
| Mandated Allotments | 9,200,000 | 10,195,400 | 10,470,000 | | |
| Total General Fund | 14,976,100 | 15,971,500 | 16,246,100 | 5,290,900 | 5,290,900 |
| TOTAL SOURCE OF FUNDS | 14,976,100 | 15,971,500 | 16,246,100 | 5,290,900 | 5,290,900 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 10,076,492 | 11,690,171 | 12,285,000 | 2,551,000 | 2,551,000 |
| Operating Expenses | 4,575,357 | 3,821,536 | 3,958,600 | 2,737,400 | 2,737,400 |
| Grants Loans Benefits | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| TOTAL EXPENDITURES | 14,654,348 | 15,514,207 | 16,246,100 | 5,290,900 | 5,290,900 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 14,654,348 | 15,514,207 | 16,246,100 | 5,290,900 | 5,290,900 |
| TOTAL EXPENDITURES | 14,654,348 | 15,514,207 | 16,246,100 | 5,290,900 | 5,290,900 |
| EXPENDITURES BY UNIT | | | | | |
| Attorney General Expense | 425,148 | 603,138 | 350,000 | 320,600 | 320,600 |
| Board of Claims Award | 1,157,371 | 495,494 | 525,000 | 480,900 | 480,900 |
| Guardian Ad Litem | 9,599,972 | 11,046,785 | 11,875,000 | 2,175,400 | 2,175,400 |
| Prior Year Claims | 434,416 | | 241,600 | 221,300 | 221,300 |
| Unredeemed Checks Refunded | 2,301,050 | 2,538,444 | 2,517,000 | 1,417,000 | 1,417,000 |
| Involuntary Commitments-ICF/MR | 43,695 | 40,248 | 60,000 | 55,000 | 55,000 |
| Frankfort In Lieu of Taxes | 195,000 | 195,000 | 195,000 | 178,600 | 178,600 |
| Frankfort Cemetery | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| Survivor Benefits | 247,677 | 407,677 | 240,000 | 219,800 | 219,800 |
| Med Malpractice Liability Ins Reimb | 178,932 | 124,872 | 165,000 | 151,100 | 151,100 |
| Blanket Employee Bonds | 68,588 | 60,049 | 75,000 | 68,700 | 68,700 |
| TOTAL EXPENDITURES | 14,654,348 | 15,514,207 | 16,246,100 | 5,290,900 | 5,290,900 |

Appropriations Not Otherwise Classified (ANOC) are appropriations not related to particular programs. Each item within this category has been given program status so that expenditures can be budgeted and accounted for separately. It includes such items as Attorney General expenses for defending employees of the Commonwealth and prior year claims for legal obligations of the Commonwealth. Any expenditure for costs of items included within this classification over the amounts appropriated is to be paid from the General Fund Surplus account or the Budget Reserve Trust Fund.

Economic Development

Economic Development

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|---------------------------|--------------------------|---------------------------|----------------------------|----------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 26,092,100 | 21,408,600 | 21,194,500 | 19,002,800 | 19,131,100 |
| State Salary and Compensation Allocation | 127,000 | 244,200 | 350,000 | | |
| Continuing Approp.-General Fund | 20,723,707 | 18,814,982 | 15,936,500 | 9,519,200 | |
| Budget Reduction-General Fund | -1,156,600 | | | | |
| Mandated Expenditure Reductions | -1,120,200 | -668,200 | -944,600 | | |
| Total General Fund | 44,666,007 | 39,799,582 | 36,536,400 | 28,522,000 | 19,131,100 |
| Restricted Funds | | | | | |
| Balance Forward | 1,583,788 | 1,405,323 | 1,521,900 | 1,203,600 | 575,500 |
| Current Receipts | 1,887,167 | 1,356,217 | 445,000 | 445,000 | 445,000 |
| Non-Revenue Receipts | -8,885 | 47,998 | 1,149,600 | 1,243,200 | 1,270,000 |
| Fund Transfers | | -63,700 | -142,700 | | |
| Total Restricted Funds | 3,462,070 | 2,745,838 | 2,973,800 | 2,891,800 | 2,290,500 |
| Federal Funds | | | | | |
| Balance Forward | 29,648 | 22,383 | 2,353,200 | 7,887,500 | 22,000 |
| Current Receipts | 123,755 | 137,014 | 16,181,600 | 89,500 | 89,700 |
| Non-Revenue Receipts | 22,969 | | | | |
| ARRA Receipts | 11,297 | 4,378,774 | | | |
| Total Federal Funds | 187,669 | 4,538,172 | 18,534,800 | 7,977,000 | 111,700 |
| TOTAL SOURCE OF FUNDS | 48,315,746 | 47,083,591 | 58,045,000 | 39,390,800 | 21,533,300 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 9,123,851 | 8,706,235 | 8,958,000 | 8,828,300 | 8,936,800 |
| Operating Expenses | 1,665,387 | 1,567,403 | 9,952,300 | 9,618,900 | 1,851,700 |
| Grants Loans Benefits | 15,950,471 | 15,995,699 | 20,282,100 | 10,846,100 | 10,744,800 |
| Capital Outlay | | 105,717 | | | |
| TOTAL EXPENDITURES | 26,739,709 | 26,375,054 | 39,192,400 | 29,293,300 | 21,533,300 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 24,517,676 | 22,966,089 | 26,774,900 | 19,022,000 | 19,131,100 |
| Restricted Funds | 2,079,717 | 1,224,023 | 1,770,200 | 2,316,300 | 2,290,500 |
| Federal Funds | 142,316 | 2,184,942 | 10,647,300 | 7,955,000 | 111,700 |
| TOTAL EXPENDITURES | 26,739,709 | 26,375,054 | 39,192,400 | 29,293,300 | 21,533,300 |
| EXPENDITURES BY UNIT | | | | | |
| Secretary | 13,855,698 | 15,764,820 | 16,512,300 | 13,486,200 | 13,536,800 |
| Business Development | 3,867,720 | 3,124,524 | 3,656,600 | 3,343,000 | 3,248,400 |
| Financial Incentives | 9,016,291 | 7,485,710 | 19,023,500 | 12,464,100 | 4,748,100 |
| TOTAL EXPENDITURES | 26,739,709 | 26,375,054 | 39,192,400 | 29,293,300 | 21,533,300 |

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

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

**Economic Development
Secretary**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|-------------------|-------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 15,796,900 | 14,267,900 | 14,215,800 | 12,890,600 | 12,966,300 |
| State Salary and Compensation Allocation | 64,500 | 105,300 | 150,800 | | |
| Budget Reduction-General Fund | -636,000 | | | | |
| Reorganization Adjustment | 402,500 | | | | |
| Mandated Expenditure Reductions | -911,200 | -384,200 | -379,800 | | |
| Total General Fund | 14,716,700 | 13,989,000 | 13,986,800 | 12,890,600 | 12,966,300 |
| Restricted Funds | | | | | |
| Balance Forward | 992,708 | 992,161 | 1,006,100 | 926,100 | 450,500 |
| Current Receipts | 213,253 | 13,904 | 120,000 | 120,000 | 120,000 |
| Fund Transfers | | | -4,000 | | |
| Total Restricted Funds | 1,205,961 | 1,006,065 | 1,122,100 | 1,046,100 | 570,500 |
| Federal Funds | | | | | |
| Balance Forward | | | 2,312,600 | | |
| Current Receipts | | | 167,800 | | |
| ARRA Receipts | 11,297 | 4,378,774 | | | |
| Total Federal Funds | 11,297 | 4,378,774 | 2,480,400 | | |
| TOTAL SOURCE OF FUNDS | 15,933,958 | 19,373,839 | 17,589,300 | 13,936,700 | 13,536,800 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 3,959,279 | 3,999,154 | 4,010,200 | 3,882,000 | 3,935,400 |
| Operating Expenses | 1,025,300 | 1,159,182 | 1,270,000 | 1,140,300 | 1,220,300 |
| Grants Loans Benefits | 8,871,119 | 10,500,766 | 11,232,100 | 8,463,900 | 8,381,100 |
| Capital Outlay | | 105,717 | | | |
| TOTAL EXPENDITURES | 13,855,698 | 15,764,820 | 16,512,300 | 13,486,200 | 13,536,800 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 13,630,601 | 13,698,651 | 13,835,900 | 12,890,600 | 12,966,300 |
| Restricted Funds | 213,800 | | 196,000 | 595,600 | 570,500 |
| Federal Funds | 11,297 | 2,066,169 | 2,480,400 | | |
| TOTAL EXPENDITURES | 13,855,698 | 15,764,820 | 16,512,300 | 13,486,200 | 13,536,800 |
| EXPENDITURES BY UNIT | | | | | |
| Executive Policy & Management | 2,121,809 | 4,320,619 | 4,715,000 | 2,129,900 | 2,153,300 |
| Commercialization & Innovation | 9,029,823 | 8,645,476 | 8,843,400 | 8,618,500 | 8,539,700 |
| Administration and Support | 1,332,178 | 1,425,374 | 1,454,900 | 1,341,300 | 1,376,500 |
| Research and Public Affairs | 1,371,886 | 1,373,350 | 1,499,000 | 1,396,500 | 1,467,300 |
| TOTAL EXPENDITURES | 13,855,698 | 15,764,820 | 16,512,300 | 13,486,200 | 13,536,800 |

The Secretary's Office manages the programs and activities of the Cabinet under the policy direction of the Kentucky Economic Development Partnership Board.

The Office of Legal Services handles all legal issues for the Cabinet, including drafting and review of incentive agreements, contracts and other legal documents; oversight of outside counsel; and review and drafting of legislation.

The Office of Administrative Services provides accounting, budgeting, procurement, personnel and information technology services for all of the agencies within the Cabinet.

The Office of Commercialization and Innovation (OCI) is within the Office of the Secretary. The Office's mission is to implement the Kentucky Innovation Act passed by the 2000 General Assembly, which mandates creation of the infrastructure necessary to support knowledge-based and technology-driven firms in the Commonwealth of Kentucky. The infrastructure required by New Economy businesses includes pure research from universities and other institutions, laboratory and technology resources, a workforce with current scientific and technical skills, and high-speed communications capability. The Office uses grants, loans, training and information to develop and make available those raw materials of the New Economy, and provides assistance to existing and start-up firms in bringing their knowledge-based products to commercial viability. The Office works closely with the state universities, the Council on Postsecondary Education and the Governor's Office for Agricultural Policy, among others, to

build a thriving entrepreneurial climate in Kentucky. Employees in OCI and other Cabinet departments provide management and staff services to Commonwealth Seed Capital, LLC, a for-profit venture capital fund wholly-owned by the Kentucky Economic Development Partnership Board.

The Office of Commercialization and Innovation and the Kentucky Economic Development Finance Authority administer the high tech construction and high tech investment pools, as prescribed in KRS 154.12-278.

The Office of Research and Public Affairs coordinates communications and marketing activities and maintains extensive databases of sites, facilities and existing businesses and industries. The Office also disseminates other information of interest to prospective investors and employers such as local tax rates, workforce availability, housing, utilities, and transportation.

Policy

Notwithstanding KRS 154.12-278, interest earned on the balances in the high tech pools and repayments of loans from the pools is appropriated for the support of the Office of Commercialization and Innovation.

Included in the above General Fund appropriation is \$420,800 in each fiscal year for the Louisville Waterfront Development Corporation.

**Economic Development
Business Development**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|-------------------|------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 4,824,600 | 3,792,800 | 3,715,400 | 3,083,600 | 3,123,400 |
| State Salary and Compensation Allocation | 51,900 | 119,100 | 170,700 | | |
| Budget Reduction-General Fund | -450,800 | | | | |
| Reorganization Adjustment | -402,500 | | | | |
| Mandated Expenditure Reductions | -184,700 | -274,900 | -564,800 | | |
| Total General Fund | 3,838,500 | 3,637,000 | 3,321,300 | 3,083,600 | 3,123,400 |
| Restricted Funds | | | | | |
| Balance Forward | 333,399 | 386,240 | 377,700 | 277,500 | 125,000 |
| Current Receipts | 300,000 | | | | |
| Non-Revenue Receipts | -9,800 | 1,498 | | | |
| Fund Transfers | | -10,100 | -17,800 | | |
| Total Restricted Funds | 623,599 | 377,638 | 359,900 | 277,500 | 125,000 |
| Federal Funds | | | | | |
| Balance Forward | | | | 106,900 | |
| Current Receipts | | 17,056 | 427,800 | | |
| Non-Revenue Receipts | 22,969 | | | | |
| Total Federal Funds | 22,969 | 17,056 | 427,800 | 106,900 | |
| TOTAL SOURCE OF FUNDS | 4,485,069 | 4,031,694 | 4,109,000 | 3,468,000 | 3,248,400 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 3,060,056 | 2,796,612 | 2,874,500 | 2,750,800 | 2,761,300 |
| Operating Expenses | 547,336 | 327,912 | 782,100 | 592,200 | 487,100 |
| Grants Loans Benefits | 260,329 | | | | |
| TOTAL EXPENDITURES | 3,867,720 | 3,124,524 | 3,656,600 | 3,343,000 | 3,248,400 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 3,607,392 | 3,107,468 | 3,253,300 | 3,083,600 | 3,123,400 |
| Restricted Funds | 260,329 | | 82,400 | 152,500 | 125,000 |
| Federal Funds | | 17,056 | 320,900 | 106,900 | |
| TOTAL EXPENDITURES | 3,867,720 | 3,124,524 | 3,656,600 | 3,343,000 | 3,248,400 |
| EXPENDITURES BY UNIT | | | | | |
| Executive Policy & Management | 3,401,573 | 2,668,278 | 3,379,600 | 3,081,900 | 2,981,500 |
| Small and Minority Business | 466,147 | 456,247 | 277,000 | 261,100 | 266,900 |
| TOTAL EXPENDITURES | 3,867,720 | 3,124,524 | 3,656,600 | 3,343,000 | 3,248,400 |

The Department for Business Development is responsible for coordinating the recruitment of new companies to grow the state's economy, as well as encouraging job retention and growth of existing Kentucky businesses. The Commissioner and project managers work throughout the United States and in Tokyo, Japan and Hamburg, Germany to provide information concerning available sites, financing, workforce availability and training, and regulatory requirements to firms interested in locating in the Commonwealth.

Within Kentucky, staff based in Madisonville, Frankfort and Prestonsburg visit existing industries and assist communities with local development efforts. The Department provides opportunities for increased export sales of Kentucky-produced goods and services, including livestock and other agriculture products, computer accessories, machinery, manufactured metals, chemicals, transportation equipment, hardwood lumber and distilled spirits. The Department operates trade offices in Guadalajara, Mexico and Beijing, China. The Mexico office is a joint venture with the Kentucky Department of Agriculture.

The Division of Small Business Services coordinates technical, financial, and procurement services to promote small business development in Kentucky. It provides a centralized information source on business regulations, licenses, permits and support programs for small businesses. The Division also provides staff support to the Commission on Small Business Advocacy, a 13-member advisory board that serves as a liaison between government and the small business community.

**Economic Development
Financial Incentives**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|-------------------|-------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 5,470,600 | 3,347,900 | 3,263,300 | 3,028,600 | 3,041,400 |
| State Salary and Compensation Allocation | 10,600 | 19,800 | 28,500 | | |
| Continuing Approp.-General Fund | 20,723,707 | 18,814,982 | 15,936,500 | 9,519,200 | |
| Budget Reduction-General Fund | -69,800 | | | | |
| Mandated Expenditure Reductions | -24,300 | -9,100 | | | |
| Total General Fund | 26,110,807 | 22,173,582 | 19,228,300 | 12,547,800 | 3,041,400 |
| Restricted Funds | | | | | |
| Balance Forward | 257,681 | 26,922 | 138,100 | | |
| Current Receipts | 1,373,914 | 1,342,313 | 325,000 | 325,000 | 325,000 |
| Non-Revenue Receipts | 915 | 46,500 | 1,149,600 | 1,243,200 | 1,270,000 |
| Fund Transfers | | -53,600 | -120,900 | | |
| Total Restricted Funds | 1,632,510 | 1,362,135 | 1,491,800 | 1,568,200 | 1,595,000 |
| Federal Funds | | | | | |
| Balance Forward | 29,648 | 22,383 | 40,600 | 7,780,600 | 22,000 |
| Current Receipts | 123,755 | 119,958 | 15,586,000 | 89,500 | 89,700 |
| Total Federal Funds | 153,403 | 142,341 | 15,626,600 | 7,870,100 | 111,700 |
| TOTAL SOURCE OF FUNDS | 27,896,720 | 23,678,058 | 36,346,700 | 21,986,100 | 4,748,100 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 2,104,516 | 1,910,468 | 2,073,300 | 2,195,500 | 2,240,100 |
| Operating Expenses | 92,751 | 80,309 | 7,900,200 | 7,886,400 | 144,300 |
| Grants Loans Benefits | 6,819,024 | 5,494,933 | 9,050,000 | 2,382,200 | 2,363,700 |
| TOTAL EXPENDITURES | 9,016,291 | 7,485,710 | 19,023,500 | 12,464,100 | 4,748,100 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 7,279,683 | 6,159,970 | 9,685,700 | 3,047,800 | 3,041,400 |
| Restricted Funds | 1,605,588 | 1,224,023 | 1,491,800 | 1,568,200 | 1,595,000 |
| Federal Funds | 131,020 | 101,717 | 7,846,000 | 7,848,100 | 111,700 |
| TOTAL EXPENDITURES | 9,016,291 | 7,485,710 | 19,023,500 | 12,464,100 | 4,748,100 |
| EXPENDITURES BY UNIT | | | | | |
| Financial Incentives | 3,343,588 | 1,224,023 | 9,235,800 | 9,312,200 | 1,595,000 |
| Bluegrass State Skills | 5,365,632 | 6,020,993 | 9,557,100 | 2,921,700 | 2,914,200 |
| Kentucky Procurement Assistance Program | 307,071 | 240,694 | 230,600 | 230,200 | 238,900 |
| TOTAL EXPENDITURES | 9,016,291 | 7,485,710 | 19,023,500 | 12,464,100 | 4,748,100 |

The Department of Financial Incentives coordinates financial assistance and tax incentive programs available to businesses and industry in Kentucky. These incentives address a variety of economic situations such as chronic high levels of unemployment; lack of job skills in the available workforce; and lack of adequate physical, communications, and transportation infrastructure. Programs are available to firms statewide, with some enhanced benefits in counties that face more economic challenges.

Incentives are approved by the Kentucky Economic Development Finance Authority (KEDFA) upon recommendation of the Department's staff. KEDFA members include six private citizens appointed by the Kentucky Economic Development Partnership Board and the Secretary of the Finance and Administration Cabinet who is an *ex officio* member. Incentives are authorized under the following programs:

- The Kentucky Business Investment Program (KRS 154.32)
- The Kentucky Reinvestment Act (KRS 154.34)
- The Kentucky Enterprise Initiative Act (KRS 154.31)
- The Kentucky Industrial Revitalization Act (KRS 154.26)
- The Kentucky Environmental Stewardship Act (KRS 154.48)
- The Kentucky Jobs Retention Act (KRS 154.25)
- Incentives for Energy Independence (KRS 154.27)

- Emergency Small Business Jobs Stimulus Act (KRS 154.60)
- Small Business Loan Program (KRS 154.12-330)
- The Economic Development Bond Program (KRS 154.12-100)
- The Direct Loan Program (KRS 154.20-030)
- The Kentucky Investment Fund Act (KRS 154.20-256)
- Tax Increment Financing (KRS 65.6971-6972 and KRS 154.30)

The economic development bond program as authorized in KRS 154.12-100 uses bond proceeds to leverage private investment to promote the overall economic development of the Commonwealth. This includes the development of public projects such as industrial parks, river ports, and tourism facilities.

The Procurement Assistance Branch, which is partially supported by a Federal grant, helps Kentucky businesses sell their goods and services to Federal, state and local government agencies.

Bluegrass State Skills Corporation (BSSC) is an independent corporation created in KRS 154.12-204 through 154.12-208 and attached for administrative purposes to the Cabinet for Economic Development. The Corporation stimulates economic development by funding the cost of training employees and upgrading their skills. Individual firms and business consortia that want to upgrade the training of their workers can apply to BSSC for reimbursement of up to 50% of their eligible training costs. Firms may also be approved for a skills training tax credit authorized in KRS 154.12-2084 to 154.12-2089. In addition to underwriting the cost of training, BSSC works with the Department for Workforce Investment and the Kentucky Community and Technical College System to develop curricula and provide teachers to meet the specific needs of a firm and its employees.

Policy

Included in the above General Fund appropriation is \$2,382,200 in fiscal year 2012-2013 and \$2,363,700 in fiscal year 2013-2014 for Bluegrass State Skills Corporation training grants as provided in KRS 154-12.207. Notwithstanding KRS 45.229, the General Fund allotment balance for training grants for fiscal year 2011-2012 shall not lapse and shall carry forward. Notwithstanding KRS 45.229, the General Fund allotment balance for training grants in excess of \$9,500,000 for fiscal year 2012-2013 shall not lapse and shall carry forward. The amount available to the Corporation for disbursement in each fiscal year shall be limited to the unexpended training grant allotment balance at the end of fiscal year 2011-2012 combined with the additional training grant allotment amounts for each fiscal year, less any disbursements. In the event that such required disbursements exceed the training grant allotment balance, funds shall be appropriated from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

The Kentucky Economic Development Finance Authority (KEDFA) is authorized to use bond funds previously appropriated to the New Economy High-Tech Construction/Investment Pool for projects and loans under the terms and conditions of its existing loan programs.

The Secretary is authorized to use funds previously appropriated to the High-Tech Construction/Investment Pool for economic development bond projects, and to use funds previously appropriated to the Economic Development Bond Pool for high-tech construction/investment projects.

Department of Education

Department of Education

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|---|---------------------------|--------------------------|---------------------------|----------------------------|----------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 3,907,626,300 | 3,657,868,800 | 3,828,830,200 | 3,826,787,800 | 3,839,998,600 |
| State Salary and Compensation Allocation | 279,700 | 537,500 | 792,600 | | |
| Continuing Approp.-General Fund | 7,780,820 | | 1,894,401 | | |
| Budget Reduction-General Fund | -284,869,100 | | | | |
| Mandated Expenditure Reductions | -1,343,600 | -5,878,700 | -9,428,800 | | |
| Mandated Allotments | | | 234,703 | | |
| Other | 296,800 | 225,000 | 517,300 | | |
| Total General Fund | 3,629,770,920 | 3,652,752,600 | 3,822,840,404 | 3,826,787,800 | 3,839,998,600 |
| Tobacco Settlement - Phase I | | | | | |
| Tobacco Settlement - Phase I | | 596,242 | | | |
| Total Tobacco Settlement - Phase I | | 596,242 | | | |
| Restricted Funds | | | | | |
| Balance Forward | 1,686,146 | 3,920,886 | 8,066,962 | 772,800 | 772,800 |
| Current Receipts | 1,080,740 | 4,121,445 | 3,803,768 | 10,074,500 | 10,123,500 |
| Non-Revenue Receipts | 1,393,950 | 70,239 | 456,670 | 1,651,300 | 1,690,200 |
| Fund Transfers | | -18,000 | -18,100 | | |
| Total Restricted Funds | 4,160,836 | 8,094,571 | 12,309,300 | 12,498,600 | 12,586,500 |
| Federal Funds | | | | | |
| Balance Forward | | 457,542 | 2,860,565 | 2,547,800 | |
| Current Receipts | 780,068,548 | 769,385,277 | 873,934,835 | 779,075,500 | 757,889,000 |
| Non-Revenue Receipts | -4,992,274 | -4,281,192 | | 5,400 | -200 |
| ARRA Receipts | 171,954,976 | 133,640,304 | | | |
| SFSF Receipts | 221,660,914 | 183,863,908 | | | |
| Total Federal Funds | 1,168,692,164 | 1,083,065,839 | 876,795,400 | 781,628,700 | 757,888,800 |
| TOTAL SOURCE OF FUNDS | 4,802,623,919 | 4,744,509,252 | 4,711,945,104 | 4,620,915,100 | 4,610,473,900 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 66,244,276 | 62,195,484 | 50,847,801 | 52,268,709 | 52,658,929 |
| Operating Expenses | 25,283,263 | 24,901,976 | 40,669,800 | 35,231,391 | 35,054,971 |
| Grants Loans Benefits | 4,660,652,130 | 4,643,637,621 | 4,615,613,603 | 4,532,642,200 | 4,521,987,200 |
| Debt Service | 28,882 | 115,527 | | | |
| Capital Outlay | 14,687 | 12,631 | | | |
| Construction | 12 | 918 | | | |
| TOTAL EXPENDITURES | 4,752,223,251 | 4,730,864,156 | 4,707,131,204 | 4,620,142,300 | 4,609,701,100 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 3,583,748,679 | 3,650,035,034 | 3,821,347,104 | 3,826,787,800 | 3,839,998,600 |
| Tobacco Settlement - Phase I | | 596,242 | | | |
| Restricted Funds | 239,949 | 27,657 | 11,536,500 | 11,725,800 | 11,813,700 |
| Federal Funds | 1,168,234,622 | 1,080,205,223 | 874,247,600 | 781,628,700 | 757,888,800 |
| TOTAL EXPENDITURES | 4,752,223,251 | 4,730,864,156 | 4,707,131,204 | 4,620,142,300 | 4,609,701,100 |
| EXPENDITURES BY UNIT | | | | | |
| Operations and Support Services | 326,601,182 | 324,563,677 | 335,683,804 | 325,437,500 | 322,739,900 |
| Learning and Results Services | 1,522,952,047 | 1,498,453,279 | 1,471,949,400 | 1,394,864,000 | 1,387,120,400 |
| Support Education Excellence in Kentucky (SEEK) | 2,902,670,022 | 2,907,847,200 | 2,899,498,000 | 2,899,840,800 | 2,899,840,800 |
| TOTAL EXPENDITURES | 4,752,223,251 | 4,730,864,156 | 4,707,131,204 | 4,620,142,300 | 4,609,701,100 |

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

**Department of Education
Operations and Support Services**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|---------------------------|--------------------------|---------------------------|----------------------------|----------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 56,595,500 | 53,363,200 | 50,318,100 | 46,509,600 | 46,604,400 |
| State Salary and Compensation Allocation | 115,900 | 204,900 | 225,700 | | |
| Continuing Approp.-General Fund | | | 691,401 | | |
| Budget Reduction-General Fund | -2,906,900 | | | | |
| Reorganization Adjustment | | 245,200 | | | |
| Mandated Expenditure Reductions | -917,500 | -1,273,200 | -1,454,400 | | |
| Mandated Allotments | | | 234,703 | | |
| Total General Fund | 52,887,000 | 52,540,100 | 50,015,504 | 46,509,600 | 46,604,400 |
| Restricted Funds | | | | | |
| Balance Forward | 1,085,185 | 1,818,269 | 5,264,962 | | |
| Current Receipts | 197,880 | 3,421,922 | 3,243,968 | 7,445,000 | 7,494,000 |
| Non-Revenue Receipts | 685,759 | 70,239 | 193,170 | 1,339,300 | 1,376,700 |
| Fund Transfers | | -18,000 | -18,100 | | |
| Total Restricted Funds | 1,968,824 | 5,292,430 | 8,684,000 | 8,784,300 | 8,870,700 |
| Federal Funds | | | | | |
| Balance Forward | | | 312,765 | | |
| Current Receipts | 270,969,539 | 264,102,496 | 276,978,935 | 269,896,300 | 267,017,500 |
| Non-Revenue Receipts | -433,133 | -25,084 | 217,400 | 247,300 | 247,300 |
| ARRA Receipts | 3,027,221 | 8,922,863 | | | |
| Total Federal Funds | 273,563,627 | 273,000,275 | 277,509,100 | 270,143,600 | 267,264,800 |
| TOTAL SOURCE OF FUNDS | 328,419,450 | 330,832,805 | 336,208,604 | 325,437,500 | 322,739,900 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 12,302,043 | 13,207,860 | 13,585,701 | 13,602,709 | 14,269,529 |
| Operating Expenses | 17,933,781 | 17,284,314 | 23,400,100 | 19,658,891 | 19,289,771 |
| Grants Loans Benefits | 296,356,473 | 294,057,955 | 298,698,003 | 292,175,900 | 289,180,600 |
| Capital Outlay | 8,885 | 12,631 | | | |
| Construction | | 918 | | | |
| TOTAL EXPENDITURES | 326,601,182 | 324,563,677 | 335,683,804 | 325,437,500 | 322,739,900 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 52,887,000 | 51,848,699 | 49,490,704 | 46,509,600 | 46,604,400 |
| Restricted Funds | 150,555 | 27,468 | 8,684,000 | 8,784,300 | 8,870,700 |
| Federal Funds | 273,563,627 | 272,687,510 | 277,509,100 | 270,143,600 | 267,264,800 |
| TOTAL EXPENDITURES | 326,601,182 | 324,563,677 | 335,683,804 | 325,437,500 | 322,739,900 |
| EXPENDITURES BY UNIT | | | | | |
| Commissioner's Office/Board of Education | 642,400 | 1,906,999 | 1,268,201 | 560,500 | 566,000 |
| Administration and Support | 281,948,089 | 276,473,055 | 293,189,203 | 288,859,400 | 286,905,500 |
| Guiding Support Services | 1,065,817 | 1,360,972 | 1,899,100 | 1,615,200 | 1,711,200 |
| Knowledge, Information and Data Services | 42,944,876 | 44,822,651 | 39,327,300 | 34,402,400 | 33,557,200 |
| TOTAL EXPENDITURES | 326,601,182 | 324,563,677 | 335,683,804 | 325,437,500 | 322,739,900 |

The Operations and Support Services program area consists of the Office of Administration and Support; the Office of Knowledge, Information, and Data Services; the Office of Guiding Support Services; Commissioner of Education, and the Kentucky Board of Education.

**Department of Education
Operations and Support Services
Commissioner's Office/Board of Education**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|-------------------|------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 729,000 | 3,102,600 | 596,500 | 560,500 | 566,000 |
| State Salary and Compensation Allocation | 3,300 | 6,100 | 9,200 | | |
| Continuing Approp.-General Fund | | | 691,401 | | |
| Budget Reduction-General Fund | -77,800 | | | | |
| Mandated Expenditure Reductions | -12,100 | -510,300 | | | |
| Total General Fund | 642,400 | 2,598,400 | 1,297,101 | 560,500 | 566,000 |
| TOTAL SOURCE OF FUNDS | 642,400 | 2,598,400 | 1,297,101 | 560,500 | 566,000 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 600,000 | 1,880,199 | 1,250,501 | 542,800 | 548,300 |
| Operating Expenses | 42,400 | 26,800 | 17,700 | 17,700 | 17,700 |
| TOTAL EXPENDITURES | 642,400 | 1,906,999 | 1,268,201 | 560,500 | 566,000 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 642,400 | 1,906,999 | 1,268,201 | 560,500 | 566,000 |
| TOTAL EXPENDITURES | 642,400 | 1,906,999 | 1,268,201 | 560,500 | 566,000 |
| EXPENDITURES BY UNIT | | | | | |
| Commissioner's Office | | | 1,244,001 | 536,300 | 541,800 |
| Kentucky Board of Education | | | 24,200 | 24,200 | 24,200 |
| TOTAL EXPENDITURES | | | 1,268,201 | 560,500 | 566,000 |

The 1990 General Assembly, as part of the Kentucky Education Reform Act (KERA), provided in KRS 156.148 for the appointment of a Commissioner of Education by the Kentucky Board of Education to serve as the chief state school officer.

As part of the same legislation, the General Assembly, in KRS 156.029, created an 11 member Kentucky Board of Education. Board members are appointed by the Governor and confirmed by the Senate and the House of Representatives. Seven members are selected from the state's seven Supreme Court districts, and four are appointed from the state at large. Board members serve four-year staggered terms. The Executive Director of the Council on Postsecondary Education serves as an ex officio non-voting board member. Overall policy regarding public elementary and secondary education in Kentucky is set by the Kentucky Board of Education within the legal framework established by the General Assembly.

The Commissioner of Education's qualifications and compensation are set by the Kentucky Board of Education. The Commissioner serves at the pleasure of the Board. The Commissioner is responsible for carrying out all duties assigned by the legislature, for executing education policy as directed by the State Board, and directing the work of all persons employed by the Department of Education.

**Department of Education
Operations and Support Services
Administration and Support**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|-------------------|------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 14,646,800 | 12,996,100 | 11,787,600 | 10,288,600 | 11,130,000 |
| State Salary and Compensation Allocation | 112,600 | 113,000 | 131,800 | | |
| Budget Reduction-General Fund | -790,000 | | | | |
| Mandated Expenditure Reductions | -551,800 | -593,600 | -537,800 | | |
| Mandated Allotments | | | 234,703 | | |
| Total General Fund | 13,417,600 | 12,515,500 | 11,616,303 | 10,288,600 | 11,130,000 |
| Restricted Funds | | | | | |
| Balance Forward | 1,026,246 | 1,715,849 | 5,148,671 | | |
| Current Receipts | 154,613 | 3,407,779 | 3,169,740 | 7,265,100 | 7,314,100 |
| Non-Revenue Receipts | 679,528 | 70,239 | 203,789 | 1,339,300 | 1,376,700 |
| Fund Transfers | | -18,000 | -18,100 | | |
| Total Restricted Funds | 1,860,387 | 5,175,867 | 8,504,100 | 8,604,400 | 8,690,800 |
| Federal Funds | | | | | |
| Balance Forward | | | 266,957 | | |
| Current Receipts | 266,914,603 | 260,791,795 | 272,997,543 | 269,896,300 | 267,017,500 |
| Non-Revenue Receipts | -332,935 | -25,084 | 58,400 | 70,100 | 67,200 |
| ARRA Receipts | 1,804,282 | 3,430,605 | | | |
| Total Federal Funds | 268,385,951 | 264,197,316 | 273,322,900 | 269,966,400 | 267,084,700 |
| TOTAL SOURCE OF FUNDS | 283,663,938 | 281,888,683 | 293,443,303 | 288,859,400 | 286,905,500 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 8,624,787 | 8,130,628 | 7,942,000 | 7,200,500 | 8,117,900 |
| Operating Expenses | 2,814,939 | 2,481,814 | 9,519,800 | 9,426,400 | 9,550,400 |
| Grants Loans Benefits | 270,499,478 | 265,847,065 | 275,727,403 | 272,232,500 | 269,237,200 |
| Capital Outlay | 8,885 | 12,631 | | | |
| Construction | | 918 | | | |
| TOTAL EXPENDITURES | 281,948,089 | 276,473,055 | 293,189,203 | 288,859,400 | 286,905,500 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 13,417,600 | 12,515,500 | 11,362,203 | 10,288,600 | 11,130,000 |
| Restricted Funds | 144,538 | 27,196 | 8,504,100 | 8,604,400 | 8,690,800 |
| Federal Funds | 268,385,951 | 263,930,358 | 273,322,900 | 269,966,400 | 267,084,700 |
| TOTAL EXPENDITURES | 281,948,089 | 276,473,055 | 293,189,203 | 288,859,400 | 286,905,500 |
| EXPENDITURES BY UNIT | | | | | |
| Administration & Resource Management | 4,772,138 | 4,487,496 | 11,808,403 | 11,530,750 | 11,809,000 |
| District Support | 4,548,242 | 7,622,654 | 10,934,300 | 7,326,250 | 4,527,100 |
| School & Community Nutrition | 272,627,709 | 264,362,905 | 270,446,500 | 270,002,400 | 270,569,400 |
| TOTAL EXPENDITURES | 281,948,089 | 276,473,055 | 293,189,203 | 288,859,400 | 286,905,500 |

The Office of Administration and Support consists of the following divisions: the Division of Budget and Financial Management, the Division of District Support, the Division of Resource Management, and the Division of School and Community Nutrition.

The Division of Budget and Financial Management supervises the department's annual and biennial budget creation, budget analysis and forecasting, expenditure authorizations, personnel approvals, and allotment as well as appropriation adjustments. The Division also supervises expenditure and accounting transactions, purchasing and document preparation, and pre-audit functions. The Division serves as agency liaison with the Auditor of Public Accounts, the Finance and Administration Cabinet, the Office of State Budget Director, and the Legislative Research Commission budget staff.

The Division of District Support distributes state SEEK funds to local school districts and provides districts with assistance on salary schedules, data management, facility management, and budgeting. Staff of the Division work with various Department of Education, Council for Postsecondary Education, and Professional Standards Board program areas in analyzing data and

determining requirements for data entered in the Department's enterprise data system. The Division also reviews local school district facility plans and compiles information on school district construction needs for the School Facilities Construction Commission.

The Division of Resource Management provides personnel and payroll services to Department staff. These services include the administration of the state merit system, Family Medical Leave Act, Workers' Compensation, sick leave sharing, tuition assistance, employee training, Fair Labor Standards Act, Americans with Disabilities Act, and all other related employment laws and regulations.

The Division of School and Community Nutrition oversees the administration of the following National School Lunch Act and Child Nutrition Act programs in local school districts and other eligible agencies: National School Lunch program, School Breakfast program, Special Milk program, Child Care Food program, Summer Food Service program, and the Nutrition Education and Training program.

**Department of Education
Operations and Support Services
Guiding Support Services**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|-------------------|------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 1,244,200 | 1,151,700 | 1,705,200 | 1,333,100 | 1,426,200 |
| State Salary and Compensation Allocation | | 34,200 | 34,500 | | |
| Budget Reduction-General Fund | -41,500 | | | | |
| Reorganization Adjustment | | 245,200 | | | |
| Mandated Expenditure Reductions | -142,900 | -70,400 | | | |
| Total General Fund | 1,059,800 | 1,360,700 | 1,739,700 | 1,333,100 | 1,426,200 |
| Restricted Funds | | | | | |
| Balance Forward | 58,167 | 101,647 | 115,519 | | |
| Current Receipts | 43,267 | 14,144 | | 104,900 | 104,900 |
| Non-Revenue Receipts | 6,231 | | -10,619 | | |
| Total Restricted Funds | 107,665 | 115,791 | 104,900 | 104,900 | 104,900 |
| Federal Funds | | | | | |
| Non-Revenue Receipts | | | 159,000 | 177,200 | 180,100 |
| Total Federal Funds | | | 159,000 | 177,200 | 180,100 |
| TOTAL SOURCE OF FUNDS | 1,167,465 | 1,476,491 | 2,003,600 | 1,615,200 | 1,711,200 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 1,045,005 | 1,340,842 | 1,791,200 | 1,510,300 | 1,534,300 |
| Operating Expenses | 20,812 | 20,129 | 107,900 | 104,900 | 176,900 |
| TOTAL EXPENDITURES | 1,065,817 | 1,360,972 | 1,899,100 | 1,615,200 | 1,711,200 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 1,059,800 | 1,360,700 | 1,635,200 | 1,333,100 | 1,426,200 |
| Restricted Funds | 6,017 | 272 | 104,900 | 104,900 | 104,900 |
| Federal Funds | | | 159,000 | 177,200 | 180,100 |
| TOTAL EXPENDITURES | 1,065,817 | 1,360,972 | 1,899,100 | 1,615,200 | 1,711,200 |

The Office of Guiding Support Services provides in-house counsel and advice for the Commissioner of Education, offices of the Department of Education, and the Kentucky Board of Education. The office provides legal representation for the Department of Education and Kentucky Board of Education before administrative agencies and courts of law. It provides informal legal advice to local school districts and members of the general public. The office serves as the Kentucky Department of Education's liaison with the General Assembly.

Guiding Support Services consists of two divisions: the Division of Communications and the Division of Innovation and Partner Engagement. The Division of Communication is responsible for news media relations for the Commissioner and the Department of Education. The division creates print and electronic materials to supplement the professional development of educators and inform other interested parties in Kentucky's system of public elementary and secondary education. The Division also operates the Department's web site, provides photographic services for the Department, and produces electronic publications. The Division of Innovation and Partner Engagement interacts with educational partners across the country to develop and test innovative ideas for change and improvement in educational policy and deployment.

**Department of Education
Operations and Support Services
Knowledge, Information and Data Services**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|-------------------|-------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 39,975,500 | 36,112,800 | 36,228,800 | 34,327,400 | 33,482,200 |
| State Salary and Compensation Allocation | | 51,600 | 50,200 | | |
| Budget Reduction-General Fund | -1,997,600 | | | | |
| Mandated Expenditure Reductions | -210,700 | -98,900 | -916,600 | | |
| Total General Fund | 37,767,200 | 36,065,500 | 35,362,400 | 34,327,400 | 33,482,200 |
| Restricted Funds | | | | | |
| Balance Forward | 772 | 772 | 772 | | |
| Current Receipts | | | 74,228 | 75,000 | 75,000 |
| Total Restricted Funds | 772 | 772 | 75,000 | 75,000 | 75,000 |
| Federal Funds | | | | | |
| Balance Forward | | | 45,808 | | |
| Current Receipts | 4,054,936 | 3,310,701 | 3,981,392 | | |
| Non-Revenue Receipts | -100,199 | | | | |
| ARRA Receipts | 1,222,939 | 5,492,258 | | | |
| Total Federal Funds | 5,177,676 | 8,802,959 | 4,027,200 | | |
| TOTAL SOURCE OF FUNDS | 42,945,648 | 44,869,231 | 39,464,600 | 34,402,400 | 33,557,200 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 2,032,250 | 1,856,191 | 2,602,000 | 4,349,109 | 4,069,029 |
| Operating Expenses | 15,055,630 | 14,755,571 | 13,754,700 | 10,109,891 | 9,544,771 |
| Grants Loans Benefits | 25,856,995 | 28,210,889 | 22,970,600 | 19,943,400 | 19,943,400 |
| TOTAL EXPENDITURES | 42,944,876 | 44,822,651 | 39,327,300 | 34,402,400 | 33,557,200 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 37,767,200 | 36,065,500 | 35,225,100 | 34,327,400 | 33,482,200 |
| Restricted Funds | | | 75,000 | 75,000 | 75,000 |
| Federal Funds | 5,177,676 | 8,757,151 | 4,027,200 | | |
| TOTAL EXPENDITURES | 42,944,876 | 44,822,651 | 39,327,300 | 34,402,400 | 33,557,200 |

The Office of Knowledge, Information, and Data Services provides policy and budget planning, liaison services, administration and quality assurance for the Kentucky Education Technology System (KETS). The Office is responsible for KETS shared services for 650,000 direct customers, 1,200 schools, 174 local school districts and the Kentucky Department of Education. The Office consists of three divisions: Division of Engineering and Management, Division of Operations and Services, and Division of Enterprise Data.

The Office also manages the Kentucky Education Technology System (KETS) and the Kentucky Education Network (KEN) programs. The KETS program provides school districts with technical support as well as offers of assistance based on each district's average daily attendance. School districts must spend the offers on appropriate education technology items or services and the districts are required to match this funding dollar for dollar. KEN is the wide-area-network that provides high speed network connectivity and Internet access to the 174 Kentucky school districts, the Kentucky School for the Blind, the Kentucky School for the Deaf, and the Department of Education. The network provides teachers and administrators access to information and tools to be effective teachers, leaders, and decision makers.

**Department of Education
Learning and Results Services**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|---|---------------------------|--------------------------|---------------------------|----------------------------|----------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 877,494,700 | 878,975,100 | 878,367,000 | 880,437,400 | 893,553,400 |
| State Salary and Compensation Allocation | 163,800 | 332,600 | 566,900 | | |
| Continuing Approp.-General Fund | 7,780,820 | | 1,203,000 | | |
| Budget Reduction-General Fund | -29,021,600 | | | | |
| Reorganization Adjustment | | -245,200 | | | |
| Mandated Expenditure Reductions | -426,100 | -4,605,500 | -7,974,400 | | |
| Other | 466,300 | 394,500 | 1,164,400 | | |
| Total General Fund | 856,457,920 | 874,851,500 | 873,326,900 | 880,437,400 | 893,553,400 |
| Tobacco Settlement - Phase I | | | | | |
| Tobacco Settlement - Phase I | | 596,242 | | | |
| Total Tobacco Settlement - Phase I | | 596,242 | | | |
| Restricted Funds | | | | | |
| Balance Forward | 600,961 | 2,102,618 | 2,802,000 | 772,800 | 772,800 |
| Current Receipts | 882,860 | 699,523 | 559,800 | 2,629,500 | 2,629,500 |
| Non-Revenue Receipts | 708,191 | | 263,500 | 312,000 | 313,500 |
| Total Restricted Funds | 2,192,012 | 2,802,141 | 3,625,300 | 3,714,300 | 3,715,800 |
| Federal Funds | | | | | |
| Balance Forward | | 457,542 | 2,547,800 | 2,547,800 | |
| Current Receipts | 509,099,009 | 505,282,781 | 596,955,900 | 509,179,200 | 490,871,500 |
| Non-Revenue Receipts | -5,936,927 | -2,878,400 | -217,400 | -241,900 | -247,500 |
| ARRA Receipts | 168,927,755 | 124,717,441 | | | |
| Total Federal Funds | 672,089,837 | 627,579,364 | 599,286,300 | 511,485,100 | 490,624,000 |
| TOTAL SOURCE OF FUNDS | 1,530,739,769 | 1,505,829,247 | 1,476,238,500 | 1,395,636,800 | 1,387,893,200 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 53,942,234 | 48,987,624 | 37,262,100 | 38,666,000 | 38,389,400 |
| Operating Expenses | 7,349,482 | 7,617,663 | 17,269,700 | 15,572,500 | 15,765,200 |
| Grants Loans Benefits | 1,461,625,635 | 1,441,732,466 | 1,417,417,600 | 1,340,625,500 | 1,332,965,800 |
| Debt Service | 28,882 | 115,527 | | | |
| Capital Outlay | 5,802 | | | | |
| Construction | 12 | | | | |
| TOTAL EXPENDITURES | 1,522,952,047 | 1,498,453,279 | 1,471,949,400 | 1,394,864,000 | 1,387,120,400 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 851,230,357 | 872,825,335 | 872,358,400 | 880,437,400 | 893,553,400 |
| Tobacco Settlement - Phase I | | 596,242 | | | |
| Restricted Funds | 89,394 | 189 | 2,852,500 | 2,941,500 | 2,943,000 |
| Federal Funds | 671,632,295 | 625,031,513 | 596,738,500 | 511,485,100 | 490,624,000 |
| TOTAL EXPENDITURES | 1,522,952,047 | 1,498,453,279 | 1,471,949,400 | 1,394,864,000 | 1,387,120,400 |
| EXPENDITURES BY UNIT | | | | | |
| Next Generation Schools | 385,187,203 | 370,740,487 | 370,393,100 | 287,186,100 | 268,586,200 |
| District 180 | 9,432,000 | 8,359,349 | 4,922,500 | 4,584,700 | 4,584,700 |
| Next Generation Learners | 520,123,525 | 419,697,465 | 371,857,100 | 367,136,500 | 365,412,700 |
| Assessment and Accountability | 16,157,103 | 17,589,178 | 21,428,600 | 20,316,700 | 20,270,400 |
| Early Childhood Development | 1,306,089 | 56,324,223 | 71,949,200 | 71,945,900 | 71,956,300 |
| State Schools | 17,256,090 | 16,728,878 | 16,630,900 | 16,626,100 | 16,742,100 |
| Local District Health Insurance | 573,490,038 | 609,013,700 | 614,768,000 | 627,068,000 | 639,568,000 |
| TOTAL EXPENDITURES | 1,522,952,047 | 1,498,453,279 | 1,471,949,400 | 1,394,864,000 | 1,387,120,400 |

The Learning and Results Services program area consists of the following offices: Office of Assessment and Accountability; Office of District 180; Office of Next Generation Learners; and Office of Next Generation Schools and Districts.

**Department of Education
Learning and Results Services
Next Generation Schools**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|---|-------------------|------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 4,121,500 | 3,821,900 | 3,363,400 | 2,752,900 | 2,752,900 |
| State Salary and Compensation Allocation | 27,300 | 20,400 | 35,700 | | |
| Budget Reduction-General Fund | -242,000 | | | | |
| Reorganization Adjustment | | -73,600 | | | |
| Mandated Expenditure Reductions | -105,200 | -630,800 | -393,700 | | |
| Other | 1,300,000 | -29,600 | | | |
| Total General Fund | 5,101,600 | 3,108,300 | 3,005,400 | 2,752,900 | 2,752,900 |
| Restricted Funds | | | | | |
| Balance Forward | 91,633 | 468,961 | 469,000 | 322,300 | 322,300 |
| Current Receipts | 112,184 | | 308,600 | 418,000 | 418,000 |
| Non-Revenue Receipts | 323,140 | | 185,700 | 223,000 | 223,000 |
| Total Restricted Funds | 526,957 | 468,961 | 963,300 | 963,300 | 963,300 |
| Federal Funds | | | | | |
| Balance Forward | | 457,542 | 493,700 | 493,700 | |
| Current Receipts | 299,705,044 | 306,379,414 | 366,803,700 | 283,298,500 | 265,192,300 |
| Non-Revenue Receipts | -1,934,320 | -2,878,400 | | | |
| ARRA Receipts | 82,714,424 | 64,167,268 | | | |
| Total Federal Funds | 380,485,148 | 368,125,824 | 367,297,400 | 283,792,200 | 265,192,300 |
| TOTAL SOURCE OF FUNDS | 386,113,706 | 371,703,085 | 371,266,100 | 287,508,400 | 268,908,500 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 4,820,069 | 3,552,940 | 2,666,700 | 2,997,800 | 3,067,700 |
| Operating Expenses | 2,044,412 | 1,034,191 | 471,100 | 326,600 | 380,200 |
| Grants Loans Benefits | 378,316,920 | 366,153,355 | 367,255,300 | 283,861,700 | 265,138,300 |
| Capital Outlay | 5,802 | | | | |
| TOTAL EXPENDITURES | 385,187,203 | 370,740,487 | 370,393,100 | 287,186,100 | 268,586,200 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 5,101,600 | 3,108,300 | 2,948,400 | 2,752,900 | 2,752,900 |
| Restricted Funds | 57,996 | 29 | 641,000 | 641,000 | 641,000 |
| Federal Funds | 380,027,607 | 367,632,158 | 366,803,700 | 283,792,200 | 265,192,300 |
| TOTAL EXPENDITURES | 385,187,203 | 370,740,487 | 370,393,100 | 287,186,100 | 268,586,200 |
| EXPENDITURES BY UNIT | | | | | |
| Consolidated Plans & Audits | 330,100,880 | 287,510,654 | 243,806,100 | 235,774,500 | 231,662,100 |
| Federal Programs & Educator Effectiveness | 52,642,806 | 45,526,760 | 39,836,000 | 36,924,400 | 36,430,700 |
| Next Generation Schools | 664,143 | 37,160,760 | 86,751,000 | 14,487,200 | 493,400 |
| TOTAL EXPENDITURES | 383,407,829 | 370,198,175 | 370,393,100 | 287,186,100 | 268,586,200 |

The Office of Next Generation Schools and Districts consists of two divisions: the Division of Consolidated Plans and Audits and the Division of Next Generation Professionals.

The Division of Consolidated Plans and Audits implements and monitors the following federal and state programs: School-Based Decision-Making councils, ESEA No Child Left Behind Act (P.L. 107-110); Title I, Parts A (Improving the Academic Achievement of the Disadvantaged), C (Education of Migrant Children), D (Programs for Children and Youth who are Neglected and Delinquent), F (Comprehensive School Reform), and the Stewart B. McKinney Homeless Assistance Act for the Education of Homeless Children and Youth. The Division also provides assistance to school districts and parents on closing the achievement gap and assuring instructional equity for students.

The Division of Next Generation Professionals oversees several state and federal programs related to recruiting, retaining, supporting, and evaluating highly effective education professionals in the Commonwealth. Federal Title II-A provides flow-through funding to local education agencies to improve teacher effectiveness and to ensure equitable distribution of highly effective teachers. The Division also supports the diversification of the educator population to provide more opportunities for students to have teachers who reflect their background and heritage.

**Department of Education
Learning and Results Services
District 180**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|-------------------|------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 9,960,400 | 9,121,000 | 4,398,000 | 4,010,700 | 4,010,700 |
| State Salary and Compensation Allocation | 37,500 | 25,600 | 17,300 | | |
| Budget Reduction-General Fund | -453,700 | | | | |
| Reorganization Adjustment | | -1,418,916 | | | |
| Mandated Expenditure Reductions | -112,200 | -238,300 | -36,800 | | |
| Other | | -41,300 | | | |
| Total General Fund | 9,432,000 | 7,448,084 | 4,378,500 | 4,010,700 | 4,010,700 |
| Restricted Funds | | | | | |
| Balance Forward | 82,071 | 365,534 | 734,700 | 178,100 | 178,100 |
| Current Receipts | 283,463 | 369,200 | 17,400 | 574,000 | 574,000 |
| Total Restricted Funds | 365,534 | 734,735 | 752,100 | 752,100 | 752,100 |
| TOTAL SOURCE OF FUNDS | 9,797,534 | 8,182,818 | 5,130,600 | 4,762,800 | 4,762,800 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 7,560,787 | 5,796,045 | 1,460,200 | 1,551,500 | 1,560,500 |
| Operating Expenses | 1,179,213 | 1,789,054 | 603,900 | 585,300 | 610,300 |
| Grants Loans Benefits | 692,000 | 774,250 | 2,858,400 | 2,447,900 | 2,413,900 |
| TOTAL EXPENDITURES | 9,432,000 | 8,359,349 | 4,922,500 | 4,584,700 | 4,584,700 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 9,432,000 | 8,359,349 | 4,348,500 | 4,010,700 | 4,010,700 |
| Restricted Funds | | | 574,000 | 574,000 | 574,000 |
| TOTAL EXPENDITURES | 9,432,000 | 8,359,349 | 4,922,500 | 4,584,700 | 4,584,700 |

The Division of Leadership and Instructional Support provides and monitors required training opportunities for superintendents working in their first year of service, provides technical assistance for approval of the certified personnel evaluation plans for each local school district, provides required opportunities for school administrators and others to be trained in the process of effective evaluation of certified personnel, collects and approves all proposals of training opportunities to provide required leadership training for school administrators, develops and implements training programs for principals, provides initial and continuing training for school-based councils, and collects and analyzes data relative to each of the above initiatives.

**Department of Education
Learning and Results Services
Next Generation Learners**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 180,594,200 | 151,356,000 | 150,638,200 | 143,871,800 | 144,361,400 |
| State Salary and Compensation Allocation | 44,400 | 70,500 | 109,800 | | |
| Continuing Approp.-General Fund | 7,780,820 | | 1,203,000 | | |
| Budget Reduction-General Fund | -27,555,000 | | | | |
| Mandated Expenditure Reductions | -93,800 | -2,805,200 | -6,022,100 | | |
| Other | -833,700 | 506,400 | 1,164,400 | | |
| Total General Fund | 159,936,920 | 149,127,700 | 147,093,300 | 143,871,800 | 144,361,400 |
| Restricted Funds | | | | | |
| Balance Forward | 343,893 | 1,057,412 | 1,249,000 | 246,700 | 246,700 |
| Current Receipts | 333,339 | 191,774 | 62,200 | 1,142,300 | 1,142,300 |
| Non-Revenue Receipts | 380,179 | | 77,800 | 89,000 | 90,500 |
| Total Restricted Funds | 1,057,412 | 1,249,186 | 1,389,000 | 1,478,000 | 1,479,500 |
| Federal Funds | | | | | |
| Balance Forward | | | 2,007,800 | 2,007,800 | |
| Current Receipts | 201,407,569 | 196,472,637 | 224,012,400 | 220,267,500 | 220,066,000 |
| Non-Revenue Receipts | -1,807,303 | | -217,400 | -241,900 | -247,500 |
| ARRA Receipts | 86,213,331 | 60,550,173 | | | |
| Total Federal Funds | 285,813,597 | 257,022,810 | 225,802,800 | 222,033,400 | 219,818,500 |
| TOTAL SOURCE OF FUNDS | 446,807,929 | 407,399,696 | 374,285,100 | 367,383,200 | 365,659,400 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 10,003,880 | 7,871,693 | 7,124,200 | 7,892,600 | 8,049,100 |
| Operating Expenses | 2,227,110 | 2,294,519 | 3,512,300 | 3,311,300 | 2,833,300 |
| Grants Loans Benefits | 507,892,523 | 409,531,254 | 361,220,600 | 355,932,600 | 354,530,300 |
| Construction | 12 | | | | |
| TOTAL EXPENDITURES | 520,123,525 | 419,697,465 | 371,857,100 | 367,136,500 | 365,412,700 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 234,309,928 | 164,682,356 | 146,919,800 | 143,871,800 | 144,361,400 |
| Restricted Funds | | 160 | 1,142,300 | 1,231,300 | 1,232,800 |
| Federal Funds | 285,813,597 | 255,014,950 | 223,795,000 | 222,033,400 | 219,818,500 |
| TOTAL EXPENDITURES | 520,123,525 | 419,697,465 | 371,857,100 | 367,136,500 | 365,412,700 |
| EXPENDITURES BY UNIT | | | | | |
| Gifted & Talented | 6,868,800 | 6,907,600 | 6,622,300 | 6,622,300 | 6,622,300 |
| Community Education & Service | 14,306,505 | 14,771,111 | 17,272,300 | 16,635,200 | 16,318,900 |
| Next Generation Learner Programs | 17,444,700 | 15,532,227 | 15,772,500 | 17,107,500 | 17,607,500 |
| Program Standards | 15,736,902 | 11,572,149 | 7,352,700 | 5,640,200 | 5,350,100 |
| Learning Services | 324,360,584 | 236,869,299 | 190,441,200 | 191,551,800 | 190,579,700 |
| Career & Technical Education | 22,038,636 | 22,843,074 | 24,210,000 | 23,053,000 | 22,974,200 |
| Extended Learning Services | 13,497,800 | 12,934,300 | 12,301,200 | 12,301,200 | 12,301,200 |
| Family Resource and Youth Services Centers | 55,292,797 | 53,865,500 | 52,148,300 | 52,148,300 | 52,148,300 |
| Read to Achieve | 23,363,253 | 18,882,400 | 18,693,600 | 17,899,000 | 17,899,000 |
| Math Achievement | 8,267,161 | 5,696,100 | 5,639,100 | 5,353,600 | 5,353,600 |
| Professional Growth Fund | 954,900 | 513,820 | 1,961,000 | 720,300 | 720,300 |
| Dropout Prevention | 699,400 | 626,400 | 606,800 | 576,100 | 576,100 |
| Education of State Agency Children | 10,962,100 | 10,424,700 | 10,108,300 | 9,596,500 | 9,596,500 |
| Local District Life Insurance | 1,911,717 | 1,519,862 | 1,553,600 | 1,483,700 | 1,483,700 |
| Next Generation Learners | 3,748,169 | 6,738,924 | 7,174,200 | 6,447,800 | 5,881,300 |
| TOTAL EXPENDITURES | 519,453,425 | 419,697,465 | 371,857,100 | 367,136,500 | 365,412,700 |

The Office of Next Generation Learners consists of the Division of Program Standards and the Division of Learning Services, the Division of Secondary and Virtual Learning, and the Division of Early Childhood Development. This Office oversees several educational programs.

Career and Technical Education Programs assist middle schools, high schools, and locally-operated career centers in developing and implementing career readiness services. Career and Technical Education service areas include Perkins Accountability, High Schools That Work, Tech Prep and high school reform as well as five statewide student organizations. The Kentucky FFA Leadership Training Center at Hardinsburg is also part of Career and Technical Education program.

Community Education & Service Programs work with public schools to promote individual and community development and lifelong learning. Community Education programs also serve as the delivery system for federal Learn and Serve grants.

The **Dropout Prevention Fund** provides competitive grants to local school districts for the reduction of the numbers and rates of Kentucky students who do not complete secondary school.

The **Kentucky Educational Collaborative for State Agency Children (KECSAC)** provides school districts with high-quality educational support services to at risk youth through a collaborative delivery system involving the Kentucky Departments of Education, Juvenile Justice, Community Based Services, Mental Health, Developmental Disabilities and Addiction Services, as well as private and public child and youth care programs.

The **Extended Learning Services or Extended School Services (ESS) Fund** was established by KRS 158.070 to provide struggling learners with additional instructional time and assistance to achieve their learning goals. The program offers instructional time outside regular school hours and takes many forms including after-school and before-school instruction, evening sessions, Saturday learning activities, summer programs, and learning inter-sessions in year-round schools.

Family Resource and Youth Services Centers (FRYSCs) were established by the Kentucky Education Reform Act (KERA) of 1990. The goal of FRYSCs is to address the needs of children and their families residing in the area served by the school in which a center is located. Family Resource Centers serve children in elementary schools while Youth Services Centers serve children in middle and high schools. Each center contains a unique blend of program components depending on location, available resource, local need, and community input.

The **Gifted and Talented Fund** provides support to school districts for educational services to students who are gifted and talented.

The **Division of Learning Services** provides schools with assistance in the development and implementation of services for children and youth with disabilities, including services associated with the federal Individuals with Disabilities Education Act. Program areas include Individuals with Disabilities Education, Preschool Special Education, and Special Education Program Improvement.

Local District Life Insurance Programs for full-time qualified school district employees are mandated by KRS 18A.226, KRS 161.158, and 702 KAR 1:035. Funds in this program are used to pay on behalf of school districts the employer's portion of the premiums to the Personnel Cabinet.

The **Mathematics Achievement Fund** provides two-year renewable grants to local school districts for training teachers in diagnostic assessment and intervention skills. To qualify, a district must employ standards-based and research-based math instructional practices, use intervention and support services to supplement regular classroom instruction, and provide intervention services to primary program and other students at risk of mathematics failure based on ongoing assessments of their needs.

Next Generation Learners Programs consists of a variety of grant programs. Included in this area are: the Collaborative Center for Literacy Development; Save the Children; Elementary Arts and Humanities/World Language; Every 1 Reads; Middle School Center; Writing Program; Teacher Academies; Leadership and Mentor Fund; Professional Development; Safe Schools; Georgia Chaffee Teenage Parent Program; Appalachian Tutoring Program, and the Partnership for Student Success.

The **Office of Next Generation Learners** oversees the Divisions of Learning Services and Program Standards.

The **Teachers' Professional Growth Fund** provides teachers with opportunities for high quality professional development in content knowledge and teaching methodologies in the core disciplines of mathematics, science, language arts and social studies.

The **Division of Program Standards** assist districts design and implement curriculum based on new academic standards. The Division is working with districts to implement the newly established standards for English Language Arts and Mathematics. The Division is also working with national development teams on standards for Science and Social Studies. Science and Social Studies are expected to be ready for implementation by Kentucky districts in school year 2013-2014.

The **Read to Achieve Fund** provides grants to schools to implement research-based reading diagnostic and intervention programs for struggling readers within the state primary program. The early reading intervention program selected by the funded school must be based on reliable, replicable research and offer short-term intensive one-on-one or small group instruction in essential skills necessary for reading proficiency.

The **Textbook Fund** provides support to local school districts to obtain instructional material for students in kindergarten through eighth grades.

Policy

The Budget of the Commonwealth includes an additional \$500,000 in fiscal year 2014 for the Save the Children program which supports literacy programs.

**Department of Education
Learning and Results Services
Assessment and Accountability**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|-------------------|-------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 11,471,800 | 15,790,100 | 15,887,300 | 14,657,200 | 14,657,200 |
| State Salary and Compensation Allocation | 36,400 | 31,800 | 47,200 | | |
| Budget Reduction-General Fund | -70,100 | | | | |
| Mandated Expenditure Reductions | -61,400 | -293,400 | -573,700 | | |
| Total General Fund | 11,376,700 | 15,528,500 | 15,360,800 | 14,657,200 | 14,657,200 |
| Federal Funds | | | | | |
| Balance Forward | | | 46,300 | 46,300 | |
| Current Receipts | 6,874,722 | 2,107,002 | 6,139,800 | 5,613,200 | 5,613,200 |
| Non-Revenue Receipts | -2,094,318 | | | | |
| Total Federal Funds | 4,780,403 | 2,107,002 | 6,186,100 | 5,659,500 | 5,613,200 |
| TOTAL SOURCE OF FUNDS | 16,157,103 | 17,635,502 | 21,546,900 | 20,316,700 | 20,270,400 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 15,539,047 | 16,781,452 | 11,054,900 | 10,438,000 | 10,356,700 |
| Operating Expenses | 335,002 | 345,877 | 10,373,700 | 9,878,700 | 9,913,700 |
| Grants Loans Benefits | 283,055 | 461,848 | | | |
| TOTAL EXPENDITURES | 16,157,103 | 17,589,178 | 21,428,600 | 20,316,700 | 20,270,400 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 11,376,700 | 15,528,500 | 15,288,800 | 14,657,200 | 14,657,200 |
| Federal Funds | 4,780,403 | 2,060,678 | 6,139,800 | 5,659,500 | 5,613,200 |
| TOTAL EXPENDITURES | 16,157,103 | 17,589,178 | 21,428,600 | 20,316,700 | 20,270,400 |

The Office of Assessment and Accountability is responsible for developing and implementing Kentucky's system of assessing progress by students, schools, and districts. The Office supplies information on regulations; policies and procedures; a calendar of important assessment dates; manuals and forms; and information for districts and schools on using testing data to improve instruction. The Office of Assessment and Accountability also oversees the implementation of testing and data requirements enacted by Senate Bill 1 of the 2009 Regular Session of the General Assembly.

The Office consists of two divisions: the Division of Assessment Implementation and the Division of Assessment Support.

The Division of Assessment Design and Implementation operates the state's testing program and coordinates the logistics of the assessment program at the district level. This involves managing and generating data necessary to report assessment results on which accountability performance judgments must be based.

The Division of Support and Research reviews the consistency of student results across multiple measures and the potential for all scores to yield fair, consistent, and accurate information on student, school, and district performance. The Division also reviews the accuracy of scores assigned to students and schools as well as accuracy of the testing materials.

**Department of Education
Learning and Results Services
Early Childhood Development**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|---|-------------------|-------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 75,908,300 | 73,004,400 | 72,444,100 | 71,945,900 | 71,956,300 |
| State Salary and Compensation Allocation | 18,200 | 6,100 | 8,100 | | |
| Budget Reduction-General Fund | -200,800 | | | | |
| Mandated Expenditure Reductions | -53,500 | -25,500 | -491,000 | | |
| Total General Fund | 75,672,200 | 72,985,000 | 71,961,200 | 71,945,900 | 71,956,300 |
| Tobacco Settlement - Phase I | | | | | |
| Tobacco Settlement - Phase I | | 596,242 | | | |
| Total Tobacco Settlement - Phase I | | 596,242 | | | |
| Federal Funds | | | | | |
| Current Receipts | 1,111,675 | 323,728 | | | |
| Non-Revenue Receipts | -100,986 | | | | |
| Total Federal Funds | 1,010,689 | 323,728 | | | |
| TOTAL SOURCE OF FUNDS | 76,682,889 | 73,904,970 | 71,961,200 | 71,945,900 | 71,956,300 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 362,969 | 499,729 | 623,400 | 623,200 | 630,500 |
| Operating Expenses | 6,024 | 33,930 | 10,500 | 7,400 | 10,500 |
| Grants Loans Benefits | 937,096 | 55,790,564 | 71,315,300 | 71,315,300 | 71,315,300 |
| TOTAL EXPENDITURES | 1,306,089 | 56,324,223 | 71,949,200 | 71,945,900 | 71,956,300 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 295,400 | 55,404,253 | 71,949,200 | 71,945,900 | 71,956,300 |
| Tobacco Settlement - Phase I | | 596,242 | | | |
| Federal Funds | 1,010,689 | 323,728 | | | |
| TOTAL EXPENDITURES | 1,306,089 | 56,324,223 | 71,949,200 | 71,945,900 | 71,956,300 |
| EXPENDITURES BY UNIT | | | | | |
| Preschool | | 55,153,953 | 71,758,800 | 71,761,200 | 71,771,600 |
| Early Childhood Development | 1,306,089 | 1,170,270 | 190,400 | 184,700 | 184,700 |
| TOTAL EXPENDITURES | 1,306,089 | 56,324,223 | 71,949,200 | 71,945,900 | 71,956,300 |

The Kentucky Education Reform Act established a comprehensive preschool program for two groups of children: four year old children who are at risk of educational failure (KRS 157.3175) and three as well as four year old children with developmental delays or other disabilities (KRS 157.226). School districts must assure services are available for these children through a program operated by the district or by contract or collaborative agreement with another agency. According to state regulation (702 KAR 3:250), state funds are not allowed for eligible children if they are already receiving basic preschool services through other state or federal funds (e.g. Head Start).

**Department of Education
Learning and Results Services
State Schools**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|-------------------|-------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 17,724,800 | 16,868,000 | 16,868,000 | 16,130,900 | 16,246,900 |
| State Salary and Compensation Allocation | | 178,200 | 348,800 | | |
| Budget Reduction-General Fund | -500,000 | | | | |
| Reorganization Adjustment | | 1,247,316 | | | |
| Mandated Expenditure Reductions | | -612,300 | -457,100 | | |
| Other | | -41,000 | | | |
| Total General Fund | 17,224,800 | 17,640,216 | 16,759,700 | 16,130,900 | 16,246,900 |
| Restricted Funds | | | | | |
| Balance Forward | 83,363 | 210,710 | 349,300 | 25,700 | 25,700 |
| Current Receipts | 153,874 | 138,549 | 171,600 | 495,200 | 495,200 |
| Non-Revenue Receipts | 4,872 | | | | |
| Total Restricted Funds | 242,109 | 349,259 | 520,900 | 520,900 | 520,900 |
| TOTAL SOURCE OF FUNDS | 17,466,909 | 17,989,475 | 17,280,600 | 16,651,800 | 16,767,800 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 15,655,483 | 14,485,765 | 14,332,700 | 15,162,900 | 14,724,900 |
| Operating Expenses | 1,557,722 | 2,120,092 | 2,298,200 | 1,463,200 | 2,017,200 |
| Grants Loans Benefits | 14,004 | 7,495 | | | |
| Debt Service | 28,882 | 115,527 | | | |
| TOTAL EXPENDITURES | 17,256,090 | 16,728,878 | 16,630,900 | 16,626,100 | 16,742,100 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 17,224,692 | 16,728,878 | 16,135,700 | 16,130,900 | 16,246,900 |
| Restricted Funds | 31,398 | | 495,200 | 495,200 | 495,200 |
| TOTAL EXPENDITURES | 17,256,090 | 16,728,878 | 16,630,900 | 16,626,100 | 16,742,100 |

The four subprograms of the **Kentucky School for the Blind** are Instruction, Residential, Operational Support and Outreach. These subprograms work together to provide instructional and residential programs for students of the School. All four subprograms involve both direct services to students and related services that are necessary to accomplish the direct services.

Instruction and Related Services includes supervision, teaching, supplies, equipment, and clerical services, all of which are needed for the regular instruction of the students enrolled at the Kentucky School for the Blind. Tools utilized are Braille, large print, electronic aids, and other special aids and methods for teaching basic academic skills, vocational skills, self-care skills, orientation and mobility, music, physical education, athletics, and counseling.

Residential Services include those services which are needed to provide housing, daily living skills, and leisure time activities for students who reside at the Kentucky School for the Blind. This subprogram also deals with transportation arrangements when residential students go home on weekends and at the end of the school year.

Operational Support includes administration, business management, food service, housekeeping, utilities and other operating expenses, maintenance of buildings and grounds, and health care. The positions of Superintendent and Coordinator of Instruction and Related Services are included in this subprogram.

The Outreach program provides consultative, technical, and evaluative support to local school districts relating to education of students who are blind or visually impaired.

Federal Support includes funds to support federally mandated services. Funds received under Chapter I of the Education Consolidation and Improvement Act are used to provide services in the areas of speech therapy and basic skill instruction. Federal

funds are also used to provide instruction and residential services for children who are deaf-blind.

The **Kentucky School for the Deaf (KSD)** provides educational services to deaf children who cannot be served by local school districts. The School's educational program consists of appropriate classroom instruction, life skills, physical education, and vocational training. Students receive instruction in accordance with their Individual Education Plan that emphasizes language and communication skills development.

Students at the Kentucky School for the Deaf are housed in campus dormitories supervised by houseparents. The students receive practical living skill instruction in personal safety, hygiene, and independent living skills.

The Kentucky School for the Deaf also supports an outreach program which provides consultative, technical, and evaluative support to local school districts on how to provide effective educational services to deaf children attending school in a local district. The KSD is designated the Statewide Educational Resource Center on Deafness.

**Department of Education
Learning and Results Services
Local District Health Insurance**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 577,713,700 | 609,013,700 | 614,768,000 | 627,068,000 | 639,568,000 |
| Total General Fund | 577,713,700 | 609,013,700 | 614,768,000 | 627,068,000 | 639,568,000 |
| TOTAL SOURCE OF FUNDS | 577,713,700 | 609,013,700 | 614,768,000 | 627,068,000 | 639,568,000 |
| EXPENDITURES BY CLASS | | | | | |
| Grants Loans Benefits | 573,490,038 | 609,013,700 | 614,768,000 | 627,068,000 | 639,568,000 |
| TOTAL EXPENDITURES | 573,490,038 | 609,013,700 | 614,768,000 | 627,068,000 | 639,568,000 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 573,490,038 | 609,013,700 | 614,768,000 | 627,068,000 | 639,568,000 |
| TOTAL EXPENDITURES | 573,490,038 | 609,013,700 | 614,768,000 | 627,068,000 | 639,568,000 |

Employees of local school districts have the option of participating in the Kentucky Employees' Health Plan (KEHP). KEHP is a self-insured program providing health insurance benefits to the employees and retirees of the Commonwealth of Kentucky, as well as local school boards, local health departments, and other quasi governmental agencies.

Policy

The Budget of the Commonwealth includes an additional two percent increase in funding for plan years 2013 and 2014.

Department of Education
Support Education Excellence in Kentucky (SEEK)

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 2,973,536,100 | 2,725,530,500 | 2,900,145,100 | 2,899,840,800 | 2,899,840,800 |
| Budget Reduction-General Fund | -252,940,600 | | | | |
| Other | -169,500 | -169,500 | -647,100 | | |
| Total General Fund | 2,720,426,000 | 2,725,361,000 | 2,899,498,000 | 2,899,840,800 | 2,899,840,800 |
| Federal Funds | | | | | |
| Non-Revenue Receipts | 1,377,786 | -1,377,708 | | | |
| SFSF Receipts | 221,660,914 | 183,863,908 | | | |
| Total Federal Funds | 223,038,700 | 182,486,200 | | | |
| TOTAL SOURCE OF FUNDS | 2,943,464,700 | 2,907,847,200 | 2,899,498,000 | 2,899,840,800 | 2,899,840,800 |
| EXPENDITURES BY CLASS | | | | | |
| Grants Loans Benefits | 2,902,670,022 | 2,907,847,200 | 2,899,498,000 | 2,899,840,800 | 2,899,840,800 |
| TOTAL EXPENDITURES | 2,902,670,022 | 2,907,847,200 | 2,899,498,000 | 2,899,840,800 | 2,899,840,800 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 2,679,631,322 | 2,725,361,000 | 2,899,498,000 | 2,899,840,800 | 2,899,840,800 |
| Federal Funds | 223,038,700 | 182,486,200 | | | |
| TOTAL EXPENDITURES | 2,902,670,022 | 2,907,847,200 | 2,899,498,000 | 2,899,840,800 | 2,899,840,800 |
| EXPENDITURES BY UNIT | | | | | |
| Base Funding | 2,071,821,900 | 2,035,342,600 | 2,034,512,800 | 2,028,446,900 | 2,032,403,500 |
| Pupil Transportation | 183,805,597 | 214,752,800 | 214,752,800 | 214,752,800 | 214,752,800 |
| Equalized Facilities | 98,437,686 | 105,989,300 | 107,134,700 | 113,641,900 | 112,367,500 |
| Tier I Equalization | 167,035,439 | 173,576,400 | 168,251,400 | 168,152,900 | 165,470,700 |
| National Board Certification Salary Supplement | 2,750,000 | 2,750,000 | 2,750,000 | 2,750,000 | 2,750,000 |
| State-Run Vocational Schools Reimbursement | 23,119,500 | 23,119,500 | 22,641,900 | 22,641,900 | 22,641,900 |
| Vocational Education Transportation | 2,416,900 | 2,416,900 | 2,416,900 | 2,416,900 | 2,416,900 |
| Local District Teachers' Retirement Match | 353,283,000 | 349,899,700 | 347,037,500 | 347,037,500 | 347,037,500 |
| TOTAL EXPENDITURES | 2,902,670,022 | 2,907,847,200 | 2,899,498,000 | 2,899,840,800 | 2,899,840,800 |

Policy

The Budget of the Commonwealth includes funding to maintain the fiscal year 2013 and 2014 appropriation at the same level as the fiscal year 2012 appropriation. The base SEEK per pupil guarantee amount is \$3,833 in fiscal year 2013 and \$3,827 in fiscal year 2014. The enacted budget provides funding to accommodate a projected average daily attendance of 600,662 and projected total local school district assessed property valuation of \$288.8 billion in fiscal year 2013. In fiscal year 2014, the enacted budget provides funding to accommodate projected average daily attendance of 603,523 and projected total local school district assessed property valuation of \$293.6 billion. Projected numbers represent a consensus reached by the Department of Education and the Office of State Budget Director.

The Budget of the Commonwealth maintains funding for the pupil transportation program at the fiscal year 2012 level of \$214,752,800 in each fiscal year. The budget includes \$168,152,900 in fiscal year 2013 and \$165,470,700 in fiscal year 2014 to provide Tier I funding to local school districts to equalize local revenues raised under this SEEK component at a level of \$725,000 of assessed property valuation per student (150 percent of the projected statewide average per pupil).

Also included in the Budget of the Commonwealth is "hold harmless" funding - \$544,200 in fiscal year 2013 and \$714,800 in fiscal year 2014 - to provide every school district with at least the same level of state SEEK funding per pupil during the 2012-2014 biennium as was provided in fiscal year 1992.

The Budget of the Commonwealth provides funding for the Facilities Support Program of Kentucky (FSPK) in the amounts of \$113,641,900 in fiscal year 2013 and \$112,367,500 in fiscal year 2014 to provide equalization funding for local district revenues from the equivalent nickel levy.

New funding is provided, \$342,800 in each fiscal year for districts education that levied a tax rate subject to recall by January 1, 2012, in addition to the five cents levied pursuant to KRS 157.440(1)(b) and that committed the receipts to debt service, new

facilities, or major renovations of existing facilities. Equalization shall be provided to districts that levied the tax rate subject to recall after June 30, 2011, at 25 percent of the calculated equalization funding in each fiscal year. As with Tier I, local revenues will be equalized at a level of \$725,000 of assessed property valuation per student in each fiscal year.

The enacted budget includes \$22,641,900 in both fiscal year 2013 and fiscal year 2014 to reimburse state-operated vocational facilities for the costs of providing course offerings to students from local school districts. Funding for vocational education transportation is maintained at the fiscal year 2012 level of \$2,416,900 in fiscal year 2013 and fiscal year 2014.

The Budget of the Commonwealth includes funds - \$347,037,500 in fiscal year 2011 and \$347,037,500 in fiscal year 2012 - for the Teachers' Retirement employer match on behalf of local school districts.

The enacted budget provides \$2,750,000 in each fiscal year for annual salary supplements of \$2,000 to teachers achieving and maintaining certification by the National Board for Professional Teaching Standards.

Education and Workforce Development

Education and Workforce Development

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|---------------------------|--------------------------|---------------------------|----------------------------|----------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 82,240,200 | 77,077,600 | 74,614,100 | 71,824,500 | 72,414,100 |
| State Salary and Compensation Allocation | 507,100 | 932,800 | 1,746,700 | | |
| Budget Reduction-General Fund | -4,252,600 | | | | |
| Mandated Expenditure Reductions | -1,676,200 | -2,098,800 | -2,633,600 | | |
| Other | -299,000 | -225,000 | -517,300 | | |
| Total General Fund | 76,519,500 | 75,686,600 | 73,209,900 | 71,824,500 | 72,414,100 |
| Restricted Funds | | | | | |
| Balance Forward | 9,092,987 | 11,046,028 | 8,993,200 | 4,203,500 | 4,866,500 |
| Current Receipts | 12,529,408 | 11,580,554 | 11,541,800 | 11,897,300 | 12,360,400 |
| Non-Revenue Receipts | 24,247,918 | 24,135,149 | 51,537,500 | 56,200,100 | 53,313,100 |
| Fund Transfers | | -560,200 | -1,312,200 | | |
| Total Restricted Funds | 45,870,313 | 46,201,531 | 70,760,300 | 72,300,900 | 70,540,000 |
| Federal Funds | | | | | |
| Balance Forward | 17,364,949 | 7,277,273 | 5,912,200 | 1,356,400 | 1,356,400 |
| Current Receipts | 1,649,550,559 | 1,555,216,696 | 2,454,382,700 | 2,455,169,400 | 2,457,055,200 |
| Non-Revenue Receipts | 482,736,253 | 146,306,042 | | | |
| ARRA Receipts | 41,744,268 | 56,507,440 | 1,270,000 | | |
| Total Federal Funds | 2,191,396,029 | 1,765,307,452 | 2,461,564,900 | 2,456,525,800 | 2,458,411,600 |
| TOTAL SOURCE OF FUNDS | 2,313,785,842 | 1,887,195,582 | 2,605,535,100 | 2,600,651,200 | 2,601,365,700 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 137,869,258 | 138,201,608 | 136,993,900 | 143,066,000 | 145,718,600 |
| Operating Expenses | 38,271,110 | 39,021,769 | 68,677,600 | 61,948,100 | 58,848,700 |
| Grants Loans Benefits | 2,115,746,039 | 1,690,590,018 | 2,388,752,900 | 2,387,264,700 | 2,386,684,000 |
| Debt Service | | 96 | | | |
| Capital Outlay | 3,475,456 | 3,607,104 | 3,536,700 | 2,129,500 | 2,128,900 |
| Construction | 75,052 | 247,524 | 20,000 | 20,000 | 20,000 |
| TOTAL EXPENDITURES | 2,295,436,916 | 1,871,668,120 | 2,597,981,100 | 2,594,428,300 | 2,593,400,200 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 76,493,874 | 75,064,399 | 71,215,800 | 71,824,500 | 72,414,100 |
| Restricted Funds | 34,824,285 | 37,208,399 | 66,556,800 | 67,434,400 | 63,930,900 |
| Federal Funds | 2,184,118,756 | 1,759,395,323 | 2,460,208,500 | 2,455,169,400 | 2,457,055,200 |
| TOTAL EXPENDITURES | 2,295,436,916 | 1,871,668,120 | 2,597,981,100 | 2,594,428,300 | 2,593,400,200 |
| EXPENDITURES BY UNIT | | | | | |
| General Administration and Program Support | 9,696,574 | 9,744,133 | 9,389,200 | 10,371,900 | 10,186,000 |
| Deaf and Hard of Hearing | 1,560,687 | 1,500,757 | 1,496,700 | 1,629,700 | 1,585,700 |
| Kentucky Educational Television | 14,380,440 | 13,783,707 | 15,042,400 | 13,312,000 | 13,500,200 |
| Environmental Education Council | 317,811 | 300,146 | 331,100 | 245,700 | 246,000 |
| Libraries and Archives | 16,063,005 | 16,218,129 | 17,217,700 | 16,091,700 | 16,147,300 |
| Workforce Investment | 2,244,724,178 | 1,821,621,065 | 2,546,056,400 | 2,544,592,300 | 2,543,597,000 |
| Education Professional Standards Board | 8,694,221 | 8,500,184 | 8,447,600 | 8,185,000 | 8,138,000 |
| TOTAL EXPENDITURES | 2,295,436,916 | 1,871,668,120 | 2,597,981,100 | 2,594,428,300 | 2,593,400,200 |

During the 2006 Regular Session of the General Assembly, Senate Bill 105 combined several departments and offices from the former Education, Arts, and Humanities Cabinet and the former Workforce Development Cabinet to create the Education Cabinet. Senate Bill 78 during the 2009 Regular Session of the General Assembly renamed the cabinet to the Education and Workforce Development Cabinet to emphasize the important connection between education and workforce development. Executive order 2011-356, filed with Secretary of State on May 19, 2011 moved the Council on Postsecondary Education from the Education and Workforce Development Cabinet to the Governor's Office for administrative purposes and the 2012 General Assembly enacted HB278 to move the Governor's Scholars Program from the Governor's Office to the Education and Workforce Development Cabinet.

The following agencies comprise the Education and Workforce Development Cabinet:

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

**Education and Workforce Development
General Administration and Program Support**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|-------------------|------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 5,192,400 | 4,418,000 | 4,373,800 | 4,791,700 | 4,879,300 |
| State Salary and Compensation Allocation | 83,000 | 153,300 | 220,400 | | |
| Budget Reduction-General Fund | -387,900 | | | | |
| Mandated Expenditure Reductions | -146,200 | -271,700 | -275,300 | | |
| Other | -2,200 | | | | |
| Total General Fund | 4,739,100 | 4,299,600 | 4,318,900 | 4,791,700 | 4,879,300 |
| Restricted Funds | | | | | |
| Balance Forward | 40,916 | 303,724 | 441,500 | 298,000 | 848,200 |
| Current Receipts | 76,671 | -33,683 | | | |
| Non-Revenue Receipts | 4,998,967 | 5,097,022 | 4,800,000 | 5,977,200 | 6,094,200 |
| Fund Transfers | | -32,100 | -177,200 | | |
| Total Restricted Funds | 5,116,554 | 5,334,964 | 5,064,300 | 6,275,200 | 6,942,400 |
| Federal Funds | | | | | |
| Current Receipts | 144,681 | 551,104 | 497,600 | 153,200 | 164,100 |
| Total Federal Funds | 144,681 | 551,104 | 497,600 | 153,200 | 164,100 |
| TOTAL SOURCE OF FUNDS | 10,000,335 | 10,185,668 | 9,880,800 | 11,220,100 | 11,985,800 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 6,423,618 | 6,115,501 | 6,291,100 | 7,322,700 | 7,138,500 |
| Operating Expenses | 1,332,736 | 1,541,117 | 1,320,500 | 1,282,100 | 1,282,100 |
| Grants Loans Benefits | 1,885,550 | 1,762,900 | 1,744,000 | 1,723,500 | 1,721,800 |
| Capital Outlay | 54,671 | 324,615 | 33,600 | 43,600 | 43,600 |
| TOTAL EXPENDITURES | 9,696,574 | 9,744,133 | 9,389,200 | 10,371,900 | 10,186,000 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 4,739,064 | 4,299,600 | 4,125,300 | 4,791,700 | 4,879,300 |
| Restricted Funds | 4,812,830 | 4,893,428 | 4,766,300 | 5,427,000 | 5,142,600 |
| Federal Funds | 144,681 | 551,104 | 497,600 | 153,200 | 164,100 |
| TOTAL EXPENDITURES | 9,696,574 | 9,744,133 | 9,389,200 | 10,371,900 | 10,186,000 |
| EXPENDITURES BY UNIT | | | | | |
| Secretary | 7,843,210 | 7,833,233 | 7,531,700 | 8,514,400 | 8,328,500 |
| Governor's Scholars | 1,853,364 | 1,910,900 | 1,857,500 | 1,857,500 | 1,857,500 |
| TOTAL EXPENDITURES | 9,696,574 | 9,744,133 | 9,389,200 | 10,371,900 | 10,186,000 |

The Education Cabinet was established by the 2006 Regular Session and in 2009 it was renamed the Education and Workforce Development Cabinet.

General Administration and Program Support provides the central coordination and direction for the overall planning, management and oversight of the agencies within the Cabinet. The program is responsible for the provision of specialized support of Cabinet activities including: policy and budget development and personnel transactions; legal services including legislative and regulatory development and oversight; a communications strategy with the public, business, and industry; economic analysis and research; accounting, purchasing, facilities management, and computer services; and administrative support services.

The program includes the following units:

- The Office of the Secretary provides strategic direction and leadership to establish the focus for policy development, implementation, and program priorities. The Office coordinates Cabinet activities among its departments and agencies to ensure continuous improvement in administration and efficient service to the citizens of the Commonwealth. The Secretary serves as the Chief Executive Officer of the Cabinet and is an advisor to the Governor and the General Assembly.
- The Office of Educational Programs assists in maintaining the Cabinet's presence with educational agencies and managing state-wide educational programs, among other responsibilities.

- The Office of Legal and Legislative Services oversees the Cabinet's legislative agenda and issues, including constituent services and board and commissions responsibilities.
- The Office of Budget and Administration is the Cabinet's chief financial and administrative office and is responsible for developing and executing the biennial budget for the Cabinet and serves as the primary point of contact for the Governor's Office of Policy and Management and the Legislative Research Commission on all budgetary issues. The Office consists of the Division of Administrative Services which is responsible for all central office purchasing, auditing and processing financial documents, maintenance of the eMARS accounting system, compliance with the Federal Cash Management Act, federal reporting, development of the Indirect Cost Plan, monitoring and reconciliation of all financial transactions, and compliance with state and federal guidelines; the Division of Human Resources which is responsible for all Cabinet personnel activities including personnel and payroll processing, providing benefits services to Cabinet employees and developing workshops and training programs for employees; and the Division of Technology Services which oversees the Cabinet's technology resources and serves as the central location for all Cabinet data processing programs statewide.
- The Office of Communication provides internal and external communications, marketing support and media advisory services to the Cabinet, Executive Offices, Department for Workforce Investment and other Cabinet agencies. The Office interprets and disseminates information about the Cabinet and its components to employees, the media and the general public.
- The Governor's Scholars Program (GSP) is designed to motivate and empower Kentucky's brightest young people to become effective thinkers and citizen leaders with a zeal for excellence and a mind for innovation. The program provides an intensive residential summer academic and personal growth program for academically talented rising high school seniors. The scholars, chosen competitively, spend five uninterrupted weeks in the program on three college campuses.

By coordinating strategic partnership planning, legislative review and presentation, information technology services and overall financial management within the General Administration and Program Support, the cabinet agencies can focus on maintaining and enhancing the quality and delivery of services, while enriching ongoing programs.

Policy

The Budget of the Commonwealth contains General Fund in an amount of \$600,000 in each fiscal year to sustain the existence of the P-20 Data Collaborative. The P-20 Data Collaborative oversees and coordinates longitudinal data collection, reporting and analysis across the independent databases maintained by the Kentucky Department of Education (KDE), the Council on Postsecondary Education (CPE), and the Education Professional Standards Board (EPSB). The system captures information such as student- and teacher-level data from the KDE; college enrollment, completion, and progress data from the CPE; and teacher and future teacher data from the EPSB. The system will include information ranging from preschool through college to employment. The P-20 data warehouse provides a secure way of collecting and linking information across agencies, schools, and institutions to provide a complete picture of the education-to-employment process to better inform decisions made by state and local policy makers, the general public, and other stakeholders.

**Education and Workforce Development
Deaf and Hard of Hearing**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|---------------------------|--------------------------|---------------------------|----------------------------|----------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 929,000 | 798,700 | 790,700 | 764,200 | 775,900 |
| State Salary and Compensation Allocation | 12,700 | 20,100 | 28,900 | | |
| Budget Reduction-General Fund | -89,000 | | | | |
| Mandated Expenditure Reductions | -41,800 | -65,600 | -68,600 | | |
| Total General Fund | 810,900 | 753,200 | 751,000 | 764,200 | 775,900 |
| Restricted Funds | | | | | |
| Balance Forward | 38 | 38 | 100 | 100 | 135,400 |
| Current Receipts | 749,787 | 784,420 | 831,400 | 1,000,800 | 1,000,800 |
| Fund Transfers | | -36,800 | -56,800 | | |
| Total Restricted Funds | 749,825 | 747,659 | 774,700 | 1,000,900 | 1,136,200 |
| TOTAL SOURCE OF FUNDS | 1,560,725 | 1,500,859 | 1,525,700 | 1,765,100 | 1,912,100 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 865,144 | 875,419 | 864,200 | 974,300 | 962,900 |
| Operating Expenses | 695,543 | 625,338 | 632,500 | 655,400 | 622,800 |
| TOTAL EXPENDITURES | 1,560,687 | 1,500,757 | 1,496,700 | 1,629,700 | 1,585,700 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 810,900 | 753,200 | 722,100 | 764,200 | 775,900 |
| Restricted Funds | 749,787 | 747,557 | 774,600 | 865,500 | 809,800 |
| TOTAL EXPENDITURES | 1,560,687 | 1,500,757 | 1,496,700 | 1,629,700 | 1,585,700 |
| EXPENDITURES BY UNIT | | | | | |
| Commission on the Deaf and Hard of Hearing | 1,560,687 | 1,500,757 | 1,496,700 | 1,629,700 | 1,585,700 |
| TOTAL EXPENDITURES | 1,560,687 | 1,500,757 | 1,496,700 | 1,629,700 | 1,585,700 |

In accordance with KRS 163.510, the Commission on the Deaf and Hard of Hearing advises the Governor and the General Assembly concerning policies and programs to enhance the quality and coordination of services for deaf and hard of hearing individuals in both the public and private sectors. The Commission oversees the provision of interpreter services to deaf and hard of hearing individuals; identifies and evaluates public and private entities that provide services to deaf and hard of hearing residents of Kentucky for information, referral, and advocacy services; administers a Telecommunications Access Program which provides specialized telecommunications equipment to qualified deaf, hard of hearing, and speech-impaired residents of Kentucky; assists local, state, and federal governments and public and private agencies in the development of programs for the deaf and hard of hearing; and reviews legislative programs relating to services for deaf and hard of hearing persons and conducts studies of conditions affecting the health and welfare of the deaf and hard of hearing.

**Education and Workforce Development
Kentucky Educational Television**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|---------------------------|--------------------------|---------------------------|----------------------------|----------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 13,242,800 | 12,228,000 | 12,105,800 | 11,861,000 | 12,049,200 |
| State Salary and Compensation Allocation | 184,200 | 339,900 | 488,400 | | |
| Budget Reduction-General Fund | -416,800 | | | | |
| Mandated Expenditure Reductions | -595,900 | -352,100 | -426,500 | | |
| Total General Fund | 12,414,300 | 12,215,800 | 12,167,700 | 11,861,000 | 12,049,200 |
| Restricted Funds | | | | | |
| Balance Forward | 1,510,099 | 1,486,304 | 1,157,600 | | |
| Current Receipts | 1,609,258 | 1,004,524 | 1,451,000 | 1,451,000 | 1,451,000 |
| Non-Revenue Receipts | 44,663 | 308 | | | |
| Fund Transfers | | -18,000 | -40,000 | | |
| Total Restricted Funds | 3,164,019 | 2,473,137 | 2,568,600 | 1,451,000 | 1,451,000 |
| Federal Funds | | | | | |
| Balance Forward | | | 541,000 | | |
| Current Receipts | 664,161 | 895,187 | 159,000 | | |
| Non-Revenue Receipts | -375,736 | -101,838 | | | |
| Total Federal Funds | 288,425 | 793,348 | 700,000 | | |
| TOTAL SOURCE OF FUNDS | 15,866,744 | 15,482,285 | 15,436,300 | 13,312,000 | 13,500,200 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 8,447,735 | 8,378,762 | 8,820,700 | 8,892,400 | 9,080,600 |
| Operating Expenses | 4,977,071 | 4,541,133 | 4,924,200 | 4,143,400 | 4,143,400 |
| Grants Loans Benefits | 319,200 | 163,000 | 163,000 | 100,000 | 100,000 |
| Capital Outlay | 636,434 | 700,812 | 1,134,500 | 176,200 | 176,200 |
| TOTAL EXPENDITURES | 14,380,440 | 13,783,707 | 15,042,400 | 13,312,000 | 13,500,200 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 12,414,300 | 12,215,800 | 11,773,800 | 11,861,000 | 12,049,200 |
| Restricted Funds | 1,677,715 | 1,315,575 | 2,568,600 | 1,451,000 | 1,451,000 |
| Federal Funds | 288,425 | 252,332 | 700,000 | | |
| TOTAL EXPENDITURES | 14,380,440 | 13,783,707 | 15,042,400 | 13,312,000 | 13,500,200 |
| EXPENDITURES BY UNIT | | | | | |
| General Administration and Support | 2,193,300 | 2,283,500 | 2,424,700 | 2,386,800 | 2,416,900 |
| Broadcasting and Education | 9,507,337 | 9,212,049 | 10,123,600 | 8,638,300 | 8,771,300 |
| Engineering | 2,679,803 | 2,288,158 | 2,494,100 | 2,286,900 | 2,312,000 |
| TOTAL EXPENDITURES | 14,380,440 | 13,783,707 | 15,042,400 | 13,312,000 | 13,500,200 |

KET was established by the Kentucky General Assembly in the early 1960s for the purpose of supporting educational excellence in the Commonwealth. The agency's mission includes service to citizens of the Commonwealth in the home, in institutions of education, and in the workplace. As required by KRS 168, the Kentucky Authority for Educational Television (KET) produces and transmits educational programming for students in public schools, state supported institutions of higher education, and others desiring broadcast programs and services. Technologies employed by KET include digital broadcast, microwave transmission, two-way audio and video conferencing through the Kentucky Telelinking Network, the Internet and Internet 2, the Kentucky Post-secondary Educational Network (KPEN), digital data-casting through its new digital broadcast network and traditional technologies such as CD, DVD, and video tape. KET is divided into three program areas: General Administration and Support, Broadcasting and Education, and Engineering.

The General Administration and Support unit oversees the implementation of KET's mission as directed by the Kentucky Authority for Educational Television and recommends and carries out the policies of the Authority in all matters of the agency. The unit assures that the agency is in compliance with pertinent state regulations and federal broadcast laws and works to ascertain the desires of the citizens of the Commonwealth. The unit conducts research and planning activities to verify the needs of current and potential audiences then works to assure effective, efficient, and appropriate service to those audiences. Major areas of agency effort include programs and services in public affairs, K-12 student learning and teacher training, adult basic education, higher education, outreach programs on important state issues, and cultural and performing arts programs.

The unit works to insure complementing, productive, non-duplicative efforts with groups such as the Kentucky Department of Education, the Commonwealth Office of Technology, Department for Workforce Investment, colleges and universities (including the Kentucky Community and Technical College System), the Council on Postsecondary Education, and all public schools and school districts throughout the state. The General Administration and Support unit also conducts activities which lead to constructive recommendations on current practice and future directions of telecommunications for the Commonwealth.

The Broadcasting and Education unit acquires and produces programs and related support material which will most effectively carry out the mission and policies set by the Kentucky Authority for Educational Television. This process includes soliciting feedback from appropriate audiences and seeking input from agencies and groups such as the Kentucky Department of Education and the Higher Education Telecommunications Consortium. The unit assembles three channels of television programming: KET1 carries educational and informational programs for all Kentucky citizens; KET2 carries additional programs and repeats of important programs carried on KET1; and KETKY carries programs about Kentucky and Kentuckians and overnight feeds of instructional programs for schools. KETKY also carries the Kentucky General Assembly when in session or in committee, as well as, occasional special feeds for the State Department of Education, Kentucky Community and Technical College System or other partners as needed.

Instructional programming for elementary and secondary schools directly supports the Kentucky Education Reform Act's learning goals and outcomes. The Broadcasting and Education unit produces interactive and other distance learning courses designed to provide equal access to a variety of learning opportunities for all students. It produces professional development opportunities for educators throughout the state and broadcasts programs designed to help people in the workplace. Acquired and/or locally produced programming services are delivered to under-educated adults, professionals in need of training, and other citizens with various needs related to their jobs and professions. The unit also produces multiple schedules of nationally- and locally-produced programs for citizens at home and in the workplace. This includes educational and public affairs programming as well as quality arts experiences for all Kentuckians. A full line-up of children's educational programs offers a quality alternative to commercial television viewing.

A statewide, regional support staff of instructional and technical specialists provides training, information and help to users with technical issues. This service is provided freely to educational institutions and to citizens in their homes and in the workplace. The operations staff maintains and operates network master control, studio and remote facilities.

KET's Engineering Service unit oversees the delivery of KET programs and other services. It operates and maintains a land-based broadcast network of 16 digital transmitters and three translators capable of delivering multiple channels of content and data into all parts of the state. The Engineering Service unit operates all technical equipment to specifications mandated by the Federal Communications Commission.

This unit is currently exploring and developing new digital data services through its new transmitter network and in partnership with the Cabinet for Health and Family Services, the Transportation Cabinet, Emergency Management, law enforcement, and other agencies to enhance the state's preparedness for disasters on the local, state and national levels and to provide data transmission services where data services are otherwise not available or marginal.

Engineering continues to develop new uses of technologies that can extend the capacity of KET's staff and financial resources. It works to interface KET's technical capabilities with other appropriate technical systems in Kentucky and elsewhere, further extending the variety, reach, accessibility and versatility of KET services to the Commonwealth.

**Education and Workforce Development
Environmental Education Council**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|------------------------------------|---------------------------|--------------------------|---------------------------|----------------------------|----------------------------|
| SOURCE OF FUNDS | | | | | |
| Restricted Funds | | | | | |
| Balance Forward | 357,560 | 361,216 | 327,100 | 208,300 | 140,600 |
| Current Receipts | 25,179 | 2,770 | 15,000 | 22,000 | 5,000 |
| Non-Revenue Receipts | 268,488 | 190,859 | 170,000 | 156,000 | 170,000 |
| Fund Transfers | | -33,000 | -41,200 | | |
| Total Restricted Funds | 651,227 | 521,845 | 470,900 | 386,300 | 315,600 |
| Federal Funds | | | | | |
| Non-Revenue Receipts | | 12,835 | | | |
| ARRA Receipts | 27,800 | 92,492 | 68,500 | | |
| Total Federal Funds | 27,800 | 105,327 | 68,500 | | |
| TOTAL SOURCE OF FUNDS | 679,027 | 627,172 | 539,400 | 386,300 | 315,600 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 226,543 | 214,461 | 155,600 | 165,300 | 168,800 |
| Operating Expenses | 51,306 | 60,449 | 107,800 | 38,300 | 45,200 |
| Grants Loans Benefits | 39,961 | 25,236 | 67,700 | 42,100 | 32,000 |
| TOTAL EXPENDITURES | 317,811 | 300,146 | 331,100 | 245,700 | 246,000 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| Restricted Funds | 290,010 | 194,819 | 262,600 | 245,700 | 246,000 |
| Federal Funds | 27,800 | 105,327 | 68,500 | | |
| TOTAL EXPENDITURES | 317,811 | 300,146 | 331,100 | 245,700 | 246,000 |
| EXPENDITURES BY UNIT | | | | | |
| Ky Environmental Education Council | 317,811 | 300,146 | 331,100 | 245,700 | 246,000 |
| TOTAL EXPENDITURES | 317,811 | 300,146 | 331,100 | 245,700 | 246,000 |

The Kentucky Environmental Education Council is dedicated to improving the environmental literacy of all Kentuckians. The Council provides opportunities for all Kentuckians to understand both that environmental problems exist and how each person's actions contribute to the health of the environment. The Council sponsors programs and activities that improve the quality of environmental education in the Commonwealth. These programs and activities include:

- Working with citizens, especially those engaged in environmental education, to implement the master plan for improving environmental education and environmental literacy.
- Working with the Kentucky Department of Education, the Education Professional Standards Board, and agencies that make up the Environmental Education Interagency Committee to establish guidelines for improving professional development in environmental education for educators.
- Establishing standards for environmental education that fit within the Kentucky Department of Education's instructional standards and help insure balanced, ecologically-based curriculum and instruction.
- Working to ensure that environmental education is equitably distributed to all Kentuckians.

**Education and Workforce Development
Libraries and Archives**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|---------------------------|--------------------------|---------------------------|----------------------------|----------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 12,942,300 | 11,416,900 | 11,302,800 | 11,015,900 | 11,107,500 |
| State Salary and Compensation Allocation | 104,800 | 188,800 | 271,400 | | |
| Budget Reduction-General Fund | -1,065,300 | | | | |
| Mandated Expenditure Reductions | -488,500 | -194,800 | -281,200 | | |
| Total General Fund | 11,493,300 | 11,410,900 | 11,293,000 | 11,015,900 | 11,107,500 |
| Restricted Funds | | | | | |
| Balance Forward | 740,811 | 812,542 | 1,542,200 | 1,976,500 | 2,480,400 |
| Current Receipts | 2,509,956 | 3,001,612 | 3,021,500 | 2,829,600 | 2,856,700 |
| Fund Transfers | | -39,200 | -98,300 | | |
| Total Restricted Funds | 3,250,767 | 3,774,954 | 4,465,400 | 4,806,100 | 5,337,100 |
| Federal Funds | | | | | |
| Balance Forward | 213,286 | 252,604 | 600 | | |
| Current Receipts | 2,170,798 | 1,885,711 | 2,699,300 | 2,750,100 | 2,711,600 |
| Non-Revenue Receipts | | 49,768 | | | |
| ARRA Receipts | | 387,047 | 962,800 | | |
| Total Federal Funds | 2,384,084 | 2,575,130 | 3,662,700 | 2,750,100 | 2,711,600 |
| TOTAL SOURCE OF FUNDS | 17,128,151 | 17,760,984 | 19,421,100 | 18,572,100 | 19,156,200 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 5,814,978 | 6,043,640 | 5,749,800 | 6,449,200 | 6,557,100 |
| Operating Expenses | 2,882,378 | 2,974,970 | 3,307,800 | 2,711,100 | 2,684,500 |
| Grants Loans Benefits | 7,303,515 | 7,134,153 | 8,078,700 | 6,867,300 | 6,824,300 |
| Capital Outlay | 62,134 | 65,367 | 81,400 | 64,100 | 81,400 |
| TOTAL EXPENDITURES | 16,063,005 | 16,218,129 | 17,217,700 | 16,091,700 | 16,147,300 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 11,493,300 | 11,410,900 | 11,066,100 | 11,015,900 | 11,107,500 |
| Restricted Funds | 2,438,225 | 2,232,655 | 2,488,900 | 2,325,700 | 2,328,200 |
| Federal Funds | 2,131,480 | 2,574,574 | 3,662,700 | 2,750,100 | 2,711,600 |
| TOTAL EXPENDITURES | 16,063,005 | 16,218,129 | 17,217,700 | 16,091,700 | 16,147,300 |
| EXPENDITURES BY UNIT | | | | | |
| Libraries and Archives | 9,110,091 | 9,700,291 | 10,322,400 | 9,191,900 | 9,290,500 |
| Direct Local Aid | 6,952,914 | 6,517,839 | 6,895,300 | 6,899,800 | 6,856,800 |
| TOTAL EXPENDITURES | 16,063,005 | 16,218,129 | 17,217,700 | 16,091,700 | 16,147,300 |

The Department for Libraries and Archives supports and promotes equitable access to quality library services and information resources, and ensures that adequate documentation of government programs is created, maintained, and available for public use.

The Department is directed by three goals:

- To provide effective services that meet the needs of library and public records customers,
- To build effective and productive partnerships with other organizations and public agencies for enhanced management of and access to information and services, and
- To improve employee job satisfaction and agency operations.

The Department serves both governmental agencies and the people of Kentucky directly through local public libraries. The Department also serves several distinct customer populations including the general public, the blind and physically disabled, institutionalized persons, state government personnel, state and local public agencies, and researchers needing historic public records.

**Education and Workforce Development
Libraries and Archives
Libraries and Archives**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|-------------------|-------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 6,766,900 | 5,826,000 | 5,767,800 | 5,690,000 | 5,781,600 |
| State Salary and Compensation Allocation | 104,800 | 188,800 | 271,400 | | |
| Budget Reduction-General Fund | -560,400 | | | | |
| Mandated Expenditure Reductions | -307,400 | -180,800 | -203,400 | | |
| Total General Fund | 6,003,900 | 5,834,000 | 5,835,800 | 5,690,000 | 5,781,600 |
| Restricted Funds | | | | | |
| Balance Forward | 363,075 | 601,825 | 1,070,300 | 1,533,900 | 2,076,700 |
| Current Receipts | 1,687,355 | 2,185,303 | 2,155,100 | 1,972,800 | 1,999,900 |
| Fund Transfers | | -39,200 | -80,600 | | |
| Total Restricted Funds | 2,050,430 | 2,747,928 | 3,144,800 | 3,506,700 | 4,076,600 |
| Federal Funds | | | | | |
| Balance Forward | | 221,598 | 600 | | |
| Current Receipts | 1,941,407 | 1,499,933 | 2,139,200 | 2,071,900 | 2,076,400 |
| Non-Revenue Receipts | -62,224 | 80,773 | | | |
| ARRA Receipts | | 387,047 | 962,800 | | |
| Total Federal Funds | 1,879,183 | 2,189,352 | 3,102,600 | 2,071,900 | 2,076,400 |
| TOTAL SOURCE OF FUNDS | 9,933,514 | 10,771,280 | 12,083,200 | 11,268,600 | 11,934,600 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 5,814,978 | 6,043,640 | 5,749,800 | 6,449,200 | 6,557,100 |
| Operating Expenses | 2,881,173 | 2,959,756 | 3,268,700 | 2,671,100 | 2,644,500 |
| Grants Loans Benefits | 351,806 | 631,529 | 1,222,500 | 7,500 | 7,500 |
| Capital Outlay | 62,134 | 65,367 | 81,400 | 64,100 | 81,400 |
| TOTAL EXPENDITURES | 9,110,091 | 9,700,291 | 10,322,400 | 9,191,900 | 9,290,500 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 6,003,900 | 5,834,000 | 5,608,900 | 5,690,000 | 5,781,600 |
| Restricted Funds | 1,448,606 | 1,677,494 | 1,610,900 | 1,430,000 | 1,432,500 |
| Federal Funds | 1,657,585 | 2,188,797 | 3,102,600 | 2,071,900 | 2,076,400 |
| TOTAL EXPENDITURES | 9,110,091 | 9,700,291 | 10,322,400 | 9,191,900 | 9,290,500 |
| EXPENDITURES BY UNIT | | | | | |
| Administrative Services | 2,718,834 | 2,774,602 | 2,790,800 | 2,789,400 | 2,795,800 |
| Field Services | 1,881,798 | 2,364,499 | 3,071,100 | 1,879,900 | 1,888,400 |
| State Library Services | 1,497,383 | 1,516,576 | 1,806,000 | 1,595,100 | 1,655,600 |
| Public Records | 3,012,076 | 3,044,613 | 2,654,500 | 2,927,500 | 2,950,700 |
| TOTAL EXPENDITURES | 9,110,091 | 9,700,291 | 10,322,400 | 9,191,900 | 9,290,500 |

The Department for Libraries and Archives supports and promotes equitable access to quality library services and information resources, and ensures that adequate documentation of government programs is created, maintained, and available for public use.

The Department is directed by three goals:

- To provide effective services that meet the needs of library and public records customers,
- To build effective and productive partnerships with other organizations and public agencies for enhanced management of and access to information and services, and
- To improve employee job satisfaction and agency operations.

The Department serves both governmental agencies and the public directly through local public libraries.

The Department serves several distinct customer populations including the general public, the blind and physically disabled, institutionalized persons, state government personnel, state and local public agencies, and researchers needing historic public records.

Administrative Services

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

The Division of Administrative Services formulates and implements executive direction for planning, policy, and procedures for the Department in accordance with KRS Chapter 171. The Division provides administrative support to the program areas of the Department. This division funds and supports the activities of the Commissioner's Office, as well as those of the Financial, Personnel and Payroll, Federal Grants Management, Information Systems, Building Facilities, and Administrative Support units.

Field Services

The Division of Field Services supports Kentucky's public libraries for the improvement of library services by providing consultation, technical assistance, and financial aid. The Division provides services pursuant to KRS Chapter 171.

This division's Public Library Development Branch includes professional and technical staff who provide consultative and technical assistance concerning public library services and programs provided by the Department. The staff is located in regional offices that are mainly housed in local public libraries.

The Program Development Branch provides statewide guidance in specialized library services. This office plans and implements statewide continuing education programs. Services are also provided for technological development, automated operations, and statistical analysis. Branch staff provide consulting services in the areas of library construction; assistance in developing early childhood, children's, and young adult programs and materials; and provides administrative support to the Kentucky State Board for the Certification of Librarians.

The Kentucky Talking Book Library and Institutions Branch provides special library materials and playback equipment to eligible service clientele. Volunteers record materials that are of special interest to Kentucky Talking Book patrons, and department staff coordinate distribution. The Branch also provides library materials and professional consultation to state residential institution libraries.

State Library Services

The Division of State Library Services operates the State Library that serves state government personnel, public libraries, other institutions, and individuals. In an effort to equalize library services and access to information across the state, this division promotes and maintains cooperative arrangements for information and resource sharing among all types of libraries, library consortia, and information centers including state agencies as mandated by Chapter 171.

State Library Support is the administrative unit of the Division and provides coordinated program planning and control to ensure the best service in a cost-effective manner. The unit directs the statewide library resource-sharing activities of the Department, including direct service delivery, coordination of activities on a statewide basis, and support via direct local aid. The Department works closely with the Kentucky Virtual Library (KYVL) in the delivery of services and coordination of activities, and also participates as an individual library institution.

The Public Services Branch is committed to providing resources, research, consultation, and assistance to state agencies and public libraries through use of a variety of information formats including the Internet. The State Library partners with the Governmental Services Center (GSC) and the Kentucky Employee Assistance Program (KEAP) to provide supplementary information resources for those agencies' clients through the Library's web site.

The Audiovisual unit of the Branch provides a centralized collection of videos and films that are loaned without a fee to public libraries, state agencies, and walk-in customers. The unit is unique in that it is the only major source of films and "public performance" videos in the Commonwealth. The primary needs are for children's films suitable for large audience viewing and videos designed for adult training and education.

The Technical Support Branch provides computerized access to information for the State Library's collections and public libraries. The Branch serves as a model for quality control throughout the state, and supplies training and consulting services to librarians and state agency personnel involved in the organization of reference materials.

Public Records

The Division of Public Records, under KRS 171.410-740, works with government agencies to create and preserve documentation of agencies' organizational functions, policies, decisions, procedures, and essential transactions, as well as information that protects the legal and financial rights of government and of individuals directly affected by an agency's activities. The Division establishes standards, procedures, and administrative regulations for recording, managing, preserving, and reproducing government records. It works with the heads of state and local government agencies to ensure that the agencies create and maintain active programs for efficient records management.

The Public Records Support Office provides overall policy development, coordination of program planning, and administrative direction of division programs in public records administration and archival management.

The State Records Branch assists state agencies, boards and commissions, public universities, and judicial offices in developing and maintaining programs to manage government information. Branch staff manage the State Records Center for high volume storage of non-permanent records still in business use.

The Archival Services Branch operates the state's central repository for valuable government records. It serves as the official point of access for state government information. The Branch is also involved in a variety of outreach and educational activities that inform public officials and the general public about the wealth and range of materials housed at the State Archives.

The Technology Analysis and Support Branch provides support to agencies on archival and records management considerations in the application of information technology. It works with other units to provide guidance to public agencies on the management of electronic records and oversees the work of the Department's Document Preservation Laboratory. This includes professional consulting, education and training programs, records disaster recovery assistance, and laboratory conservation treatment.

The Image Management Branch provides centralized image management and micrographics services to state and local government agencies on a cost recovery basis. These central services help improve access to information, reduce the volume of paper-based files, and ensure archival preservation of information contained in fragile paper records.

The Local Records Branch assists local government agencies in implementing and maintaining archives and records management programs.

**Education and Workforce Development
Libraries and Archives
Direct Local Aid**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|------------------------------------|-------------------|------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 6,175,400 | 5,590,900 | 5,535,000 | 5,325,900 | 5,325,900 |
| Budget Reduction-General Fund | -504,900 | | | | |
| Mandated Expenditure Reductions | -181,100 | -14,000 | -77,800 | | |
| Total General Fund | 5,489,400 | 5,576,900 | 5,457,200 | 5,325,900 | 5,325,900 |
| Restricted Funds | | | | | |
| Balance Forward | 377,736 | 210,718 | 471,900 | 442,600 | 403,700 |
| Current Receipts | 822,601 | 816,309 | 866,400 | 856,800 | 856,800 |
| Fund Transfers | | | -17,700 | | |
| Total Restricted Funds | 1,200,337 | 1,027,026 | 1,320,600 | 1,299,400 | 1,260,500 |
| Federal Funds | | | | | |
| Balance Forward | 213,286 | 31,006 | | | |
| Current Receipts | 229,391 | 385,778 | 560,100 | 678,200 | 635,200 |
| Non-Revenue Receipts | 62,224 | -31,006 | | | |
| Total Federal Funds | 504,901 | 385,778 | 560,100 | 678,200 | 635,200 |
| TOTAL SOURCE OF FUNDS | 7,194,637 | 6,989,704 | 7,337,900 | 7,303,500 | 7,221,600 |
| EXPENDITURES BY CLASS | | | | | |
| Operating Expenses | 1,205 | 15,215 | 39,100 | 40,000 | 40,000 |
| Grants Loans Benefits | 6,951,709 | 6,502,624 | 6,856,200 | 6,859,800 | 6,816,800 |
| TOTAL EXPENDITURES | 6,952,914 | 6,517,839 | 6,895,300 | 6,899,800 | 6,856,800 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 5,489,400 | 5,576,900 | 5,457,200 | 5,325,900 | 5,325,900 |
| Restricted Funds | 989,619 | 555,161 | 878,000 | 895,700 | 895,700 |
| Federal Funds | 473,895 | 385,778 | 560,100 | 678,200 | 635,200 |
| TOTAL EXPENDITURES | 6,952,914 | 6,517,839 | 6,895,300 | 6,899,800 | 6,856,800 |
| EXPENDITURES BY UNIT | | | | | |
| Field Services | 5,707,915 | 5,465,187 | 5,327,700 | 5,316,300 | 5,299,500 |
| State Library Services | 287,953 | 208,430 | 450,700 | 412,600 | 386,400 |
| Public Records | 957,046 | 844,221 | 1,116,900 | 1,170,900 | 1,170,900 |
| TOTAL EXPENDITURES | 6,952,914 | 6,517,839 | 6,895,300 | 6,899,800 | 6,856,800 |

Direct Local Aid provides the following services to citizens of the Commonwealth:

- Federal grants are provided for continuing education, training, and demonstration projects.
- State aid provides cash grants to all counties with legally established public libraries. The grant funds may be used for the following purposes: purchase, upgrade, and maintenance of technology resources; purchase of library materials and equipment; maintenance and operation of bookmobiles and extension programs; staff and trustee training and compensation; building maintenance; debt service; resource-sharing; program development; and certain other local library needs and services.
- The Bookmobile program furnishes and replaces bookmobiles used by Kentucky's public libraries. The bookmobiles provide informational and educational resources to those who cannot physically reach a public library. Bookmobiles make regular stops at schools, daycare centers, and after-school centers. Services are also provided to the elderly and homebound individuals. Funds are also provided for maintenance and repair of existing bookmobiles. Services are provided as funds are available.
- Construction grants are available through a competitive application process to assist with retiring debt associated with the construction or repair of library facilities.
- Institution grants are given to two local libraries to administer library service in three state prisons. The Danville Library works with the Northpoint Training Center, and the Oldham County Public Library works with the Kentucky State Reformatory and the Kentucky Correctional Institution for Women.
- Kentucky Talking Book Library grants are given to assist in the delivery of services directly to blind and physically disabled library patrons.
- Local Records grants provide funds to assist local governments with the protection and preservation of public records, and

the improvement of local government records management programs.

These services are administered by the Department's program divisions: Field Services, State Library Services, and Public Records. Direct services include cash grants, library materials, and bookmobiles.

**Education and Workforce Development
Office for the Blind**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|---|---------------------------|--------------------------|---------------------------|----------------------------|----------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 1,328,100 | 1,189,700 | 1,177,800 | 1,203,100 | 1,229,600 |
| State Salary and Compensation Allocation | 14,100 | 26,000 | 36,600 | | |
| Budget Reduction-General Fund Mandated Expenditure Reductions | -134,300 | | | | |
| | | -30,500 | -41,300 | | |
| Total General Fund | 1,207,900 | 1,185,200 | 1,173,100 | 1,203,100 | 1,229,600 |
| Restricted Funds | | | | | |
| Balance Forward | 2,066,537 | 1,956,630 | 1,132,300 | 33,000 | 389,400 |
| Current Receipts | 1,543,962 | 1,206,767 | 1,025,800 | 1,075,800 | 1,075,800 |
| Total Restricted Funds | 3,610,499 | 3,163,396 | 2,158,100 | 1,108,800 | 1,465,200 |
| Federal Funds | | | | | |
| Balance Forward | | | 1,356,400 | 1,356,400 | 1,356,400 |
| Current Receipts | 7,718,963 | 7,788,830 | 7,518,200 | 8,950,200 | 8,954,500 |
| Non-Revenue Receipts | 79,308 | 1,405,918 | | | |
| ARRA Receipts | 421,055 | 1,043,521 | | | |
| Total Federal Funds | 8,219,326 | 10,238,270 | 8,874,600 | 10,306,600 | 10,310,900 |
| TOTAL SOURCE OF FUNDS | 13,037,726 | 14,586,866 | 12,205,800 | 12,618,500 | 13,005,700 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 5,998,963 | 6,389,285 | 6,770,100 | 6,630,900 | 6,766,500 |
| Operating Expenses | 1,665,440 | 1,564,253 | 1,552,800 | 1,554,700 | 1,554,700 |
| Grants Loans Benefits | 3,388,842 | 4,084,122 | 2,461,500 | 2,687,100 | 2,616,300 |
| Capital Outlay | 28,274 | 60,289 | | | |
| Construction | -422 | 382 | | | |
| TOTAL EXPENDITURES | 11,081,096 | 12,098,332 | 10,784,400 | 10,872,700 | 10,937,500 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 1,207,900 | 1,185,200 | 1,141,100 | 1,203,100 | 1,229,600 |
| Restricted Funds | 1,653,870 | 2,031,208 | 2,125,100 | 719,400 | 753,400 |
| Federal Funds | 8,219,326 | 8,881,923 | 7,518,200 | 8,950,200 | 8,954,500 |
| TOTAL EXPENDITURES | 11,081,096 | 12,098,332 | 10,784,400 | 10,872,700 | 10,937,500 |
| EXPENDITURES BY UNIT | | | | | |
| General Blind Services | 8,803,231 | 9,567,261 | 8,548,900 | 8,624,900 | 8,669,300 |
| Business Enterprise Program | 1,339,007 | 1,202,890 | 1,001,100 | 1,055,900 | 1,036,000 |
| Center for Independent Living | 693,747 | 1,059,005 | 712,700 | 649,100 | 650,100 |
| Assistive Technology Service | 245,112 | 269,175 | 521,700 | 542,800 | 582,100 |
| TOTAL EXPENDITURES | 11,081,096 | 12,098,332 | 10,784,400 | 10,872,700 | 10,937,500 |

Pursuant to KRS 163.470 and the Rehabilitation Act of 1973, the Office for the Blind provides services to assist individuals who are blind and visually impaired in maintaining, improving, preparing for, and obtaining employment, as well as enabling them to live more independent and fulfilling lives. In federal fiscal year 2011, the Office provided services to 2,742 blind or visually impaired Kentuckians so they could receive the education and specialized training services needed to become independent and self-sufficient in the home and workplace. Of these served, 354 were successfully employed; 49 were served by the Deaf/Blind Program; 921 worked toward a vocational goal; 884 were served by the Independent Living Program; and 59 vendors were served by Kentucky Business Enterprises. In addition to these services, the KY Assistive Technology Services Network provided 27,310 direct services to Kentuckians with disabilities such as, equipment loans, demonstrations, and training.

Since its creation in 1976, the Office has provided for the vocational rehabilitation of blind and visually impaired Kentuckians. Office staff provide vocational counseling, evaluation, physical and mental restoration, vocational and higher education training, assistive technology training, adaptive devices, orientation and mobility training, and job placement services. The Office accomplishes this mission through the following avenues:

- The Office has 10 field offices that provide direct vocational rehabilitation services to individuals with severe visual impairments.
- The Charles McDowell Comprehensive Rehabilitation Center for the Blind is a facility in Louisville that provides training in

vocational preparation, personal adjustment services, independent living skills, orientation and mobility skills, Braille, assistive technology, career assessment, vocational planning, work adjustment, and work experience.

- In Lexington and Paducah, the Office operates two volunteer recording units that provide audio-recorded materials statewide for blind and visually impaired individuals.
- The Business Enterprise Program trains and provides equipment to blind individuals for self-employment at vending facilities located statewide.
- The Independent Living Program provides training to blind and visually impaired individuals in areas that will enable them to live and function independently.

Pursuant to KRS 163.470(11) and the federal Randolph-Sheppard Act, the Division of Business Enterprises Program (BEP) establishes vending facilities on state, federal, and other property to provide remunerative employment for licensed merchants who are visually impaired. This program provides management services and training to individuals who are visually impaired, identifies and develops new sites suitable for vending facilities, and repairs and replaces equipment in existing vending facilities.

The BEP also collects a set-aside, or fee based upon the percentage of gross sales from vending operations. The visually impaired merchants currently contribute five percent of their net income to be used for their own health insurance and an IRA. The funds received from the interstate vending contract are utilized exclusively in the Business Enterprise Program.

Pursuant to KRS 163.470 and Title VII of the Rehabilitation Act, independent living specialists provide short-term, individualized instruction for individuals who are blind so they may be able to function independently. Services include information, counseling, and skills training in activities of daily living. Mobility training, assistive devices, referrals to community resources in housing and transportation, and information on services offered by other agencies are provided. The service population consists mainly of individuals who are elderly or unable to work due to the severity of disabilities.

The Office employs independent living specialists who are located throughout the state. These specialists make home visits and provide specially-adapted aids and appliances such as Braille and talking watches, controls on stoves, writing guides, phone dials, and canes. They provide limited instruction in household tasks such as cooking, keeping time, and learning in the home. The specialists also work with families to educate them about blindness and how to promote independent living.

The Kentucky Assistive Technology Service (KATS) Network is a federally funded project operating within the Office for the Blind. KATS is a statewide collaborative system of consumer-oriented organizations that help to provide assistive technologies to individuals with a variety of disabilities.

**Education and Workforce Development
Employment and Training**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|------------------------------------|---------------------------|--------------------------|---------------------------|----------------------------|----------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | | 1,710,000 | | | |
| Mandated Expenditure Reductions | | -25,700 | | | |
| Total General Fund | | 1,684,300 | | | |
| Restricted Funds | | | | | |
| Balance Forward | 763,216 | 1,481,050 | 1,262,600 | 497,000 | |
| Current Receipts | 1,094,283 | 799,060 | 784,700 | 1,003,000 | 1,500,000 |
| Non-Revenue Receipts | 40,000 | 1,959 | 28,150,500 | 31,649,900 | 28,631,900 |
| Fund Transfers | | -35,600 | -50,300 | | |
| Total Restricted Funds | 1,897,500 | 2,246,469 | 30,147,500 | 33,149,900 | 30,131,900 |
| Federal Funds | | | | | |
| Balance Forward | 17,088,054 | 6,967,236 | 3,680,300 | | |
| Current Receipts | 1,584,008,448 | 1,497,870,978 | 2,390,435,500 | 2,387,660,100 | 2,389,322,300 |
| Non-Revenue Receipts | 483,735,621 | 145,646,245 | | | |
| ARRA Receipts | 38,881,850 | 49,410,903 | 22,900 | | |
| Total Federal Funds | 2,123,713,972 | 1,699,895,361 | 2,394,138,700 | 2,387,660,100 | 2,389,322,300 |
| TOTAL SOURCE OF FUNDS | 2,125,611,472 | 1,703,826,130 | 2,424,286,200 | 2,420,810,000 | 2,419,454,200 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 41,721,202 | 42,681,520 | 42,677,200 | 44,740,700 | 45,754,600 |
| Operating Expenses | 14,534,580 | 15,325,994 | 44,624,500 | 39,611,800 | 37,242,100 |
| Grants Loans Benefits | 2,059,145,954 | 1,637,829,586 | 2,334,987,900 | 2,334,987,900 | 2,334,987,900 |
| Capital Outlay | 1,701,160 | 2,201,300 | 1,499,600 | 1,469,600 | 1,469,600 |
| Construction | 60,290 | 223,128 | | | |
| TOTAL EXPENDITURES | 2,117,163,186 | 1,698,261,528 | 2,423,789,200 | 2,420,810,000 | 2,419,454,200 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | | 1,062,652 | | | |
| Restricted Funds | 416,450 | 983,859 | 29,650,500 | 33,149,900 | 30,131,900 |
| Federal Funds | 2,116,746,736 | 1,696,215,017 | 2,394,138,700 | 2,387,660,100 | 2,389,322,300 |
| TOTAL EXPENDITURES | 2,117,163,186 | 1,698,261,528 | 2,423,789,200 | 2,420,810,000 | 2,419,454,200 |
| EXPENDITURES BY UNIT | | | | | |
| Employer and Placement Services | 26,341,439 | 36,688,435 | 32,747,500 | 33,224,400 | 33,767,700 |
| Unemployment Insurance | 1,996,306,146 | 1,572,713,481 | 2,316,899,900 | 2,319,698,500 | 2,317,716,400 |
| Workforce Investment Act | 90,690,398 | 63,864,324 | 74,141,800 | 67,887,100 | 67,970,100 |
| TOTAL EXPENDITURES | 2,113,337,983 | 1,673,266,240 | 2,423,789,200 | 2,420,810,000 | 2,419,454,200 |

The Office of Employment and Training (OET) administers federally-funded programs that provide employment-related services to the citizens of Kentucky. OET provides a wide array of high quality, professional services to employers and job seekers which result in economic stability for the individual and further the economic well-being of the Commonwealth. These services include employment counseling, testing, assessment, job search assistance, and placement services to all citizens, as well as training programs for dislocated workers and other individuals who are economically disadvantaged.

The majority of the programs in the Office are funded by federal grants, with the principal revenue source derived from the Unemployment Insurance (UI) program. The federal government, through the employer-paid Federal Unemployment Tax Act (FUTA), provides the Office's operating and capital funding for the two programs.

The Office also receives funds to administer several smaller programs that are related to UI and Employment Services, including: Veterans' Employment and Training Services, Labor Market Information, Alien Labor Certification, Agricultural Wage Surveys, and Alien Farmworker Housing Inspections. The Office administers training programs under the Trade Adjustment Assistance program, Title I of the Workforce Investment Act, and the Transitional Adjustment Assistance programs. These programs are designed to provide temporary income maintenance through UI to individuals who are unemployed through no fault of their own, and to assist the unemployed, underemployed, and persons who wish to change occupations in finding suitable employment. Additional benefits include the reduction of public burden through the early placement of welfare recipients and UI claimants.

The Department is also responsible for assessing and collecting taxes from employers to distribute benefits to those who qualify for unemployment compensation.

**Education and Workforce Development
Employment and Training
Employer and Placement Services**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|------------------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| Restricted Funds | | | | | |
| Balance Forward | 763,212 | 1,481,046 | 1,262,600 | 497,000 | |
| Current Receipts | 1,094,283 | 799,060 | 784,700 | 1,003,000 | 1,500,000 |
| Non-Revenue Receipts | 40,000 | 1,959 | | | |
| Fund Transfers | | -35,600 | -50,300 | | |
| Total Restricted Funds | 1,897,495 | 2,246,464 | 1,997,000 | 1,500,000 | 1,500,000 |
| Federal Funds | | | | | |
| Balance Forward | | | | | |
| Current Receipts | 22,854,237 | 32,561,585 | 31,224,600 | 31,724,400 | 32,267,700 |
| Non-Revenue Receipts | 324,108 | -459,032 | | | |
| ARRA Receipts | 2,746,646 | 3,602,023 | 22,900 | | |
| Total Federal Funds | 25,924,990 | 35,704,576 | 31,247,500 | 31,724,400 | 32,267,700 |
| TOTAL SOURCE OF FUNDS | 27,822,485 | 37,951,041 | 33,244,500 | 33,224,400 | 33,767,700 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 11,388,385 | 11,296,978 | 12,027,000 | 13,643,300 | 14,025,800 |
| Operating Expenses | 2,509,728 | 4,853,438 | 5,288,700 | 4,179,300 | 4,340,100 |
| Grants Loans Benefits | 12,312,404 | 19,228,397 | 15,291,800 | 15,291,800 | 15,291,800 |
| Capital Outlay | 112,051 | 1,295,629 | 140,000 | 110,000 | 110,000 |
| Construction | 18,872 | 13,993 | | | |
| TOTAL EXPENDITURES | 26,341,439 | 36,688,435 | 32,747,500 | 33,224,400 | 33,767,700 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| Restricted Funds | 416,450 | 983,859 | 1,500,000 | 1,500,000 | 1,500,000 |
| Federal Funds | 25,924,990 | 35,704,576 | 31,247,500 | 31,724,400 | 32,267,700 |
| TOTAL EXPENDITURES | 26,341,439 | 36,688,435 | 32,747,500 | 33,224,400 | 33,767,700 |
| EXPENDITURES BY UNIT | | | | | |
| Job Placement Services | 9,325,131 | 11,461,364 | 12,007,100 | 13,304,400 | 13,693,100 |
| Special Employment Services | 15,302,525 | 22,470,269 | 19,089,600 | 18,071,900 | 18,172,500 |
| Employment Information Support | 1,713,784 | 2,756,801 | 1,650,800 | 1,848,100 | 1,902,100 |
| TOTAL EXPENDITURES | 26,341,439 | 36,688,435 | 32,747,500 | 33,224,400 | 33,767,700 |

There are two objectives of the Employer and Placement Services program. The first is to assist individuals who are unemployed, underemployed, or simply seeking to change their employment situation. The second is to assist employers in obtaining qualified workers to fill job openings as quickly as possible. This program provides counseling, employment testing, job development, referral, and placement.

**Education and Workforce Development
Employment and Training
Unemployment Insurance**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|---------------------------------------|-------------------|------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| Restricted Funds | | | | | |
| Non-Revenue Receipts | | | 28,150,500 | 31,649,900 | 28,631,900 |
| Total Restricted Funds | | | 28,150,500 | 31,649,900 | 28,631,900 |
| Federal Funds | | | | | |
| Balance Forward | 17,088,054 | 6,967,236 | 3,680,300 | | |
| Current Receipts | 1,498,975,842 | 1,415,884,881 | 2,285,069,100 | 2,288,048,600 | 2,289,084,500 |
| Non-Revenue Receipts | 485,374,726 | 144,988,482 | | | |
| ARRA Receipts | 1,834,759 | 8,553,226 | | | |
| Total Federal Funds | 2,003,273,382 | 1,576,393,825 | 2,288,749,400 | 2,288,048,600 | 2,289,084,500 |
| TOTAL SOURCE OF FUNDS | 2,003,273,382 | 1,576,393,825 | 2,316,899,900 | 2,319,698,500 | 2,317,716,400 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 28,148,243 | 27,555,139 | 27,976,800 | 28,154,200 | 28,702,600 |
| Operating Expenses | 11,098,719 | 9,031,594 | 38,333,100 | 40,954,300 | 38,423,800 |
| Grants Loans Benefits | 1,955,899,816 | 1,534,777,661 | 2,249,230,400 | 2,249,230,400 | 2,249,230,400 |
| Capital Outlay | 1,159,237 | 1,349,087 | 1,359,600 | 1,359,600 | 1,359,600 |
| Construction | 130 | | | | |
| TOTAL EXPENDITURES | 1,996,306,146 | 1,572,713,481 | 2,316,899,900 | 2,319,698,500 | 2,317,716,400 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| Restricted Funds | | | 28,150,500 | 31,649,900 | 28,631,900 |
| Federal Funds | 1,996,306,146 | 1,572,713,481 | 2,288,749,400 | 2,288,048,600 | 2,289,084,500 |
| TOTAL EXPENDITURES | 1,996,306,146 | 1,572,713,481 | 2,316,899,900 | 2,319,698,500 | 2,317,716,400 |
| EXPENDITURES BY UNIT | | | | | |
| Unemployment Insurance Administration | 41,029,231 | 36,532,667 | 66,899,900 | 69,698,500 | 67,716,400 |
| Unemployment Insurance Benefits | 1,955,276,915 | 1,536,180,814 | 2,250,000,000 | 2,250,000,000 | 2,250,000,000 |
| TOTAL EXPENDITURES | 1,996,306,146 | 1,572,713,481 | 2,316,899,900 | 2,319,698,500 | 2,317,716,400 |

The purpose of the Unemployment Insurance (UI) program is to provide temporary financial assistance to workers who become unemployed through no fault of their own, in the form of regular UI benefit payments in an amount determined by the claimant's wage history. Regular UI benefits are funded entirely through payment of the state unemployment taxes by employers determined liable under KRS Chapter 341 based upon the size and duration of payroll.

Within the Office of Employment and Training, the Division of Unemployment Insurance supports the claims activities initiated in the local offices of the Division of Field Services. In the central office, the Benefits Branch ensures and accounts for the proper payment of regular UI and federal program benefits, including the determination of chargeability to a specific employer for the cost of each regular UI claim. In cases where benefits have been drawn in error, the branch pursues restitution and, if fraud is involved, pursues prosecution of the claimant. The Benefits Branch also operates an interstate claims "local office" to serve claimants covered under Kentucky law but filing from other states.

In addition to regular UI benefits, the program also administers payment of federal benefits to unemployed federal employees and discharged military personnel, those affected by changes in international trade, those affected financially in federal disaster areas, and those covered under the Extended Unemployment Compensation program. With the exception of partial payment from state UI funds in the case of some extended benefits, these programs are financed by employer federal unemployment tax collected by the Internal Revenue Service.

The administrative component of the UI program provides benefit payments based on earnings in a specific transaction period. Revenues for this program are derived from a federal unemployment tax on employers' payrolls.

KRS Chapter 341 provides the statutory authority and structure for the operation of the UI program in Kentucky. With regard to most particulars involving worker coverage, benefit entitlement, and employer liability, KRS Chapter 341 conforms to federal unemployment law derived from the Social Security Act of 1935. This state and federal statutory conformity is required in order for Kentucky employers to receive a credit against federal unemployment tax based on state tax payments, and in order for the agency to receive federal administrative funding.

During fiscal year 2011, the Office of Employment and Training made 3,646,238 unemployment insurance benefit payments to

out-of-work Kentuckians totaling approximately \$1.5 billion. That amount is projected to decrease to approximately \$490 million in 2014, assuming no further extensions of Emergency Unemployment Compensation (EUC) and Extended Benefits (EB) are enacted.

Policy

The Unemployment Insurance Trust Fund was depleted in January 2009 and Kentucky began to borrow from the Federal Unemployment Account (FUA). As of June 30, 2011, Kentucky had borrowed \$948,700,000. Kentucky made an interest payment on the borrowed funds in September 2011 in an amount of \$28,150,500. It is estimated that the interest payment due in September 2012 will be approximately \$31,649,900, and the interest payment due in September 2013 will be approximately \$26,444,300, and shall be paid from the Penalty and Interest Account in accordance with KRS 341.295.

The Budget of the Commonwealth includes revenue from an employer assessment established by the 2012 General Assembly, through enactment of HB 495, for the purpose of financing the interest payments.

**Education and Workforce Development
Employment and Training
Workforce Investment Act**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|------------------------------------|-------------------|------------------|-------------------|--------------------|--------------------|
| SOURCE OF FUNDS | | | | | |
| Federal Funds | | | | | |
| Current Receipts | 62,178,368 | 49,424,512 | 74,141,800 | 67,887,100 | 67,970,100 |
| Non-Revenue Receipts | -1,963,213 | 1,116,795 | | | |
| ARRA Receipts | 30,475,243 | 13,323,018 | | | |
| Total Federal Funds | 90,690,398 | 63,864,324 | 74,141,800 | 67,887,100 | 67,970,100 |
| TOTAL SOURCE OF FUNDS | 90,690,398 | 63,864,324 | 74,141,800 | 67,887,100 | 67,970,100 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 2,184,574 | 3,822,174 | 2,673,400 | 2,943,200 | 3,026,200 |
| Operating Expenses | 926,132 | 1,440,961 | 1,002,700 | -5,521,800 | -5,521,800 |
| Grants Loans Benefits | 87,108,531 | 58,835,469 | 70,465,700 | 70,465,700 | 70,465,700 |
| Capital Outlay | 429,872 | -443,416 | | | |
| Construction | 41,288 | 209,136 | | | |
| TOTAL EXPENDITURES | 90,690,398 | 63,864,324 | 74,141,800 | 67,887,100 | 67,970,100 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| Federal Funds | 90,690,398 | 63,864,324 | 74,141,800 | 67,887,100 | 67,970,100 |
| TOTAL EXPENDITURES | 90,690,398 | 63,864,324 | 74,141,800 | 67,887,100 | 67,970,100 |

On July 1, 1999, Kentucky implemented the Workforce Investment Act (WIA) to consolidate, coordinate, and improve employment, training, literacy, and vocational rehabilitation programs. Passed by Congress on August 7, 1998 (Public Law 105-220), this reform includes streamlining services through a one-stop service delivery system, empowering individuals by means of information and access to training resources through individual training accounts, providing universal access to core services, increasing accountability for results, ensuring a strong role for local boards and the private sector in the workforce investment system, facilitating state and local flexibility, and improving youth services.

The Workforce Investment Act specifies three funding streams to the states and local areas: adults, dislocated workers, and youth.

Most services for adults and dislocated workers are provided through the one-stop system, and most customers use individual training accounts to determine which training programs and training providers best fit their needs. The Act authorizes core services available to all adults (with no eligibility requirements), and intensive services for unemployed individuals who are not able to find jobs through core services alone. In some cases, intensive services are available to employed workers who need more help to find or keep a job that will lead to self-sufficiency.

Through WIA, youth are prepared for postsecondary educational opportunities or employment. Programs link academic and occupational learning. Programs include tutoring, study skills training, and instruction leading to completion of secondary school (including drop-out prevention); alternative school services; mentoring by appropriate adults; paid and unpaid work experience (i.e. internships and job shadowing); occupational skills training; leadership development; and appropriate supportive services.

**Education and Workforce Development
Career and Technical Education**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|---------------------------|--------------------------|---------------------------|----------------------------|----------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 26,778,300 | 25,968,800 | 25,709,100 | 23,971,900 | 24,092,400 |
| State Salary and Compensation Allocation | 60,000 | 113,500 | 570,400 | | |
| Budget Reduction-General Fund | -474,000 | | | | |
| Mandated Expenditure Reductions | | -762,700 | -875,800 | | |
| Other | -296,800 | -225,000 | -517,300 | | |
| Total General Fund | 26,067,500 | 25,094,600 | 24,886,400 | 23,971,900 | 24,092,400 |
| Restricted Funds | | | | | |
| Balance Forward | 1,087,377 | 1,309,876 | 680,300 | 159,600 | 46,900 |
| Current Receipts | 1,530,068 | 1,532,873 | 1,462,100 | 1,450,100 | 1,406,100 |
| Non-Revenue Receipts | 18,895,800 | 18,850,000 | 18,417,000 | 18,417,000 | 18,417,000 |
| Fund Transfers | | -351,400 | -815,800 | | |
| Total Restricted Funds | 21,513,246 | 21,341,350 | 19,743,600 | 20,026,700 | 19,870,000 |
| Federal Funds | | | | | |
| Current Receipts | 11,612,012 | 11,813,666 | 11,918,300 | 12,121,900 | 12,121,900 |
| Non-Revenue Receipts | -664,516 | -669,971 | | | |
| Total Federal Funds | 10,947,496 | 11,143,696 | 11,918,300 | 12,121,900 | 12,121,900 |
| TOTAL SOURCE OF FUNDS | 58,528,241 | 57,579,645 | 56,548,300 | 56,120,500 | 56,084,300 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 40,157,570 | 39,584,298 | 37,860,800 | 38,954,100 | 39,945,500 |
| Operating Expenses | 6,991,058 | 7,301,407 | 6,938,000 | 6,698,000 | 6,099,700 |
| Grants Loans Benefits | 9,387,406 | 9,851,297 | 10,360,100 | 10,078,600 | 9,714,100 |
| Capital Outlay | 681,418 | 162,196 | 355,000 | 342,900 | 325,000 |
| Construction | 914 | 127 | | | |
| TOTAL EXPENDITURES | 57,218,365 | 56,899,324 | 55,513,900 | 56,073,600 | 56,084,300 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 26,067,500 | 25,094,600 | 24,011,600 | 23,971,900 | 24,092,400 |
| Restricted Funds | 20,203,369 | 20,661,028 | 19,584,000 | 19,979,800 | 19,870,000 |
| Federal Funds | 10,947,496 | 11,143,696 | 11,918,300 | 12,121,900 | 12,121,900 |
| TOTAL EXPENDITURES | 57,218,365 | 56,899,324 | 55,513,900 | 56,073,600 | 56,084,300 |
| EXPENDITURES BY UNIT | | | | | |
| School Support and Administration | 45,949,705 | 45,830,015 | 43,389,900 | 44,123,500 | 44,234,900 |
| Equipment | 767,800 | 390,300 | 333,300 | 316,900 | 316,900 |
| Contract Services | 1,023,791 | 1,036,606 | 1,432,000 | 1,238,200 | 1,135,500 |
| Federal Programs | 9,477,069 | 9,642,402 | 10,358,700 | 10,395,000 | 10,397,000 |
| TOTAL EXPENDITURES | 57,218,365 | 56,899,324 | 55,513,900 | 56,073,600 | 56,084,300 |

The Office of Career and Technical Education has two major statewide roles: the management and operation of 53 area technology centers serving high school students and workers in business and industry, and serving as the sole state agency for Federal Funds through the Carl D. Perkins Vocational and Applied Technology Education Act of 1998 (Public Law 105-332).

The Office of Career and Technical Education provides occupational-specific education and training for Kentucky's citizens in order to develop a skilled and versatile workforce. The main responsibility is providing education and technical training to youth and incumbent workers that match the needs of Kentucky business and industry. The area technology centers prepare students for postsecondary technical training leading to a certificate or an associate's degree, academic pursuits at a four-year college or university, or entry into the labor market with an industry-recognized qualification.

Area technology centers are located throughout the Commonwealth. These schools are uniquely positioned to serve business and industry in close cooperation with the Kentucky Community and Technical College System. This provides cost-effective measures for training needs of business and industry, and assists in local economic development initiatives. Area Technology Centers are not only vital in the overall scheme of Kentucky's efforts to better prepare secondary technical students for postsecondary education or employment, but also provide an additional avenue to skill upgrades by incumbent workers in the local businesses and industries.

The 53 area technology centers provide continuing and customized technical education programs on an as-needed basis. This system serves business and industry, as well as adults in the community seeking to enhance their employment opportunities. Area technology centers provide opportunities in areas of the Commonwealth where continuing education is not available at a postsecondary institution.

Demand for training programs from business and industry may range from continuing education in computer applications to customized training programs such as robotics.

Training programs are also designed to meet the increasing demands of various state and local regulatory certification requirements. Examples include additional programs in water handling, blood and air borne pathogens, and heating and cooling systems.

The Office coordinates the state plan for the Perkins Act and implements the provisions related to the distribution of Federal Funds. Other functions include: reviewing and approving local plans, monitoring and evaluating program effectiveness, monitoring and auditing the expenditure of Federal Funds, implementing and reevaluating the statewide system of accountability, coordinating the development of the annual performance report, assuring compliance with all applicable Federal laws, and providing technical assistance. The Office serves as the liaison to occupational programs and related services in the community and technical colleges, the universities, and the Department of Education. Programs of leadership and professional development are coordinated and monitored for program effectiveness. An automated student information system, with selected characteristics for technical programs, is used in evaluating the effective preparation of students for continued education, employment, and service in the military. This automated system is a major factor in the accountability requirements of the Act. In addition, the operation and refinement of the methods of administration are components of the ongoing program evaluation.

The Perkins Act includes two major components: the Basic Grant and Tech Prep. The Basic Grant funds are for program improvement. Tech Prep funds are earmarked for the development of programs that combine at least two years of secondary education with at least two years of postsecondary education in a technical course of study leading to employment or further education. Tech Prep uses work-based and worksite learning where appropriate and available. The Office of Career and Technical Education provides statewide direction, leadership, and supervision for this initiative.

**Education and Workforce Development
Vocational Rehabilitation**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|---|---------------------------|--------------------------|---------------------------|----------------------------|----------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 12,794,700 | 11,663,800 | 11,547,200 | 11,074,800 | 11,109,500 |
| State Salary and Compensation Allocation | 19,000 | 36,200 | 51,000 | | |
| Budget Reduction-General Fund Mandated Expenditure Reductions | -972,200 | | | | |
| | | -228,100 | -400,900 | | |
| Total General Fund | 11,841,500 | 11,471,900 | 11,197,300 | 11,074,800 | 11,109,500 |
| Restricted Funds | | | | | |
| Balance Forward | 1,893,087 | 2,311,069 | 1,281,600 | 8,600 | |
| Current Receipts | 2,566,383 | 2,510,267 | 2,225,300 | 2,340,000 | 2,340,000 |
| Non-Revenue Receipts | | -5,000 | | | |
| Total Restricted Funds | 4,459,470 | 4,816,336 | 3,506,900 | 2,348,600 | 2,340,000 |
| Federal Funds | | | | | |
| Balance Forward | | | 264,000 | | |
| Current Receipts | 42,896,491 | 34,082,765 | 40,916,300 | 43,412,600 | 43,671,500 |
| Non-Revenue Receipts | -38,423 | -36,915 | | | |
| ARRA Receipts | 2,413,562 | 5,573,477 | 215,800 | | |
| Total Federal Funds | 45,271,630 | 39,619,327 | 41,396,100 | 43,412,600 | 43,671,500 |
| TOTAL SOURCE OF FUNDS | 61,572,600 | 55,907,563 | 56,100,300 | 56,836,000 | 57,121,000 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 25,081,529 | 24,791,579 | 24,612,300 | 25,582,400 | 25,958,000 |
| Operating Expenses | 4,461,614 | 4,472,418 | 4,478,400 | 4,496,900 | 4,496,900 |
| Grants Loans Benefits | 29,392,753 | 25,049,530 | 26,425,600 | 26,703,600 | 26,613,000 |
| Capital Outlay | 311,366 | 24,468 | 432,600 | 33,100 | 33,100 |
| Construction | 14,271 | 23,887 | 20,000 | 20,000 | 20,000 |
| TOTAL EXPENDITURES | 59,261,531 | 54,361,881 | 55,968,900 | 56,836,000 | 57,121,000 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 11,841,500 | 11,471,900 | 11,074,500 | 11,074,800 | 11,109,500 |
| Restricted Funds | 2,148,401 | 3,534,699 | 3,498,300 | 2,348,600 | 2,340,000 |
| Federal Funds | 45,271,630 | 39,355,282 | 41,396,100 | 43,412,600 | 43,671,500 |
| TOTAL EXPENDITURES | 59,261,531 | 54,361,881 | 55,968,900 | 56,836,000 | 57,121,000 |
| EXPENDITURES BY UNIT | | | | | |
| Carl D. Perkins Vocational Training Center | 7,515,832 | 7,132,004 | 7,772,100 | 8,059,600 | 8,174,800 |
| Program Services | 50,343,571 | 45,840,425 | 46,798,100 | 47,320,700 | 47,474,600 |
| Executive Director | 1,402,129 | 1,389,453 | 1,398,700 | 1,455,700 | 1,471,600 |
| TOTAL EXPENDITURES | 59,261,531 | 54,361,881 | 55,968,900 | 56,836,000 | 57,121,000 |

The Office of Vocational Rehabilitation provides for and improves the vocational rehabilitation of citizens with physical and mental disabilities. The Office helps eligible persons with disabilities achieve suitable employment.

The Office uses vocational assessments, counseling and guidance services to match workers with disabilities to labor market needs. Job preparation activities include on-the-job training and vocational and classroom instruction. Job development and placement services assist the individual in obtaining and maintaining suitable employment. Transition activities support a move from the classroom to the workplace. Rehabilitation technology adapts the physical environment at work or home to meet employment needs. Follow-up services ensure that employment is progressing satisfactorily.

The Office also provides services for employers. The Office prepares job-qualified applicants, conducts job analyses, recommends job modifications, and conducts disability awareness programs. Other services include disability awareness training programs and affirmative action planning and services to employees with disability-related problems. As a result, employers experience risk reduction, save resources spent on training new hires, and increase cash flow through access to tax incentives.

The Rehabilitation Act of 1973 authorizes and provides federal funding for state vocational rehabilitation programs. Kentucky

Revised Statutes 151B.180-210 complies with all provisions of the Act. The Code of Federal Regulations (CFR Chapter 34) and Title 781 of the Kentucky Administrative Regulations establish functions of the program. The Office also complies with relevant sections of the Kentucky Department of Education's administrative regulations.

Program Planning and Development provides administrative and staff functions to enhance equitable and efficient service delivery to eligible individuals with disabilities. The Division has statewide responsibility for program planning, program evaluation, policy development, human resource development, job development and placement, and development of new and innovative programs. The Division also provides staff support to the Statewide Advisory Council for Vocational Rehabilitation and the Statewide Independent Living Council. Federal regulations require an approved State Plan for Vocational Rehabilitation Services under Title I of the Rehabilitation Act as a condition for receiving Federal Funds.

The Carl D. Perkins Vocational Training Center (CDPVTC) at Thelma, Kentucky, is a multi-disciplinary residential rehabilitation facility located in Johnson County. The proportion of disabled individuals in the population of Kentucky is highest in southeast Kentucky. Although the majority of referrals to the CDPVTC come from the eastern part of Kentucky, staff of the Center regularly provide services to consumers from the entire Commonwealth.

The CDPVTC operates five major programs: Vocational Evaluation, Work Adjustment, Vocational Training, Physical Restoration/Outpatient Medical Rehabilitation, and Brain Injury Community Re-entry. All programs meet state of the art standards for program quality as documented by the Commission on Accreditation of Rehabilitation Facilities (CARF). CARF is the nationally recognized accreditation authority for organizations serving consumers with disabilities. CARF standards require that accredited facilities provide consumers with timely, quality services that meet the needs of each individual. Center staff utilize CARF accreditation as a marketing tool to obtain new referrals for all programs.

Within these five programs, the following professional services are available: comprehensive vocational assessment, vocational training, physical therapy, occupational therapy, speech therapy, nursing services, physician services, adjustment services, psychological and psychiatric services, adult therapeutic recreation, vocational rehabilitation counseling, social services, assistive technology, transportation, and administrative services. A wide range of educational programs and services including developmental math, reading, GED test preparation, and the External Diploma Program are also available. The CDPVTC offers individualized placement services through Preparing Adults for Competitive Employment (PACE) and an Employment Relations Specialist.

The Program Services Division provides direct vocational rehabilitation services to eligible individuals who have physical or mental disabilities to enable them to achieve suitable employment. Program Services is responsible for the actual intake and client service delivery efforts of the Office and performs certain administration functions.

The Division implements the federal Rehabilitation Act of 1973 and must make available services appropriate to the needs of individuals with disabilities. The services enumerated in the Rehabilitation Act include: evaluation of vocational rehabilitation potential; counseling and guidance; physical and mental restoration services; vocational and other training services; maintenance; transportation; services to family members; interpreter services and note-taking services for persons who are deaf; reader services and note-taking services for persons who are blind; assistive technology and devices; personal assistance services; recruitment and training services; placement; post-employment services; occupational licenses, equipment, initial stock and supplies; and other goods and services needed for employment.

The Administrative Management Division provides all administrative, technical, and budget related services for the Office and is responsive to the needs of the direct service delivery program staff. Responsibilities include budgeting, purchasing, financial reporting, and federal grant accounting. The Division oversees the implementation and administration of the automated case management system and coordinates the development of application programs. Staff in the Division are also responsible for records retention and maintenance of the Office's inventory records.

**Education and Workforce Development
Education Professional Standards Board**

| | Actual FY 2010 | Actual FY2011 | Revised FY2012 | Enacted FY 2013 | Enacted FY 2014 |
|--|---------------------------|--------------------------|---------------------------|----------------------------|----------------------------|
| SOURCE OF FUNDS | | | | | |
| General Fund | | | | | |
| Regular Appropriation | 9,032,600 | 7,683,700 | 7,606,900 | 7,141,900 | 7,170,700 |
| State Salary and Compensation Allocation | 29,300 | 55,000 | 79,600 | | |
| Budget Reduction-General Fund | -713,100 | | | | |
| Mandated Expenditure Reductions | -403,800 | -167,600 | -264,000 | | |
| Total General Fund | 7,945,000 | 7,571,100 | 7,422,500 | 7,141,900 | 7,170,700 |
| Restricted Funds | | | | | |
| Balance Forward | 633,346 | 1,023,577 | 1,167,900 | 1,022,400 | 825,600 |
| Current Receipts | 823,861 | 771,944 | 725,000 | 725,000 | 725,000 |
| Fund Transfers | | -14,100 | -32,600 | | |
| Total Restricted Funds | 1,457,207 | 1,781,421 | 1,860,300 | 1,747,400 | 1,550,600 |
| Federal Funds | | | | | |
| Balance Forward | 63,609 | 57,434 | 69,900 | | |
| Current Receipts | 335,006 | 328,455 | 238,500 | 121,300 | 109,300 |
| Total Federal Funds | 398,615 | 385,889 | 308,400 | 121,300 | 109,300 |
| TOTAL SOURCE OF FUNDS | 9,800,822 | 9,738,410 | 9,591,200 | 9,010,600 | 8,830,600 |
| EXPENDITURES BY CLASS | | | | | |
| Personnel Cost | 3,131,977 | 3,127,144 | 3,192,100 | 3,354,000 | 3,386,100 |
| Operating Expenses | 679,386 | 614,691 | 791,100 | 756,400 | 677,300 |
| Grants Loans Benefits | 4,882,859 | 4,690,195 | 4,464,400 | 4,074,600 | 4,074,600 |
| Debt Service | | 96 | | | |
| Capital Outlay | | 68,057 | | | |
| TOTAL EXPENDITURES | 8,694,221 | 8,500,184 | 8,447,600 | 8,185,000 | 8,138,000 |
| EXPENDITURES BY FUND SOURCE | | | | | |
| General Fund | 7,919,410 | 7,570,547 | 7,301,300 | 7,141,900 | 7,170,700 |
| Restricted Funds | 433,629 | 613,571 | 837,900 | 921,800 | 858,000 |
| Federal Funds | 341,182 | 316,067 | 308,400 | 121,300 | 109,300 |
| TOTAL EXPENDITURES | 8,694,221 | 8,500,184 | 8,447,600 | 8,185,000 | 8,138,000 |
| EXPENDITURES BY UNIT | | | | | |
| Operations | 3,376,299 | 3,184,956 | 3,056,700 | 2,998,200 | 2,938,200 |
| Kentucky Teacher Internship Program | 3,784,771 | 3,603,840 | 3,450,300 | 3,132,400 | 3,132,400 |
| National Board | 582,000 | 581,100 | 517,000 | 495,200 | 495,200 |
| Certification | 951,151 | 1,130,288 | 1,423,600 | 1,559,200 | 1,572,200 |
| TOTAL EXPENDITURES | 8,694,221 | 8,500,184 | 8,447,600 | 8,185,000 | 8,138,000 |

Authorized in KRS 161.028, the Education Professional Standards Board (EPSB) is a 17-member body appointed by the Governor to oversee teacher and administrator preparation, internship, and certification.

The EPSB is responsible for issuing, suspending, and revoking certificates for Kentucky's more than 50,000 active Kentucky educators, and ensures, via an annual review, that all professional positions in the state's 174 public school districts are appropriately staffed. It is responsible for developing (in cooperation with the Kentucky Department of Education and the Council on Postsecondary Education) a statewide data system for the collection, interpretation, and dissemination of data relative to the quality of educator preparation, supply, demand, and effectiveness. The board establishes performance-based standards for teacher/administrator preparation and induction, and for the accreditation of the 28 preparation programs at Kentucky's public and independent colleges and universities. It oversees the teacher/administrator assessments and the related Title II reporting, and annually publishes the Kentucky Educator Preparation Program Report Card. It administers the Continuing Education Option, in which teachers can use professional development to renew certification and move up in rank. It also administers the National Board Certification Incentive program, the supervising teacher stipend program, and alternative routes to certification, including the Troops to Teachers program.

The EPSB annually provides support to approximately 2,700 teacher interns, 3,500 supervising teachers, and 500 prospective National Board-certified teachers.