

Energy and Environment

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	81,064,600	74,641,500	74,025,100	76,004,500	78,094,100
State Salary and Compensation Allocation	1,460,100	2,865,900	4,095,800		
Current Year Appropriation			952,000		
Continuing Approp.-General Fund	831,271	498,064	409,700		
Budget Reduction-General Fund	-7,549,500				
Mandated Expenditure Reductions	-3,870,400	-6,423,000	-2,730,600		
Mandated Allotments	3,661,710	3,860,652			
Total General Fund	75,597,781	75,443,116	76,752,000	76,004,500	78,094,100
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	9,000,000	9,000,000	6,000,000	3,000,000	2,500,000
Continuing Approp.-Tobacco Settlement	5,539,721	4,249,943	7,463,500		
Budget Reduction-General Fund Tobacco	-812,537	-2,207,692			
Total Tobacco Settlement - Phase I	13,727,184	11,042,251	13,463,500	3,000,000	2,500,000
Restricted Funds					
Balance Forward	12,888,527	20,906,406	17,575,200	9,573,500	6,189,100
Current Receipts	18,891,746	21,942,379	21,732,300	21,908,800	22,378,200
Non-Revenue Receipts	96,237,041	89,416,131	116,491,600	79,510,300	81,137,700
Fund Transfers	-26,750,001	-43,726,000	-55,591,200	-13,500,000	-13,500,000
Total Restricted Funds	101,267,313	88,538,916	100,207,900	97,492,600	96,205,000
Federal Funds					
Balance Forward	10,363	122,642	68,500		
Current Receipts	65,001,755	67,731,803	86,730,100	82,342,400	82,328,000
Non-Revenue Receipts	-5,649,360	-2,691,999	-2,647,000	-2,465,600	-2,184,500
ARRA Receipts	7,140,317	30,840,267	25,528,000	8,000,700	168,300
Total Federal Funds	66,503,075	96,002,714	109,679,600	87,877,500	80,311,800
Road Fund					
Regular Appropriation	300,000	300,000	300,000	300,000	300,000
Total Road Fund	300,000	300,000	300,000	300,000	300,000
TOTAL SOURCE OF FUNDS	257,395,354	271,326,997	300,403,000	264,674,600	257,410,900
EXPENDITURES BY CLASS					
Personnel Cost	125,237,994	130,731,476	136,486,000	133,270,800	135,272,100
Operating Expenses	43,489,702	43,610,582	45,301,100	46,635,900	48,676,300
Grants Loans Benefits	50,841,541	54,798,617	72,306,100	44,249,600	38,621,000
Debt Service	589,000	589,000	589,000	589,000	1,538,500
Capital Outlay	2,787,508	5,205,549	8,532,200	4,545,500	4,841,100
Construction	8,672,553	10,874,423	20,561,100	23,652,200	21,924,700
TOTAL EXPENDITURES	231,618,298	245,809,648	283,775,500	252,943,000	250,873,700
EXPENDITURES BY FUND SOURCE					
General Fund	75,099,717	75,033,355	69,700,600	70,462,000	72,778,700
Tobacco Settlement - Phase I	9,477,240	3,578,774	13,463,500	3,000,000	2,500,000
Restricted Funds	80,360,908	70,963,309	90,634,400	91,303,500	94,983,200
Federal Funds	66,380,433	95,934,211	109,679,600	87,877,500	80,311,800
Road Fund	300,000	300,000	297,400	300,000	300,000
TOTAL EXPENDITURES	231,618,298	245,809,648	283,775,500	252,943,000	250,873,700
EXPENDITURES BY UNIT					
Secretary	4,918,108	5,166,253	5,188,400	5,771,500	5,763,900
Environmental Protection	107,608,303	102,774,338	114,385,600	110,901,200	115,407,800
Natural Resources	96,932,928	94,514,046	122,153,600	109,229,900	110,150,500
Energy Development and Independence	10,691,053	31,798,322	29,062,700	15,237,400	7,804,400

Environmental Quality Commission	190,835	195,195	239,000	222,000	223,400
Kentucky Nature Preserves Commission	1,442,620	1,366,990	2,580,700	1,357,700	1,387,100
Public Service Commission	9,834,450	9,994,505	10,165,500	10,223,300	10,136,600
TOTAL EXPENDITURES	231,618,298	245,809,648	283,775,500	252,943,000	250,873,700

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

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

**Energy and Environment
Secretary**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,778,000	3,462,500	3,427,900	3,254,500	3,316,300
State Salary and Compensation Allocation	65,100	122,600	175,700		
Budget Reduction-General Fund Mandated Expenditure Reductions	-299,300	-114,300	-120,700		
Total General Fund	3,543,800	3,470,800	3,482,900	3,254,500	3,316,300
Restricted Funds					
Balance Forward	291,033	278,565	224,900	207,300	62,500
Current Receipts	675	67,461	75,300	75,300	75,300
Non-Revenue Receipts	344,210	570,861	15,747,100	1,164,200	1,169,800
Fund Transfers			-15,007,400		
Total Restricted Funds	635,918	916,886	1,039,900	1,446,800	1,307,600
Federal Funds					
Balance Forward			2,500		
Current Receipts	1,047,888	1,039,306	1,040,200	1,171,700	1,199,800
Non-Revenue Receipts	-30,933	-33,252	-36,800	-39,000	-37,700
Total Federal Funds	1,016,955	1,006,054	1,005,900	1,132,700	1,162,100
TOTAL SOURCE OF FUNDS	5,196,673	5,393,740	5,528,700	5,834,000	5,786,000
EXPENDITURES BY CLASS					
Personnel Cost	4,025,750	4,119,450	4,102,400	4,894,600	4,900,000
Operating Expenses	831,322	1,046,803	1,086,000	876,900	863,900
Capital Outlay	61,036				
TOTAL EXPENDITURES	4,918,108	5,166,253	5,188,400	5,771,500	5,763,900
EXPENDITURES BY FUND SOURCE					
General Fund	3,543,800	3,470,800	3,349,900	3,254,500	3,316,300
Restricted Funds	357,353	691,877	832,600	1,384,300	1,285,500
Federal Funds	1,016,955	1,003,576	1,005,900	1,132,700	1,162,100
TOTAL EXPENDITURES	4,918,108	5,166,253	5,188,400	5,771,500	5,763,900
EXPENDITURES BY UNIT					
Administrative Hearings	623,806	641,763	654,800	674,100	675,000
Ofc of Sec - Leg & Interg Aff - Gen Coun	4,294,302	4,524,490	4,533,600	5,097,400	5,088,900
TOTAL EXPENDITURES	4,918,108	5,166,253	5,188,400	5,771,500	5,763,900

The Office of the Secretary formulates and executes Cabinet policies based on administration priorities, state and federal statutes, regulations and legislative initiatives. The Office of the Secretary responds to concerns of the general public, initiates public information and education efforts.

The Office of Legislative and Intergovernmental Affairs is responsible for communicating programmatic and policy information to stakeholders including the legislature and local governments.

The Office of Legal Services provides litigation and other legal services for the Cabinet.

Office of Administrative Hearings conducts administrative appeal hearings and issues recommended orders for review by the Secretary.

**Energy and Environment
Environmental Protection**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	23,548,800	21,497,300	21,282,300	20,566,000	21,900,400
State Salary and Compensation Allocation	424,200	813,400	1,169,300		
Budget Reduction-General Fund Mandated Expenditure Reductions	-2,216,000	-814,700	-817,800		
Total General Fund	21,757,000	21,496,000	21,633,800	20,566,000	21,900,400
Restricted Funds					
Balance Forward	4,301,792	12,084,170	7,951,700	3,301,000	2,357,200
Current Receipts	15,056,404	16,095,583	16,061,900	16,492,600	16,998,600
Non-Revenue Receipts	82,019,626	79,438,428	86,629,900	62,880,200	64,853,400
Fund Transfers	-26,500,000	-43,504,900	-40,018,200	-13,500,000	-13,500,000
Total Restricted Funds	74,877,822	64,113,281	70,625,300	69,173,800	70,709,200
Federal Funds					
Balance Forward	9,773	84,607			
Current Receipts	21,832,111	22,147,519	25,131,100	24,393,700	24,419,100
Non-Revenue Receipts	-1,031,583	-628,281	-1,212,500	-1,175,100	-1,173,900
ARRA Receipts	2,031,957	3,213,046	2,169,700		
Total Federal Funds	22,842,258	24,816,891	26,088,300	23,218,600	23,245,200
Road Fund					
Regular Appropriation	300,000	300,000	300,000	300,000	300,000
Total Road Fund	300,000	300,000	300,000	300,000	300,000
TOTAL SOURCE OF FUNDS	119,777,080	110,726,171	118,647,400	113,258,400	116,154,800
EXPENDITURES BY CLASS					
Personnel Cost	53,244,751	53,142,402	56,944,800	57,521,900	58,905,900
Operating Expenses	31,689,548	30,925,198	32,662,100	34,962,500	36,948,500
Grants Loans Benefits	19,079,632	16,039,670	18,502,900	13,498,300	13,512,400
Debt Service					949,500
Capital Outlay	1,569,269	637,545	3,797,500	2,418,500	2,591,500
Construction	2,025,104	2,029,523	2,478,300	2,500,000	2,500,000
TOTAL EXPENDITURES	107,608,303	102,774,338	114,385,600	110,901,200	115,407,800
EXPENDITURES BY FUND SOURCE					
General Fund	21,757,000	21,496,000	20,675,600	20,566,000	21,900,400
Restricted Funds	62,793,653	56,161,447	67,324,300	66,816,600	69,962,200
Federal Funds	22,757,651	24,816,891	26,088,300	23,218,600	23,245,200
Road Fund	300,000	300,000	297,400	300,000	300,000
TOTAL EXPENDITURES	107,608,303	102,774,338	114,385,600	110,901,200	115,407,800
EXPENDITURES BY UNIT					
Commissioner	776,908	568,587	445,900	433,700	440,300
Water	25,182,491	25,249,515	27,585,100	27,698,800	28,509,800
Waste Management	32,013,861	30,260,051	36,337,800	30,347,000	31,322,800
Air Quality	13,871,909	13,209,942	14,410,800	14,543,500	15,041,600
Environmental Program Support	3,907,054	4,369,047	4,282,700	4,133,200	4,179,400
Enforcement	1,325,589	1,356,777	1,425,000	1,559,600	1,572,400
Compliance Assistance	1,377,952	1,466,990	1,446,200	1,359,400	1,385,100
Petroleum Storage Tank Environmental Assurance Fund	29,152,539	26,293,430	28,452,100	30,826,000	32,956,400
TOTAL EXPENDITURES	107,608,303	102,774,338	114,385,600	110,901,200	115,407,800

The Department for Environmental Protection is responsible for the protection of the environment through the prevention, abatement, and control of water, land, and air pollution. The Department also is responsible for the Maxey Flats low-level nuclear waste disposal site.

**Energy and Environment
Environmental Protection
Commissioner**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	760,400	732,500	723,600	431,900	440,100
State Salary and Compensation Allocation	63,700				
Budget Reduction-General Fund	-70,200				
Mandated Expenditure Reductions		-178,800	-167,200		
Other			-63,200		
Total General Fund	753,900	553,700	493,200	431,900	440,100
Restricted Funds					
Balance Forward	9,039	5,039	7,200	6,500	4,800
Current Receipts	108	44	100	100	100
Non-Revenue Receipts	18,900	17,000			
Total Restricted Funds	28,047	22,083	7,300	6,600	4,900
Federal Funds					
Balance Forward					
Current Receipts	31,194	75,188			
Non-Revenue Receipts	-31,194	-75,188			
Total Federal Funds					
TOTAL SOURCE OF FUNDS	781,947	575,783	500,500	438,500	445,000
EXPENDITURES BY CLASS					
Personnel Cost	717,865	505,313	377,100	371,100	380,500
Operating Expenses	58,961	63,179	68,200	62,500	59,600
Capital Outlay	83	95	600	100	200
TOTAL EXPENDITURES	776,908	568,587	445,900	433,700	440,300
EXPENDITURES BY FUND SOURCE					
General Fund	753,900	553,700	445,100	431,900	440,100
Restricted Funds	23,008	14,887	800	1,800	200
TOTAL EXPENDITURES	776,908	568,587	445,900	433,700	440,300

The Office of the Commissioner, pursuant to KRS 224.10-020(1), provides leadership, policy direction, and management for the Department for Environmental Protection.

**Energy and Environment
Environmental Protection
Water**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	11,420,000	10,427,500	10,462,600	10,221,500	10,513,800
State Salary and Compensation Allocation	62,800				
Budget Reduction-General Fund Mandated Expenditure Reductions	-838,600	-404,500	-650,600		
Total General Fund	10,644,200	10,023,000	9,812,000	10,221,500	10,513,800
Restricted Funds					
Balance Forward	485,113	1,116,824	1,684,700	1,640,000	1,034,000
Current Receipts	664,993	930,861	2,079,500	1,207,600	1,389,900
Non-Revenue Receipts	448,353	457,365	351,800	434,400	427,700
Fund Transfers			-30,500		
Total Restricted Funds	1,598,460	2,505,050	4,085,500	3,282,000	2,851,600
Federal Funds					
Balance Forward	9,773				
Current Receipts	13,320,417	13,297,216	15,859,700	15,510,500	15,510,500
Non-Revenue Receipts	-447,539	79,299	-605,300	-581,200	-581,200
ARRA Receipts	874,005	729,662	191,800		
Total Federal Funds	13,756,655	14,106,177	15,446,200	14,929,300	14,929,300
Road Fund					
Regular Appropriation	300,000	300,000	300,000	300,000	300,000
Total Road Fund	300,000	300,000	300,000	300,000	300,000
TOTAL SOURCE OF FUNDS	26,299,315	26,934,227	29,643,700	28,732,800	28,594,700
EXPENDITURES BY CLASS					
Personnel Cost	19,036,484	19,457,274	21,274,900	21,759,500	22,426,500
Operating Expenses	2,221,446	2,412,897	2,820,100	2,846,000	2,847,500
Grants Loans Benefits	3,889,544	3,208,272	3,156,900	2,680,100	2,663,600
Debt Service					219,000
Capital Outlay	35,017	171,073	333,200	413,200	353,200
TOTAL EXPENDITURES	25,182,491	25,249,515	27,585,100	27,698,800	28,509,800
EXPENDITURES BY FUND SOURCE					
General Fund	10,644,200	10,023,000	9,396,000	10,221,500	10,513,800
Restricted Funds	481,635	820,338	2,445,500	2,248,000	2,766,700
Federal Funds	13,756,656	14,106,177	15,446,200	14,929,300	14,929,300
Road Fund	300,000	300,000	297,400	300,000	300,000
TOTAL EXPENDITURES	25,182,491	25,249,515	27,585,100	27,698,800	28,509,800

The Division of Water, pursuant to KRS Chapters 146, 149, 151, 200, 223, 224, 224A, 261, 350.029, 350.275 and federal law including PL 92-500 (the Clean Water Act) and 92-523 (the Safe Drinking Water Act), is responsible for administering programs for: ensuring a safe drinking water supply, water quality planning and monitoring, stormwater management, dam safety, groundwater protection, wastewater treatment and sewer line construction, water conservation, and regulation development.

The Division administers programs relating to groundwater protection plans, Total Maximum Daily Load Plans, the Non-Point Source 319(h) Grant program, watershed management, dam safety inspections, floodplain management, 401 Water Quality Certifications, water quality standards, water quality monitoring and assessment, Clean Water and Drinking Water State Revolving Loan programs, Kentucky Pollution Discharge Elimination System permitting, confined animal feeding operations compliance, the Wild Rivers program, and logging operations.

Policy

The Budget of the Commonwealth includes General Fund debt service in the amount of \$219,000 in fiscal year 2014 to support a \$2,500,000 bond issue for the State-Owned Dam Repair program.

**Energy and Environment
Environmental Protection
Waste Management**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,867,500	4,882,800	4,711,000	4,608,800	5,435,800
State Salary and Compensation Allocation		500,000	547,600		
Budget Reduction-General Fund Mandated Expenditure Reductions	-987,300				
		-170,200			
Total General Fund	4,880,200	5,212,600	5,258,600	4,608,800	5,435,800
Restricted Funds					
Balance Forward	1,082,220	1,828,835	3,590,900	586,300	375,900
Current Receipts	4,272,333	5,749,023	3,117,300	3,252,800	3,288,800
Non-Revenue Receipts	18,118,531	13,729,848	19,223,500	16,693,800	16,745,500
Fund Transfers		-100,000	-1,176,200		
Total Restricted Funds	23,473,084	21,207,706	24,755,500	20,532,900	20,410,200
Federal Funds					
Balance Forward		84,607			
Current Receipts	5,620,025	5,917,435	5,694,300	5,989,600	6,017,200
Non-Revenue Receipts	-353,473	-453,191	-424,400	-408,400	-410,100
ARRA Receipts	307,468	1,881,811	1,943,700		
Total Federal Funds	5,574,020	7,430,662	7,213,600	5,581,200	5,607,100
TOTAL SOURCE OF FUNDS	33,927,303	33,850,968	37,227,700	30,722,900	31,453,100
EXPENDITURES BY CLASS					
Personnel Cost	13,458,702	14,245,338	15,449,800	13,582,800	13,782,200
Operating Expenses	2,291,544	2,580,271	2,733,100	2,464,400	2,458,400
Grants Loans Benefits	14,070,307	11,949,420	14,531,700	10,703,400	10,734,000
Debt Service					730,500
Capital Outlay	168,204	282,205	1,144,900	1,096,400	1,117,700
Construction	2,025,104	1,202,817	2,478,300	2,500,000	2,500,000
TOTAL EXPENDITURES	32,013,861	30,260,051	36,337,800	30,347,000	31,322,800
EXPENDITURES BY FUND SOURCE					
General Fund	4,880,200	5,212,600	4,955,000	4,608,800	5,435,800
Restricted Funds	21,644,248	17,616,789	24,169,200	20,157,000	20,279,900
Federal Funds	5,489,413	7,430,662	7,213,600	5,581,200	5,607,100
TOTAL EXPENDITURES	32,013,861	30,260,051	36,337,800	30,347,000	31,322,800

The Division of Waste Management, pursuant to KRS 224, administers programs that regulate the generation, transportation, storage, treatment, and disposal of all hazardous and solid wastes in the state. Additional responsibilities include resources use and recycling initiatives, technical assistance to counties, and solid waste management districts to facilitate compliance with 401 KAR, Chapter 49. The Division is also responsible for investigation and restoration duties at abandoned hazardous waste disposal sites and citizen education concerning waste management issues. The Division also administers the Voluntary Environmental Remediation Act and the Certified Clean Counties initiative.

Pursuant to KRS 224.43-505, the Division manages the Kentucky Pride Fund, which encourages proper solid waste management in Kentucky through waste reduction, recycling, proper closure of abandoned landfills, education, proper collection and disposal of solid waste, elimination of illegal open dumps, and abatement of litter.

Maxey Flats, originally operated as a low-level nuclear waste disposal site, was closed in 1977. The Commonwealth of Kentucky assumed ownership and responsibility for the toxic site in 1978, and is responsible for long-term monitoring and maintenance activities of the site in perpetuity. Maxey Flats is funded solely with general funds.

The Kentucky Recycling and Marketing Assistance Program (KRMA), an administrative unit of the DWM, was established by KRS 154.12-202 to promote, develop, and sustain an effective recycling infrastructure in Kentucky. KRMA is funded solely with general funds.

Policy

The Budget of the Commonwealth includes General Fund debt service in the amount of \$730,500 in fiscal year 2014 to support a \$17,000,000 bond issue for the Maxey Flats Cap project.

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

**Energy and Environment
Environmental Protection
Air Quality**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,290,200	1,291,200	1,281,700	1,124,700	1,149,900
State Salary and Compensation Allocation		50,000	50,000		
Budget Reduction-General Fund	-67,200				
Total General Fund	1,223,000	1,341,200	1,331,700	1,124,700	1,149,900
Restricted Funds					
Balance Forward	2,282,971	1,877,856	836,200	449,900	321,300
Current Receipts	9,554,259	8,757,714	10,205,000	11,432,100	11,770,200
Non-Revenue Receipts	112,176	113,214	3,900	116,400	115,500
Fund Transfers		-2,300	-14,800		
Total Restricted Funds	11,949,407	10,746,484	11,030,300	11,998,400	12,207,000
Federal Funds					
Current Receipts	1,839,050	1,462,697	2,619,300	1,859,700	1,845,300
Non-Revenue Receipts	-112,176	-105,813	-122,800	-118,000	-114,300
ARRA Receipts	850,484	601,573	34,200		
Total Federal Funds	2,577,358	1,958,457	2,530,700	1,741,700	1,731,000
TOTAL SOURCE OF FUNDS	15,749,765	14,046,141	14,892,700	14,864,800	15,087,900
EXPENDITURES BY CLASS					
Personnel Cost	10,915,913	10,877,226	11,155,000	11,912,300	12,234,700
Operating Expenses	1,425,173	1,425,547	1,809,400	1,747,100	1,744,400
Grants Loans Benefits	1,067,548	826,570	745,000	113,800	113,800
Capital Outlay	463,275	80,599	701,400	770,300	948,700
TOTAL EXPENDITURES	13,871,909	13,209,942	14,410,800	14,543,500	15,041,600
EXPENDITURES BY FUND SOURCE					
General Fund	1,223,000	1,341,200	1,299,700	1,124,700	1,149,900
Restricted Funds	10,071,551	9,910,285	10,580,400	11,677,100	12,160,700
Federal Funds	2,577,358	1,958,457	2,530,700	1,741,700	1,731,000
TOTAL EXPENDITURES	13,871,909	13,209,942	14,410,800	14,543,500	15,041,600

The Division of Air Quality is responsible for the identification and implementation of measures necessary to achieve and maintain ambient air quality standards as mandated by the federal Clean Air Act and KRS 224.10-100. The Division accomplishes its mission through air quality monitoring, permitting, source inspections and enforcement to ensure compliance with air pollution laws and regulations.

The 1990 Clean Air Act Amendments imposed new permitting requirements to protect air quality. Federal law requires that an emission fee be levied on facilities with significant air pollutants to fund the implementation of the new requirements. If a state does not have continued authorization, the fee will be collected by the U.S. Environmental Protection Agency to fund a federal permitting program. The Division has been granted authority to enforce portions of the Clean Air Act in the Commonwealth. Under that authority the Division operates the Title V Operating Permit Program, and costs associated therewith are funded through emission fees assessed pursuant to the Clean Air Act and KRS 224.20-050.

**Energy and Environment
Environmental Protection
Environmental Program Support**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,149,100	3,130,900	3,090,500	3,225,100	3,273,700
State Salary and Compensation Allocation	279,200	163,400	496,800		
Budget Reduction-General Fund	-213,600				
Mandated Expenditure Reductions		-42,600			
Other			63,200		
Total General Fund	3,214,700	3,251,700	3,650,500	3,225,100	3,273,700
Restricted Funds					
Balance Forward	78,807	159,102	96,300	241,800	105,800
Current Receipts	6,504	8,354	44,000		
Non-Revenue Receipts	691,625	622,925	727,700	565,300	591,600
Fund Transfers			-15,200		
Total Restricted Funds	776,935	790,381	852,800	807,100	697,400
Federal Funds					
Current Receipts	77,119	427,631	133,700	220,900	222,500
Non-Revenue Receipts	-2,598	-4,324	-1,600	-14,100	-14,200
Total Federal Funds	74,521	423,307	132,100	206,800	208,300
TOTAL SOURCE OF FUNDS	4,066,156	4,465,388	4,635,400	4,239,000	4,179,400
EXPENDITURES BY CLASS					
Personnel Cost	2,674,660	2,961,480	3,019,500	2,755,600	2,769,400
Operating Expenses	1,135,088	1,283,136	1,251,800	1,240,700	1,240,700
Grants Loans Benefits	14,482	22,035	5,900	1,000	1,000
Capital Outlay	82,824	102,396	5,500	135,900	168,300
TOTAL EXPENDITURES	3,907,054	4,369,047	4,282,700	4,133,200	4,179,400
EXPENDITURES BY FUND SOURCE					
General Fund	3,214,700	3,251,700	3,539,600	3,225,100	3,273,700
Restricted Funds	617,834	694,039	611,000	701,300	697,400
Federal Funds	74,521	423,308	132,100	206,800	208,300
TOTAL EXPENDITURES	3,907,054	4,369,047	4,282,700	4,133,200	4,179,400

The Division of Environmental Program Support provides support to the Department in the areas of laboratory services, personnel, budget, information technology and overall administration. The Division provides centralized laboratory testing for the Department. The Division also supports and directs the activities of the Environmental Response Team and is responsible for the cabinet's twenty-four (24) hour environmental response line. Activities are conducted pursuant to KRS 224.10-100(7).

**Energy and Environment
Environmental Protection
Enforcement**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	779,300	785,700	772,500	742,900	759,100
State Salary and Compensation Allocation	18,500	100,000	74,900		
Mandated Expenditure Reductions		-9,500			
Total General Fund	797,800	876,200	847,400	742,900	759,100
Restricted Funds					
Balance Forward	25,923	81,879	210,700	237,100	105,000
Current Receipts		1,103			
Non-Revenue Receipts	329,657	367,165	416,700	411,000	425,300
Fund Transfers		-7,700	-10,400		
Total Restricted Funds	355,580	442,447	617,000	648,100	530,300
Federal Funds					
Current Receipts	274,381	269,793	256,600	294,200	304,300
Non-Revenue Receipts	-20,293	-20,959	-22,300	-20,600	-21,300
Total Federal Funds	254,088	248,834	234,300	273,600	283,000
TOTAL SOURCE OF FUNDS	1,407,468	1,567,481	1,698,700	1,664,600	1,572,400
EXPENDITURES BY CLASS					
Personnel Cost	1,196,920	1,208,184	1,266,000	1,399,800	1,411,300
Operating Expenses	128,412	148,296	156,200	159,200	160,300
Capital Outlay	257	297	2,800	600	800
TOTAL EXPENDITURES	1,325,589	1,356,777	1,425,000	1,559,600	1,572,400
EXPENDITURES BY FUND SOURCE					
General Fund	797,800	876,200	810,800	742,900	759,100
Restricted Funds	273,701	231,743	379,900	543,100	530,300
Federal Funds	254,088	248,834	234,300	273,600	283,000
TOTAL EXPENDITURES	1,325,589	1,356,777	1,425,000	1,559,600	1,572,400

The Division of Enforcement, pursuant to KRS 224.10-050, is responsible for effective and timely enforcement of Kentucky's environmental laws pertaining to air, waste, and water. The Division carries out enforcement actions against corporations and individuals who are out of compliance with environmental law and/or regulations.

**Energy and Environment
Environmental Protection
Compliance Assistance**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	282,300	246,700	240,400	211,100	328,000
Budget Reduction-General Fund	-39,100				
Mandated Expenditure Reductions		-9,100			
Total General Fund	243,200	237,600	240,400	211,100	328,000
Restricted Funds					
Balance Forward	137,307	221,134	212,700	139,400	103,900
Current Receipts	374,026	332,826	394,200	412,200	361,800
Non-Revenue Receipts	238,937	238,680	233,700	214,600	220,800
Fund Transfers			-15,800		
Total Restricted Funds	750,270	792,640	824,800	766,200	686,500
Federal Funds					
Balance Forward					
Current Receipts	669,925	697,559	567,500	518,800	519,300
Non-Revenue Receipts	-64,309	-48,106	-36,100	-32,800	-32,800
Total Federal Funds	605,616	649,454	531,400	486,000	486,500
TOTAL SOURCE OF FUNDS	1,599,086	1,679,693	1,596,600	1,463,300	1,501,000
EXPENDITURES BY CLASS					
Personnel Cost	1,138,080	1,208,131	1,142,700	1,120,400	1,146,800
Operating Expenses	201,928	225,261	237,700	238,500	237,600
Grants Loans Benefits	37,750	33,373	63,400		
Capital Outlay	195	226	2,400	500	700
TOTAL EXPENDITURES	1,377,952	1,466,990	1,446,200	1,359,400	1,385,100
EXPENDITURES BY FUND SOURCE					
General Fund	243,200	237,600	229,400	211,100	328,000
Restricted Funds	529,136	579,937	685,400	662,300	570,600
Federal Funds	605,616	649,453	531,400	486,000	486,500
TOTAL EXPENDITURES	1,377,952	1,466,990	1,446,200	1,359,400	1,385,100

The Division of Compliance Assistance supports the Cabinet's environmental mission by providing training and technical assistance to regulated facilities, helping communities in brownfield redevelopment efforts, certifying environmental professionals and encouraging environmental leadership.

**Energy and Environment
Environmental Protection
Petroleum Storage Tank Environmental Assurance Fund**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	200,412	6,793,500	1,313,000		306,500
Current Receipts	184,181	315,659	221,800	187,800	187,800
Non-Revenue Receipts	62,061,447	63,892,231	65,672,600	44,444,700	46,327,000
Fund Transfers	-26,500,000	-43,394,900	-38,755,300	-13,500,000	-13,500,000
Total Restricted Funds	35,946,039	27,606,491	28,452,100	31,132,500	33,321,300
TOTAL SOURCE OF FUNDS	35,946,039	27,606,491	28,452,100	31,132,500	33,321,300
EXPENDITURES BY CLASS					
Personnel Cost	4,106,127	2,679,457	3,259,800	4,620,400	4,754,500
Operating Expenses	24,226,997	22,786,613	23,585,600	26,204,100	28,200,000
Capital Outlay	819,415	654	1,606,700	1,500	1,900
Construction		826,706			
TOTAL EXPENDITURES	29,152,539	26,293,430	28,452,100	30,826,000	32,956,400
EXPENDITURES BY FUND SOURCE					
Restricted Funds	29,152,539	26,293,430	28,452,100	30,826,000	32,956,400
TOTAL EXPENDITURES	29,152,539	26,293,430	28,452,100	30,826,000	32,956,400

The Petroleum Storage Tank Environmental Assurance Fund (PSTEAF), pursuant to KRS Chapter 224.60, assists owners and operators of underground storage tanks to meet federal environmental mandates and provides reimbursement for eligible clean-up costs and third party damages in the event of a release into the environment. Pursuant to KRS 224.60-130, the Fund is managed by the Department for Environmental Protection, Division of Waste Management.

**Energy and Environment
Natural Resources**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	37,104,400	34,177,800	33,836,000	34,879,900	35,528,700
State Salary and Compensation Allocation	744,600	1,520,600	2,182,000		
Current Year Appropriation			952,000		
Budget Reduction-General Fund	-3,870,800				
Mandated Expenditure Reductions	-490,100	-1,294,700	-1,197,900		
Reorganization Adjustment	697,600				
Mandated Allotments	3,661,710	3,860,652			
Total General Fund	37,847,410	38,264,352	35,772,100	34,879,900	35,528,700
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	9,000,000	9,000,000	6,000,000	3,000,000	2,500,000
Continuing Approp.-Tobacco Settlement	5,539,721	4,249,943	7,463,500		
Budget Reduction-General Fund Tobacco	-812,537	-2,207,692			
Total Tobacco Settlement - Phase I	13,727,184	11,042,251	13,463,500	3,000,000	2,500,000
Restricted Funds					
Balance Forward	5,871,215	5,974,510	5,674,600	2,609,400	1,809,300
Current Receipts	3,594,805	5,480,669	5,347,600	5,140,400	5,140,400
Non-Revenue Receipts	9,374,036	5,124,382	9,796,800	11,027,700	11,133,700
Fund Transfers	-250,001	-204,600	-498,300		
Total Restricted Funds	18,590,054	16,374,962	20,320,700	18,777,500	18,083,400
Federal Funds					
Balance Forward					
Current Receipts	41,123,721	43,675,187	57,830,600	55,317,100	55,316,700
Non-Revenue Receipts	-4,130,987	-1,704,474	-935,700	-935,300	-915,500
ARRA Receipts			100,000		
Total Federal Funds	36,992,734	41,970,713	56,994,900	54,381,800	54,401,200
TOTAL SOURCE OF FUNDS	107,157,383	107,652,278	126,551,200	111,039,200	110,513,300
EXPENDITURES BY CLASS					
Personnel Cost	55,443,150	54,915,731	57,801,000	58,488,600	59,089,000
Operating Expenses	9,189,778	9,744,663	9,479,500	8,888,000	8,964,500
Grants Loans Benefits	24,495,348	20,151,719	32,080,600	18,574,100	20,422,700
Capital Outlay	1,157,203	857,032	4,709,700	2,127,000	2,249,600
Construction	6,647,449	8,844,901	18,082,800	21,152,200	19,424,700
TOTAL EXPENDITURES	96,932,928	94,514,046	122,153,600	109,229,900	110,150,500
EXPENDITURES BY FUND SOURCE					
General Fund	37,847,410	38,264,352	33,983,900	34,879,900	35,528,700
Tobacco Settlement - Phase I	9,477,240	3,578,774	13,463,500	3,000,000	2,500,000
Restricted Funds	12,615,544	10,700,207	17,711,300	16,968,200	17,720,600
Federal Funds	36,992,734	41,970,713	56,994,900	54,381,800	54,401,200
TOTAL EXPENDITURES	96,932,928	94,514,046	122,153,600	109,229,900	110,150,500
EXPENDITURES BY UNIT					
Commissioner	914,196	972,898	921,000	967,900	986,100
Forestry	18,503,118	18,645,770	17,986,000	14,718,600	14,922,200
Technical and Administrative Support	690,292	710,662	801,700	822,400	849,800
Conservation	13,441,974	7,809,284	18,896,500	8,258,200	7,787,100
Oil and Gas	1,872,551	1,890,775	1,926,800	1,893,200	1,910,000
Mine Permits	7,104,092	7,719,872	8,204,600	8,405,600	8,608,700
Mine Reclamation and Enforcement	12,146,709	12,568,079	12,457,300	12,586,900	12,891,500
DNR Bond Pool Fund	57,956	64,569	71,900	70,500	65,000
Abandoned Mine Lands	11,057,364	9,303,708	17,186,200	17,613,600	17,770,900

Bond Pool Reclamation Fund	99,525	53,431	310,900	310,900	310,900
Abandoned Mine Land Reclamation Projects	16,394,903	20,272,124	28,758,700	28,758,700	28,758,700
Mine Safety Review Commission	161,332	161,670	164,600	152,600	154,800
Mine Safety and Licensing	14,488,917	14,341,203	14,467,400	14,670,800	15,134,800
TOTAL EXPENDITURES	<u>96,932,928</u>	<u>94,514,046</u>	<u>122,153,600</u>	<u>109,229,900</u>	<u>110,150,500</u>

The Department for Natural Resources' mission is to preserve, protect, and enhance the Commonwealth's natural land resources.

The Department oversees activities and programs related to forestry, conservation, mining, oil and gas, and land preservation. The Department, through its divisions and partnerships, provides technical assistance, educational programs, and funding to assist the general public, landowners, institutions, industries, and communities in conserving and sustaining Kentucky's natural resources. In addition, the Department is responsible for the inspection of timber harvests, mining operations, and oil and gas wells to ensure compliance with laws that protect the public, the environment, and Kentucky's coal miners.

**Energy and Environment
Natural Resources
Commissioner**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	419,200	412,900	419,200	478,700	489,400
State Salary and Compensation Allocation		54,200	96,800		
Mandated Expenditure Reductions		-12,300	-6,800		
Other		11,500			
Total General Fund	419,200	466,300	509,200	478,700	489,400
Restricted Funds					
Balance Forward	15,604	5,258	500		19,900
Current Receipts	50				
Non-Revenue Receipts	484,600	511,400	491,800	509,100	476,800
Fund Transfers		-9,600	-45,100		
Total Restricted Funds	500,254	507,058	447,200	509,100	496,700
TOTAL SOURCE OF FUNDS	919,454	973,358	956,400	987,800	986,100
EXPENDITURES BY CLASS					
Personnel Cost	830,721	884,377	820,900	921,500	944,100
Operating Expenses	83,474	88,521	100,100	46,400	42,000
TOTAL EXPENDITURES	914,196	972,898	921,000	967,900	986,100
EXPENDITURES BY FUND SOURCE					
General Fund	419,200	466,300	473,800	478,700	489,400
Restricted Funds	494,996	506,598	447,200	489,200	496,700
TOTAL EXPENDITURES	914,196	972,898	921,000	967,900	986,100

The Office of the Commissioner provides leadership, policy direction, and management for the Department for Natural Resources. The Commissioner provides guidance in policy and program implementation for the sustainability of Kentucky's natural resources and the safety of Kentucky's miners. The Office also provides administrative oversight for the Kentucky Heritage Land Conservation Fund Board and the Biodiversity Council.

**Energy and Environment
Natural Resources
Forestry**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	10,611,100	9,708,800	9,606,900	9,940,800	10,199,200
State Salary and Compensation Allocation	208,800	825,000	883,600		
Budget Reduction-General Fund	-533,000				
Mandated Expenditure Reductions	-381,800	-336,400	-201,200		
Mandated Allotments	3,661,710	3,860,652			
Other		204,300	296,600		
Total General Fund	13,566,810	14,262,352	10,585,900	9,940,800	10,199,200
Restricted Funds					
Balance Forward	910,260	592,891	450,300	582,200	532,000
Current Receipts	887,724	1,038,291	1,152,200	911,000	911,000
Non-Revenue Receipts	93,895	105,067	36,300	50,800	50,700
Fund Transfers		-14,800			
Total Restricted Funds	1,891,880	1,721,449	1,638,800	1,544,000	1,493,700
Federal Funds					
Balance Forward					
Current Receipts	2,973,197	2,953,563	6,876,500	3,816,600	3,642,800
Non-Revenue Receipts	664,122	158,784	-55,300	-50,800	-50,700
Total Federal Funds	3,637,319	3,112,347	6,821,200	3,765,800	3,592,100
TOTAL SOURCE OF FUNDS	19,096,009	19,096,148	19,045,900	15,250,600	15,285,000
EXPENDITURES BY CLASS					
Personnel Cost	13,711,343	13,951,579	10,548,000	10,254,300	10,486,000
Operating Expenses	2,878,037	3,052,215	2,413,900	1,942,000	1,943,100
Grants Loans Benefits	827,846	868,297	1,307,600	1,200,300	1,065,900
Capital Outlay	1,085,892	773,679	3,716,500	1,322,000	1,427,200
TOTAL EXPENDITURES	18,503,118	18,645,770	17,986,000	14,718,600	14,922,200
EXPENDITURES BY FUND SOURCE					
General Fund	13,566,810	14,262,352	10,108,200	9,940,800	10,199,200
Restricted Funds	1,298,989	1,271,071	1,056,600	1,012,000	1,130,900
Federal Funds	3,637,319	3,112,347	6,821,200	3,765,800	3,592,100
TOTAL EXPENDITURES	18,503,118	18,645,770	17,986,000	14,718,600	14,922,200

In accordance with KRS 149 the Division of Forestry provides technical assistance on sound forest management practices; provides forest stewardship assistance to private landowners; assists timber operators and wood-using industries; grows and distributes tree seedlings at low cost for timber production; and provides urban and community forestry technical assistance to provide sustainability of the Commonwealth's 11.9 million acres of forestland.

The Division enforces the Kentucky Forest Conservation Act (149.330 – 149.355); the Division is responsible for inspecting logging operations and enforcing compliance with the Kentucky Master Logger Program and Best Management Practices to protect water quality. In addition, the Division maintains an inventory of Kentucky's forests. The Division provides administrative oversight to the Forestry Best Management Practice Board.

The Kentucky Division of Forestry is mandated to provide wildland fire protection for the Commonwealth. The Division has established a statewide system of wildland fire prevention, detection and suppression.

Policy

General Fund baseline resources of \$240,000 annually are provided to the Division for emergency fire suppression costs. Language contained in the appropriations bill declares that expenditures in excess of this amount are a necessary government expense and are to be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund (KRS 48.705).

**Energy and Environment
Natural Resources
Technical and Administrative Support**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	166,893	49,297	29,800		9,200
Non-Revenue Receipts	822,696	699,366	796,000	831,600	840,600
Fund Transfers	-250,000	-8,200	-24,100		
Total Restricted Funds	739,588	740,463	801,700	831,600	849,800
TOTAL SOURCE OF FUNDS	739,588	740,463	801,700	831,600	849,800
EXPENDITURES BY CLASS					
Personnel Cost	542,401	558,234	605,900	617,800	625,700
Operating Expenses	93,185	97,743	134,300	139,100	137,200
Grants Loans Benefits	54,705	54,686	61,500	65,500	69,500
Capital Outlay					17,400
TOTAL EXPENDITURES	690,292	710,662	801,700	822,400	849,800
EXPENDITURES BY FUND SOURCE					
Restricted Funds	690,292	710,662	801,700	822,400	849,800
TOTAL EXPENDITURES	690,292	710,662	801,700	822,400	849,800

The Division of Technical and Administrative Support, pursuant to KRS 224.10-020, provides general support to all divisions and programs in the Department for Natural Resources. The Division is responsible for the development, coordination and implementation of all administrative processes within the Department including fiscal affairs, human resources, property management, purchasing, and state and federal program administration. The Division provides technical expertise to develop and implement state and federal regulations relating to surface mining, abandoned mine lands, oil and gas conservation, mine safety, forestry, and conservation. The Division also coordinates information technology processes and applications within the Department in accordance with cabinet, state, and federal guidelines. The Kentucky Heritage Land Conservation Fund is attached to and administered by the Division pursuant to KRS 146.570.

**Energy and Environment
Natural Resources
Conservation**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,407,300	2,171,200	2,117,900	2,244,800	2,272,900
State Salary and Compensation Allocation	24,900	141,000	328,200		
Budget Reduction-General Fund	-106,600				
Mandated Expenditure Reductions	-108,300	-58,200	-33,900		
Total General Fund	2,217,300	2,254,000	2,412,200	2,244,800	2,272,900
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	9,000,000	9,000,000	6,000,000	3,000,000	2,500,000
Continuing Approp.-Tobacco Settlement	5,539,721	4,249,943	7,463,500		
Budget Reduction-General Fund Tobacco	-812,537	-2,207,692			
Total Tobacco Settlement - Phase I	13,727,184	11,042,251	13,463,500	3,000,000	2,500,000
Restricted Funds					
Balance Forward	1,548,891	1,542,075	1,957,600	1,222,900	611,500
Current Receipts	367,961	133,015	42,200	42,300	42,300
Non-Revenue Receipts	301,808	558,433	571,100	574,000	574,700
Fund Transfers			-600		
Total Restricted Funds	2,218,660	2,233,523	2,570,300	1,839,200	1,228,500
Federal Funds					
Balance Forward					
Current Receipts	1,076,907	1,704,907	1,635,900	1,788,200	1,788,100
Non-Revenue Receipts	-6,058	-4,241	-2,400	-2,500	-2,400
ARRA Receipts			100,000		
Total Federal Funds	1,070,849	1,700,666	1,733,500	1,785,700	1,785,700
TOTAL SOURCE OF FUNDS	19,233,993	17,230,440	20,179,500	8,869,700	7,787,100
EXPENDITURES BY CLASS					
Personnel Cost	1,552,787	1,501,593	1,525,300	1,307,700	1,335,100
Operating Expenses	132,401	177,284	184,600	119,200	119,200
Grants Loans Benefits	11,756,786	6,130,408	17,186,600	6,831,300	6,332,800
TOTAL EXPENDITURES	13,441,974	7,809,284	18,896,500	8,258,200	7,787,100
EXPENDITURES BY FUND SOURCE					
General Fund	2,217,300	2,254,000	2,352,100	2,244,800	2,272,900
Tobacco Settlement - Phase I	9,477,240	3,578,774	13,463,500	3,000,000	2,500,000
Restricted Funds	676,585	275,845	1,347,400	1,227,700	1,228,500
Federal Funds	1,070,849	1,700,666	1,733,500	1,785,700	1,785,700
TOTAL EXPENDITURES	13,441,974	7,809,284	18,896,500	8,258,200	7,787,100

The Division of Conservation provides assistance to Kentucky's 121 conservation districts in the development and implementation of sound conservation programs to protect, enhance, and develop the Commonwealth's natural resources. The Division works with the conservation districts to provide technical and financial assistance, including equipment loans, to Kentucky landowners for conservation and water quality-related work on Kentucky lands.

The Division administers the Kentucky Soil Erosion and Water Quality Cost Share Program and the Kentucky Soil Stewardship Program to help agricultural operations protect and preserve Kentucky's soil and water resources. The Division provides administrative services to the State Soil and Water Conservation Commission. The Division and the conservation districts provide educational opportunities to promote conservation of Kentucky's natural resources. These programs mitigate soil erosion, and other environmental problems associated with agricultural, woodland and construction operations which impact water quality.

Policy

The Budget of the Commonwealth provides Phase I Tobacco Settlement Funds of \$3,000,000 in fiscal year 2013 and \$2,500,000 in fiscal year 2014 for the state share of the Environmental Stewardship Program.

**Energy and Environment
Natural Resources
Oil and Gas**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		771,400	744,700	1,156,000	1,178,200
State Salary and Compensation Allocation	129,300	293,100	505,400		
Budget Reduction-General Fund	-39,800				
Reorganization Adjustment	697,600				
Mandated Expenditure Reductions		-30,300	-16,400		
Other	200,000	131,200			
Total General Fund	987,100	1,165,400	1,233,700	1,156,000	1,178,200
Restricted Funds					
Balance Forward	82,293	38,719	41,000	5,400	
Current Receipts	841,877	747,415	731,800	731,800	731,800
Fund Transfers		-19,800	-20,800		
Total Restricted Funds	924,170	766,333	752,000	737,200	731,800
TOTAL SOURCE OF FUNDS	1,911,270	1,931,733	1,985,700	1,893,200	1,910,000
EXPENDITURES BY CLASS					
Personnel Cost	1,484,564	1,484,379	1,514,100	1,554,200	1,590,400
Operating Expenses	327,720	347,518	349,900	276,200	256,800
Grants Loans Benefits	60,267	58,878	62,800	62,800	62,800
TOTAL EXPENDITURES	1,872,551	1,890,775	1,926,800	1,893,200	1,910,000
EXPENDITURES BY FUND SOURCE					
General Fund	987,100	1,165,400	1,180,200	1,156,000	1,178,200
Restricted Funds	885,451	725,375	746,600	737,200	731,800
TOTAL EXPENDITURES	1,872,551	1,890,775	1,926,800	1,893,200	1,910,000

The Division of Oil and Gas, pursuant to KRS Chapter 353, is responsible for the conservation of oil and gas resources of the Commonwealth and for the protection of correlative rights of mineral owners. The Division's mission is to prevent waste and unnecessary loss, to encourage the maximum recovery of oil and gas, to promote safety, and to prevent contamination of underground water resources. The Division is also charged with the collection of geological data obtained from the drilling of oil and gas wells for deposit in the Kentucky Geological Survey whose records are for public use. The Division is also responsible for the plugging of abandoned wells.

**Energy and Environment
Natural Resources
Mine Permits**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,379,000	1,306,500	1,163,100	1,212,700	1,238,400
State Salary and Compensation Allocation	92,400				
Budget Reduction-General Fund	-752,100				
Mandated Expenditure Reductions		-51,700	-189,200		
Other		164,600			
Total General Fund	2,719,300	1,419,400	973,900	1,212,700	1,238,400
Restricted Funds					
Balance Forward	268,297	167,767	517,500	124,800	110,300
Current Receipts	609,983	2,651,239	2,651,300	2,651,300	2,651,300
Non-Revenue Receipts	294,941	165,757	41,200	57,500	74,300
Fund Transfers		-39,900	-97,300		
Total Restricted Funds	1,173,222	2,944,863	3,112,700	2,833,600	2,835,900
Federal Funds					
Balance Forward					
Current Receipts	3,545,748	4,079,536	4,493,700	4,685,800	4,750,600
Non-Revenue Receipts	-166,411	-206,357	-216,200	-216,200	-216,200
Total Federal Funds	3,379,337	3,873,178	4,277,500	4,469,600	4,534,400
TOTAL SOURCE OF FUNDS	7,271,859	8,237,442	8,364,100	8,515,900	8,608,700
EXPENDITURES BY CLASS					
Personnel Cost	5,625,982	6,430,606	6,768,900	6,991,100	7,135,100
Operating Expenses	802,623	738,201	758,800	737,600	796,700
Grants Loans Benefits	675,486	551,065	676,900	676,900	676,900
TOTAL EXPENDITURES	7,104,092	7,719,872	8,204,600	8,405,600	8,608,700
EXPENDITURES BY FUND SOURCE					
General Fund	2,719,300	1,419,400	939,200	1,212,700	1,238,400
Restricted Funds	1,005,455	2,427,292	2,987,900	2,723,300	2,835,900
Federal Funds	3,379,337	3,873,179	4,277,500	4,469,600	4,534,400
TOTAL EXPENDITURES	7,104,092	7,719,872	8,204,600	8,405,600	8,608,700

The Division of Mine Permits, pursuant to KRS 350 and 405 KAR Chapter 8, reviews all surface mining permit applications in accordance with Kentucky law and the federal Surface Mining Control and Reclamation Act. The Division, pursuant to KRS 350.450 and 405 KAR 7:080, administers the federal Small Operator Assistance Program and pursuant to KRS 350.610, the Lands Unsuitable for Mining program. The Division, pursuant to KRS 350.060(13) and 405 KAR 8:040, also reviews underground mining permit applications to determine the surface effects of such operations.

**Energy and Environment
Natural Resources
Mine Reclamation and Enforcement**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,902,400	6,089,400	5,874,800	6,170,300	6,291,100
State Salary and Compensation Allocation	108,500	200,300	321,500		
Budget Reduction-General Fund	-828,800				
Mandated Expenditure Reductions		-186,600	-151,400		
Other		289,300			
Total General Fund	6,182,100	6,392,400	6,044,900	6,170,300	6,291,100
Restricted Funds					
Balance Forward	306,014	336,069	431,000		100,200
Current Receipts	121,373	90,258	111,500	124,500	124,500
Non-Revenue Receipts	27,262	96,670	-285,300	-3,100	-1,800
Fund Transfers	-1	-100			
Total Restricted Funds	454,648	522,897	257,200	121,400	222,900
Federal Funds					
Balance Forward					
Current Receipts	6,150,591	6,388,914	6,707,200	6,707,900	6,675,900
Non-Revenue Receipts	-304,561	-305,070	-311,200	-312,500	-298,400
Total Federal Funds	5,846,030	6,083,844	6,396,000	6,395,400	6,377,500
TOTAL SOURCE OF FUNDS	12,482,778	12,999,141	12,698,100	12,687,100	12,891,500
EXPENDITURES BY CLASS					
Personnel Cost	9,858,338	10,059,111	10,036,000	10,138,500	10,443,100
Operating Expenses	2,127,797	2,398,798	2,241,300	2,254,900	2,254,900
Grants Loans Benefits	149,818	110,170	180,000	193,500	193,500
Capital Outlay	10,756				
TOTAL EXPENDITURES	12,146,709	12,568,079	12,457,300	12,586,900	12,891,500
EXPENDITURES BY FUND SOURCE					
General Fund	6,182,100	6,392,400	5,804,100	6,170,300	6,291,100
Restricted Funds	118,580	91,835	257,200	21,200	222,900
Federal Funds	5,846,030	6,083,844	6,396,000	6,395,400	6,377,500
TOTAL EXPENDITURES	12,146,709	12,568,079	12,457,300	12,586,900	12,891,500

The Division of Mine Reclamation and Enforcement, pursuant to KRS 350, develops policies and procedures for reclamation and enforcement programs related to coal and non-coal minerals. The Division reviews permit applications for non-coal mineral operations pursuant to KRS 350.028 and 405 KAR 5:032. The Division conducts inspection programs to carry out these policies and procedures in accordance with applicable federal and state statutes. Pursuant to KRS 351 and 805 KAR Chapter 4, the Division is charged with ensuring the safety and regulation of all blasting operations within the Commonwealth, which includes the use, storage or transportation of explosives. The Division investigates citizens' complaints relating to surface mining and blasting activities.

**Energy and Environment
Natural Resources
DNR Bond Pool Fund**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	612	8,056	18,100		
Current Receipts					
Non-Revenue Receipts	65,400	74,600	56,500	70,500	65,000
Fund Transfers			-2,700		
Total Restricted Funds	66,012	82,656	71,900	70,500	65,000
TOTAL SOURCE OF FUNDS	66,012	82,656	71,900	70,500	65,000
EXPENDITURES BY CLASS					
Personnel Cost	55,919	63,726	69,700	68,300	62,800
Operating Expenses	2,037	843	2,200	2,200	2,200
TOTAL EXPENDITURES	57,956	64,569	71,900	70,500	65,000
EXPENDITURES BY FUND SOURCE					
Restricted Funds	57,956	64,569	71,900	70,500	65,000
TOTAL EXPENDITURES	57,956	64,569	71,900	70,500	65,000

The Abandoned Mine Lands Bond Pool Reclamation Fund, pursuant to KRS 350.595, provides the additional money necessary to reclaim permitted mine areas. In the event that an entire bond is not needed to complete the required reclamation on a permit, the remaining balance is deposited into the Fund.

**Energy and Environment
Natural Resources
Abandoned Mine Lands**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	1,036,929	858,941	875,800	152,900	92,600
Current Receipts	67,510	73,529	22,600	21,400	21,400
Non-Revenue Receipts	4,792,552	2,883,299	8,056,400	8,907,300	8,886,100
Fund Transfers			-10,400		
Total Restricted Funds	5,896,992	3,815,769	8,944,400	9,081,600	9,000,100
Federal Funds					
Balance Forward		1			
Current Receipts	6,368,188	6,681,521	8,712,500	8,947,900	9,088,600
Non-Revenue Receipts	-348,875	-317,799	-317,800	-323,300	-317,800
Total Federal Funds	6,019,314	6,363,722	8,394,700	8,624,600	8,770,800
TOTAL SOURCE OF FUNDS	11,916,305	10,179,491	17,339,100	17,706,200	17,770,900
EXPENDITURES BY CLASS					
Personnel Cost	8,893,565	7,335,543	11,462,800	11,886,400	12,047,200
Operating Expenses	771,226	767,408	885,100	891,900	888,400
Grants Loans Benefits	44,016	17,656	629,200	629,200	629,200
Capital Outlay	60,555	65,475	808,000	805,000	805,000
Construction	1,288,002	1,117,625	3,401,100	3,401,100	3,401,100
TOTAL EXPENDITURES	11,057,364	9,303,708	17,186,200	17,613,600	17,770,900
EXPENDITURES BY FUND SOURCE					
Restricted Funds	5,038,051	2,939,987	8,791,500	8,989,000	9,000,100
Federal Funds	6,019,313	6,363,721	8,394,700	8,624,600	8,770,800
TOTAL EXPENDITURES	11,057,364	9,303,708	17,186,200	17,613,600	17,770,900

The Division of Abandoned Mine Lands administers abandoned or unreclaimed land reclamation activities on previously surface-mined land or land used in connection with surface mining under Title IV of Public Law 95-87 and/or KRS 350.550 to KRS 350.597.

The division administers a bond forfeiture reclamation program; bonds forfeited to the commonwealth due to the failure to mine and reclaim a coal mine site to the standards specified by the mine permit, the forfeited funds are used by the state to reclaim the site for which the bond was posted.

The division administers a water supply replacement program which extends waterlines into areas where drinking water has been contaminated by past mining. The division budgets up to 30 percent of its annual funding on waterline projects each year. Federal funds for this program are provided from federal tax levies imposed under Public Law 95-87 on all coal mined since August 3, 1977. Approximately 150,000 acres of abandoned mine lands in Kentucky are eligible for reclamation. All state and partial federal project contracts are administered by this agency.

**Energy and Environment
Natural Resources
Bond Pool Reclamation Fund**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	742,275	848,806	795,400	484,500	173,600
Non-Revenue Receipts	206,056				137,300
Total Restricted Funds	948,331	848,806	795,400	484,500	310,900
TOTAL SOURCE OF FUNDS	948,331	848,806	795,400	484,500	310,900
EXPENDITURES BY CLASS					
Personnel Cost	99,525	53,431	310,900	310,900	310,900
TOTAL EXPENDITURES	99,525	53,431	310,900	310,900	310,900
EXPENDITURES BY FUND SOURCE					
Restricted Funds	99,525	53,431	310,900	310,900	310,900
TOTAL EXPENDITURES	99,525	53,431	310,900	310,900	310,900

The Bond Pool Fund, pursuant to KRS 350.700, provides an alternative bonding source for permittees of a surface coal mining operations in Kentucky. Program participants must meet the criteria set forth in KRS 350.720 and 405 KAR 10:200. A seven-member Bond Pool Commission, pursuant to KRS 350.705, reviews and approves applications for bonding under the Bond Pool Fund.

**Energy and Environment
Natural Resources
Abandoned Mine Land Reclamation Projects**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
Federal Funds					
Balance Forward					
Current Receipts	20,331,282	21,272,124	28,758,700	28,758,700	28,758,700
Non-Revenue Receipts	-3,936,378	-1,000,000			
Total Federal Funds	16,394,903	20,272,125	28,758,700	28,758,700	28,758,700
TOTAL SOURCE OF FUNDS	16,394,903	20,272,125	28,758,700	28,758,700	28,758,700
EXPENDITURES BY CLASS					
Personnel Cost	282,981	340,617	2,275,000	2,275,000	1,525,000
Grants Loans Benefits	10,752,475	12,204,232	11,802,000	8,732,600	11,210,100
Construction	5,359,447	7,727,276	14,681,700	17,751,100	16,023,600
TOTAL EXPENDITURES	16,394,903	20,272,124	28,758,700	28,758,700	28,758,700
EXPENDITURES BY FUND SOURCE					
Federal Funds	16,394,903	20,272,124	28,758,700	28,758,700	28,758,700
TOTAL EXPENDITURES	16,394,903	20,272,124	28,758,700	28,758,700	28,758,700

The Abandoned Mine Lands (AML) Reclamation Projects program in the Department for Natural Resources receives 100 percent federal funding for the reclamation of certain mine sites that have been abandoned or left unreclaimed under Title IV of Public Law 95-87 or KRS 350. If the Commonwealth does not maintain an approved AML Reclamation program, federal funds allocated for reclamation projects within Kentucky may be reallocated to other coal-producing states. The Department reclaims abandoned mine sites through a priority ranking system based on human health and safety considerations.

**Energy and Environment
Natural Resources
Mine Safety Review Commission**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	187,100	156,800	159,200	152,600	154,800
State Salary and Compensation Allocation		7,000	10,100		
Budget Reduction-General Fund Mandated Expenditure Reductions	-27,900				
		-4,700	-5,600		
Total General Fund	159,200	159,100	163,700	152,600	154,800
Restricted Funds					
Balance Forward	10,489	8,357	5,800		
Total Restricted Funds	10,489	8,357	5,800		
TOTAL SOURCE OF FUNDS	169,689	167,457	169,500	152,600	154,800
EXPENDITURES BY CLASS					
Personnel Cost	148,634	144,720	146,100	140,700	143,300
Operating Expenses	12,698	16,950	18,500	11,900	11,500
TOTAL EXPENDITURES	161,332	161,670	164,600	152,600	154,800
EXPENDITURES BY FUND SOURCE					
General Fund	159,200	159,100	158,800	152,600	154,800
Restricted Funds	2,132	2,570	5,800		
TOTAL EXPENDITURES	161,332	161,670	164,600	152,600	154,800

The Mine Safety Review Commission, pursuant to KRS Chapter 351, protects the health and safety of coal miners by ensuring the enforcement of mine safety regulations. Its three members, appointed by the governor, conduct hearings on drug and safety violations and impose penalties for serious violations. The Commission has the power to probate, revoke or suspend a mine's license or an individual miner's certification and fine certified miners up to the equivalent of wages for ten working days for their first offense.

The Commission is an independent agency attached to the Energy and Environment Cabinet for administrative purposes only.

**Energy and Environment
Natural Resources
Mine Safety and Licensing**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	13,198,300	13,560,800	13,750,200	13,524,000	13,704,700
State Salary and Compensation Allocation	180,700		36,400		
Current Year Appropriation			952,000		
Budget Reduction-General Fund	-1,582,600				
Mandated Expenditure Reductions		-614,500	-593,400		
Other	-200,000	-800,900	-296,600		
Total General Fund	11,596,400	12,145,400	13,848,600	13,524,000	13,704,700
Restricted Funds					
Balance Forward	782,657	1,518,275	551,800	36,700	160,000
Current Receipts	698,326	746,923	636,000	658,100	658,100
Non-Revenue Receipts	2,284,826	29,790	32,800	30,000	30,000
Fund Transfers		-112,200	-297,300		
Total Restricted Funds	3,765,809	2,182,788	923,300	724,800	848,100
Federal Funds					
Balance Forward		-1			
Current Receipts	677,808	594,621	646,100	612,000	612,000
Non-Revenue Receipts	-32,826	-29,790	-32,800	-30,000	-30,000
Total Federal Funds	644,982	564,829	613,300	582,000	582,000
TOTAL SOURCE OF FUNDS	16,007,191	14,893,018	15,385,200	14,830,800	15,134,800
EXPENDITURES BY CLASS					
Personnel Cost	12,356,388	12,107,815	11,717,400	12,022,200	12,440,300
Operating Expenses	1,958,580	2,059,182	2,390,800	2,466,600	2,512,500
Grants Loans Benefits	173,949	156,328	174,000	182,000	182,000
Capital Outlay		17,878	185,200		
TOTAL EXPENDITURES	14,488,917	14,341,203	14,467,400	14,670,800	15,134,800
EXPENDITURES BY FUND SOURCE					
General Fund	11,596,400	12,145,400	12,967,500	13,524,000	13,704,700
Restricted Funds	2,247,533	1,630,972	886,600	564,800	848,100
Federal Funds	644,984	564,831	613,300	582,000	582,000
TOTAL EXPENDITURES	14,488,917	14,341,203	14,467,400	14,670,800	15,134,800
EXPENDITURES BY UNIT					
Mine Safety and Licensing-Administrative Support	1,052,690	1,024,500	1,020,800	1,035,000	1,015,800
Safety Inspection and Licensing	8,346,734	8,489,641	8,118,700	8,491,100	8,640,700
Safety Analysis, Training and Certification	5,089,493	4,827,062	5,327,900	5,144,700	5,478,300
TOTAL EXPENDITURES	14,488,917	14,341,203	14,467,400	14,670,800	15,134,800

The Office of Mine Safety and Licensing, pursuant to KRS Chapter 351, is responsible for the regulation of mining practices to prevent injuries and fatalities in underground, strip, and auger mines.

The Office trains, tests, and licenses mine personnel. Its mine safety instructors provide general and technical safety training and education courses to mine personnel to maintain an adequate number of certified and qualified personnel for the mining industry. Moreover, the agency encourages safe work habits of coal miners by providing quality on-the-job, one-on-one safety training for surface and underground miners.

The Office licenses all underground and surface coal mines in the Commonwealth. It issues permits for specific mining methods including the use of diesel equipment, roof control, extended cuts, mining near oil and gas wells, and additional mine openings. The agency inspects mines and investigates illegal mining operations.

The Office develops and maintains a database to track information about each mining operation. The database includes the

number of miners employed by the mine, type of operations, type of worker's compensation insurance, and the number and type of mining law violations, closures, and abatements for each mine and mine operator. A second database provides information on all individuals certified as surface mine foremen, surface mine safety analysts, underground mine foremen, underground mine instructors, underground mine inspectors, and electrical inspectors.

The Office administers drug testing of all miners as a condition of certification. A data base is maintained on the status of those miners whose certifications have been revoked as a result of testing positive for drugs. The Office provides administrative oversight of the Kentucky Mining Board.

Federal Law 30 CFR, Section 49, requires mine rescue teams to be stationed within one hour of each active coal mine and to be trained and knowledgeable about each mine the team covers. The Commonwealth, through the Office of Mine Safety and Licensing, provides state-sponsored mine rescue teams to help Kentucky's mines comply with this federal regulation.

Policy

Included in the above General Fund appropriation is \$7,552,000 for fiscal year 2013 and fiscal year 2014 to provide state-sponsored mine rescue teams pursuant to KRS 351.191 as well as for staff including mine inspectors, mine safety analysts, and mine safety instructors to comply with the increased inspection and training requirements of KRS 351.140 and KRS 351.242. The originating source of this General Fund money is the Coal Severance Tax.

Energy and Environment
Energy Development and Independence

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,452,300	1,462,600	1,448,000	1,324,400	1,347,800
State Salary and Compensation Allocation	37,400	40,200	57,500		
Budget Reduction-General Fund	-148,600				
Reorganization Adjustment	-697,600				
Mandated Expenditure Reductions	-131,500	-72,400	-86,200		
Total General Fund	1,512,000	1,430,400	1,419,300	1,324,400	1,347,800
Restricted Funds					
Balance Forward	1,965,805	2,181,778	3,301,500	3,231,500	1,748,300
Current Receipts		16,476	10,100	10,100	10,100
Non-Revenue Receipts	4,160,364	3,953,163	3,878,700	3,732,800	3,474,000
Fund Transfers		-4,500	-39,900		
Total Restricted Funds	6,126,170	6,146,917	7,150,400	6,974,400	5,232,400
Federal Funds					
Balance Forward	21	37,969			
Current Receipts	632,946	497,015	1,381,000	1,191,800	1,109,900
Non-Revenue Receipts	-399,496	-322,190	-458,700	-312,800	-54,000
ARRA Receipts	5,039,159	27,309,778	22,873,900	7,807,900	168,300
Total Federal Funds	5,272,630	27,522,573	23,796,200	8,686,900	1,224,200
TOTAL SOURCE OF FUNDS	12,910,800	35,099,889	32,365,900	16,985,700	7,804,400
EXPENDITURES BY CLASS					
Personnel Cost	3,119,562	9,239,678	8,192,800	2,841,400	2,899,600
Operating Expenses	329,754	301,415	341,800	296,800	296,900
Grants Loans Benefits	7,241,738	18,607,229	20,528,100	12,099,200	4,607,900
Capital Outlay		3,650,000			
TOTAL EXPENDITURES	10,691,053	31,798,322	29,062,700	15,237,400	7,804,400
EXPENDITURES BY FUND SOURCE					
General Fund	1,512,000	1,430,400	1,347,600	1,324,400	1,347,800
Restricted Funds	3,944,392	2,845,349	3,918,900	5,226,100	5,232,400
Federal Funds	5,234,661	27,522,573	23,796,200	8,686,900	1,224,200
TOTAL EXPENDITURES	10,691,053	31,798,322	29,062,700	15,237,400	7,804,400
EXPENDITURES BY UNIT					
Energy Development and Independence	10,691,053	31,798,322	29,062,700	15,237,400	7,804,400
TOTAL EXPENDITURES	10,691,053	31,798,322	29,062,700	15,237,400	7,804,400

The Department for Energy Development and Independence is comprised of the following divisions: Division of Efficiency and Conservation; Division of Renewable Energy; Division of Biofuels; Division of Energy Generation Transmission and Distribution; Division of Carbon Management; and Division of Fossil Energy Development.

The Department oversees the development and implementation of Kentucky's comprehensive energy strategy, *Intelligent Energy Choices for Kentucky's Future*. The Department provides leadership to enhance the benefits of energy efficiency and alternative energy through supporting awareness, technology development, energy preparedness, partnerships and resource development. The Department also enhances the economic opportunities and benefits to Kentucky's citizens and industry by expanding current markets and developing market opportunities for Kentucky coal, natural gas, petroleum, oil shale, tar sands, liquid and gaseous fuels from coal, and chemicals from coal.

To the extent that funding is available the Department administers grant programs to support energy-related research, development and demonstration, including supporting multi-state cooperative regional partnerships and research initiatives. The Department develops and implements programs for the production, utilization and conservation of energy in a manner that meets basic needs while maintaining Kentucky's economic growth at the highest feasible level.

The Department enters into agreements, administers grant programs and serves as a liaison with the federal government and

other states in matters relating to energy; and participates in the review of applications and, upon request of the Kentucky Economic Development Finance Authority, assists in monitoring tax incentive agreements as provided in Subchapter 27 of KRS 154.

Policy

Included in the Budget of the Commonwealth is \$3,500,000 in Restricted Funds in each fiscal year for research grants. These funds will originate from the Local Government Economic Development Fund Multi-county Fund (coal severance tax). In each fiscal year of the biennium, \$1,000,000 of these funds are reserved for the University of Kentucky Center for Applied Energy Research for research and development activities, but shall not be expended unless matched with federal or private funds. In addition, \$350,000 in fiscal year 2013 of these funds shall be transferred to the University of Kentucky Mining Engineering Program to be used for the development of an underground laboratory for developing, testing and improving all aspects of mining technologies.

Included in the Budget of the Commonwealth is \$400,000 in each fiscal year to be paid to the State Treasury and credited to the Department for Energy Development and Independence for the purpose of public education of coal-related issues pursuant to KRS 132.020(5).

**Energy and Environment
Environmental Quality Commission**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	12,709	60,974	54,900		
Non-Revenue Receipts	239,100	196,400	200,800	222,000	223,400
Fund Transfers		-7,300	-16,700		
Total Restricted Funds	251,809	250,074	239,000	222,000	223,400
TOTAL SOURCE OF FUNDS	251,809	250,074	239,000	222,000	223,400
EXPENDITURES BY CLASS					
Personnel Cost	169,430	175,028	211,000	189,100	193,500
Operating Expenses	21,405	20,167	28,000	32,900	29,900
TOTAL EXPENDITURES	190,835	195,195	239,000	222,000	223,400
EXPENDITURES BY FUND SOURCE					
Restricted Funds	190,835	195,195	239,000	222,000	223,400
TOTAL EXPENDITURES	190,835	195,195	239,000	222,000	223,400
EXPENDITURES BY UNIT					
Environmental Quality Commission	190,835	195,195	239,000	222,000	223,400
TOTAL EXPENDITURES	190,835	195,195	239,000	222,000	223,400

Pursuant to KRS 224.01-100 to 224.01-115, the Environmental Quality Commission is an independent citizen board with seven members representing various interests and geographic areas of the state. The Commission serves as a public forum for discussion and resolution of environmental issues. The Commission advises the Governor and the Energy and Environment Cabinet on environmental rules, regulations, policies, plans, and procedures.

The Environmental Quality Commission is administratively attached to the Energy and Environment Cabinet.

**Energy and Environment
Kentucky Nature Preserves Commission**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,181,100	1,041,300	1,030,900	979,700	1,000,900
State Salary and Compensation Allocation	19,000	48,000	51,200		
Budget Reduction-General Fund	-79,700				
Mandated Expenditure Reductions	-53,100	-33,600	-36,600		
Total General Fund	1,067,300	1,055,700	1,045,500	979,700	1,000,900
Restricted Funds					
Balance Forward	321,247	303,571	358,300	215,000	150,000
Current Receipts	213,452	218,268	226,400	179,400	142,800
Non-Revenue Receipts	90,236	95,917	38,300	83,400	83,400
Fund Transfers		-4,700	-10,700		
Total Restricted Funds	624,935	613,055	612,300	477,800	376,200
Federal Funds					
Balance Forward	569	67			
Current Receipts	55,134	57,402	1,180,200	53,600	53,600
Non-Revenue Receipts	-1,682	-1,003	-3,300	-3,400	-3,400
Total Federal Funds	54,022	56,465	1,176,900	50,200	50,200
TOTAL SOURCE OF FUNDS	1,746,257	1,725,220	2,834,700	1,507,700	1,427,300
EXPENDITURES BY CLASS					
Personnel Cost	1,243,937	1,191,069	1,164,200	1,195,900	1,226,700
Operating Expenses	173,859	175,921	197,000	83,800	82,400
Grants Loans Benefits	24,823		1,194,500	78,000	78,000
Capital Outlay			25,000		
TOTAL EXPENDITURES	1,442,620	1,366,990	2,580,700	1,357,700	1,387,100
EXPENDITURES BY FUND SOURCE					
General Fund	1,067,300	1,055,700	1,006,500	979,700	1,000,900
Restricted Funds	321,365	254,825	397,300	327,800	336,000
Federal Funds	53,955	56,465	1,176,900	50,200	50,200
TOTAL EXPENDITURES	1,442,620	1,366,990	2,580,700	1,357,700	1,387,100
EXPENDITURES BY UNIT					
Kentucky Nature Preserves Commission	1,442,620	1,366,990	2,580,700	1,357,700	1,387,100
TOTAL EXPENDITURES	1,442,620	1,366,990	2,580,700	1,357,700	1,387,100

Pursuant to KRS 146.410-146.530, the Kentucky State Nature Preserves Commission's mission is two-fold: to inventory the Commonwealth for its natural diversity, including its plants, animal life, biological communities, and areas of natural significance, and to protect these natural features by establishing a system of nature preserves. Pursuant to KRS 224.10-022, the Commission is attached to the Energy and Environment Cabinet.

Acquisition and management funds for the agency are derived through a tax refund check-off system authorized in KRS 141.450-141.480, through gifts, grants, devises and bequests pursuant to KRS 146.465, and through allocations from the Kentucky Heritage Land Conservation Fund pursuant to KRS 146.570. The Commission, together with the Kentucky Department of Fish and Wildlife Resources, shares equally the receipts generated by the Non-game Species Protection and Habitat Acquisition program.

**Energy and Environment
Public Service Commission**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	13,000,000	13,000,000	13,000,000	15,000,000	15,000,000
State Salary and Compensation Allocation	169,800	321,100	460,100		
Continuing Approp.-General Fund	831,271	498,064	409,700		
Budget Reduction-General Fund	-935,100				
Mandated Expenditure Reductions	-3,195,700	-4,093,300	-471,400		
Total General Fund	9,870,271	9,725,864	13,398,400	15,000,000	15,000,000
Restricted Funds					
Balance Forward	124,726	22,838	9,300	9,300	61,800
Current Receipts	26,410	63,922	11,000	11,000	11,000
Non-Revenue Receipts	9,469	36,981	200,000	400,000	200,000
Total Restricted Funds	160,605	123,742	220,300	420,300	272,800
Federal Funds					
Balance Forward			66,000		
Current Receipts	309,956	315,375	167,000	214,500	228,900
Non-Revenue Receipts	-54,680	-2,799			
ARRA Receipts	69,201	317,443	384,400	192,800	
Total Federal Funds	324,477	630,018	617,400	407,300	228,900
TOTAL SOURCE OF FUNDS	10,355,353	10,479,624	14,236,100	15,827,600	15,501,700
EXPENDITURES BY CLASS					
Personnel Cost	7,991,414	7,948,118	8,069,800	8,139,300	8,057,400
Operating Expenses	1,254,036	1,396,415	1,506,700	1,495,000	1,490,200
Debt Service	589,000	589,000	589,000	589,000	589,000
Capital Outlay		60,972			
TOTAL EXPENDITURES	9,834,450	9,994,505	10,165,500	10,223,300	10,136,600
EXPENDITURES BY FUND SOURCE					
General Fund	9,372,207	9,316,103	9,337,100	9,457,500	9,684,600
Restricted Funds	137,767	114,408	211,000	358,500	223,100
Federal Funds	324,477	563,994	617,400	407,300	228,900
TOTAL EXPENDITURES	9,834,450	9,994,505	10,165,500	10,223,300	10,136,600
EXPENDITURES BY UNIT					
Commission Operations	4,511,648	4,871,624	4,976,400	4,871,000	4,659,500
Financial Analysis	1,577,743	1,402,321	1,471,500	1,390,400	1,420,400
Engineering	1,452,321	1,415,443	1,365,300	1,457,000	1,487,000
Division of Filings	1,416,686	1,475,654	1,501,200	1,614,500	1,645,400
Consumer Services	392,068	346,405	346,500	403,400	411,500
Gas Pipeline Safety	483,985	483,059	504,600	487,000	512,800
TOTAL EXPENDITURES	9,834,450	9,994,505	10,165,500	10,223,300	10,136,600

The Public Service Commission, pursuant to KRS Chapter 278, regulates the intrastate rates and services of over 500 investor-owned electric, natural gas, telephone, water and sewage utilities, rural electric and telephone cooperatives, and water districts. The three-member Commission performs its regulatory functions through written orders following adjudicative and rulemaking procedures outlined in statute. The Commission is an independent agency attached to the Energy and Environment Cabinet for administrative purposes only.

The Commission's goal is to ensure that every utility charges fair, just, and reasonable rates for the services rendered and that those services are adequate and efficient.

The agency is funded by an assessment of all utilities under the Commission's jurisdiction based on the annual gross intrastate revenues.

The Commission staff is organized into the Divisions of Consumer Services, Filings, Engineering, and Financial Analysis and

Gas Pipeline Safety.

Policy

The Budget of the Commonwealth includes \$5,542,500 in fiscal year 2013 and \$5,315,400 in fiscal year 2014 that shall lapse to the credit of the General Fund from the Public Service Commission.

Included in the above Restricted Fund appropriation is \$200,000 in fiscal year 2012-2013 which shall be used to study the impact of utility rates on the aluminum smelting industry in the Commonwealth. The source of these funds is Local Government Economic Development Fund, Multi-County Fund.

Finance and Administration

Finance and Administration

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	568,970,900	466,847,300	444,934,300	575,958,700	591,630,600
State Salary and Compensation Allocation	1,256,600	4,210,200	6,258,400		
Special Appropriation	3,113,600				
Budget Reduction-General Fund	-85,469,300				
Mandated Expenditure Reductions	-188,850,800	-92,019,300	-59,322,100		
Reorganization Adjustment	81,400				
Total General Fund	299,102,400	379,038,200	391,870,600	575,958,700	591,630,600
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	24,273,900	19,021,600	30,550,700	28,566,900	30,935,800
Continuing Approp.-Tobacco Settlement	2,725,487	2,916,194	100		
Budget Reduction-General Fund Tobacco	-6,681,888	-28,383	-2,717,200		
Total Tobacco Settlement - Phase I	20,317,499	21,909,411	27,833,600	28,566,900	30,935,800
Restricted Funds					
Balance Forward	51,704,618	49,901,744	56,773,300	45,518,000	31,712,200
Current Receipts	144,428,014	154,563,379	147,523,500	147,230,200	147,645,100
Non-Revenue Receipts	5,277,827	4,478,495	6,253,400	8,325,700	8,358,800
Fund Transfers	-18,543,000	-7,709,000	-19,292,400	-6,750,000	-6,750,000
Total Restricted Funds	182,867,459	201,234,617	191,257,800	194,323,900	180,966,100
Federal Funds					
Balance Forward		201,304			
Current Receipts	7,933,819	2,440,153	2,438,900	3,550,000	3,550,000
Non-Revenue Receipts	-628,743	125,244	1,200		
ARRA Receipts	14,544,437	30,048,443	31,808,000	471,700	291,000
Total Federal Funds	21,849,513	32,815,143	34,248,100	4,021,700	3,841,000
Road Fund					
Regular Appropriation	2,725,000	2,725,000	2,725,000	3,120,400	3,120,400
Current Year Appropriation			395,400		
Total Road Fund	2,725,000	2,725,000	3,120,400	3,120,400	3,120,400
TOTAL SOURCE OF FUNDS	526,861,871	637,722,371	648,330,500	805,991,600	810,493,900
EXPENDITURES BY CLASS					
Personnel Cost	168,927,262	182,525,734	171,366,600	191,987,400	195,777,700
Operating Expenses	98,410,391	94,104,496	107,867,300	114,040,200	115,009,800
Grants Loans Benefits	22,685,349	32,965,401	34,761,400	4,021,100	233,000
Debt Service	163,760,441	231,433,031	252,965,400	432,676,500	451,401,200
Capital Outlay	11,215,371	15,628,834	9,393,400	16,365,400	16,316,700
Construction	6,092	9,006			
TOTAL EXPENDITURES	465,004,907	556,666,503	576,354,100	759,090,600	778,738,400
EXPENDITURES BY FUND SOURCE					
General Fund	290,270,388	357,763,779	369,442,100	563,063,500	578,735,400
Tobacco Settlement - Phase I	17,401,304	18,901,169	23,901,500	26,273,300	28,642,200
Restricted Funds	132,965,715	144,461,413	145,739,800	162,611,700	164,399,400
Federal Funds	21,648,209	32,815,142	34,248,100	4,021,700	3,841,000
Road Fund	2,719,291	2,725,000	3,022,600	3,120,400	3,120,400
TOTAL EXPENDITURES	465,004,907	556,666,503	576,354,100	759,090,600	778,738,400
EXPENDITURES BY UNIT					
General Administration	50,254,665	66,988,692	64,797,200	37,571,900	37,871,300
Controller	15,418,222	13,028,524	15,372,300	16,773,500	16,911,700
Debt Service	163,760,441	231,402,899	252,935,300	432,424,400	450,387,100
Facilities and Support Services	38,516,715	40,583,311	41,455,700	43,904,800	46,301,300

County Costs	17,579,331	18,234,518	18,442,300	18,436,200	18,436,200
Commonwealth Office of Technology	58,308,181	62,735,052	64,639,400	74,523,000	74,371,200
Revenue	81,214,659	82,454,914	80,273,300	95,348,900	93,594,900
Property Valuation Administrators	39,952,691	41,238,594	38,438,600	40,107,900	40,864,700
TOTAL EXPENDITURES	465,004,907	556,666,503	576,354,100	759,090,600	778,738,400

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

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

Finance and Administration
General Administration

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	8,483,400	7,126,900	7,055,600	6,644,500	6,784,300
State Salary and Compensation Allocation	161,900	303,800	434,000		
Budget Reduction-General Fund	-894,600				
Mandated Expenditure Reductions	-373,900	-523,200	-503,400		
Total General Fund	7,376,800	6,907,500	6,986,200	6,644,500	6,784,300
Restricted Funds					
Balance Forward	17,575,855	21,109,881	21,469,100	9,753,200	8,487,900
Current Receipts	32,175,593	31,512,957	28,156,900	28,075,000	28,075,000
Non-Revenue Receipts	401,351	595,000	500,000	687,100	700,000
Fund Transfers	-6,293,000	-3,506,400	-13,158,200	-3,000,000	-3,000,000
Total Restricted Funds	43,859,798	49,711,437	36,967,800	35,515,300	34,262,900
Federal Funds					
Balance Forward		1			
Current Receipts	6,418,076	2,433,491	2,438,900	3,500,000	3,500,000
Non-Revenue Receipts	-502,926				
ARRA Receipts	13,812,805	29,005,317	28,095,600		
Total Federal Funds	19,727,955	31,438,808	30,534,500	3,500,000	3,500,000
Road Fund					
Regular Appropriation	400,000	400,000	400,000	400,000	400,000
Total Road Fund	400,000	400,000	400,000	400,000	400,000
TOTAL SOURCE OF FUNDS	71,364,554	88,457,745	74,888,500	46,059,800	44,947,200
EXPENDITURES BY CLASS					
Personnel Cost	10,180,998	9,588,643	9,955,400	9,762,000	10,064,100
Operating Expenses	16,465,059	18,266,157	20,207,300	20,052,200	20,049,500
Grants Loans Benefits	19,727,954	31,438,807	30,534,500	3,500,000	3,500,000
Capital Outlay	3,880,654	7,695,084	4,100,000	4,257,700	4,257,700
TOTAL EXPENDITURES	50,254,665	66,988,692	64,797,200	37,571,900	37,871,300
EXPENDITURES BY FUND SOURCE					
General Fund	7,376,794	6,907,439	6,655,500	6,644,500	6,784,300
Restricted Funds	22,749,917	28,242,446	27,214,600	27,027,400	27,187,000
Federal Funds	19,727,954	31,438,807	30,534,500	3,500,000	3,500,000
Road Fund	400,000	400,000	392,600	400,000	400,000
TOTAL EXPENDITURES	50,254,665	66,988,692	64,797,200	37,571,900	37,871,300
EXPENDITURES BY UNIT					
Secretary	1,725,436	1,846,900	1,797,100	1,696,600	1,736,000
Office of General Counsel	2,221,900	1,660,239	2,127,400	1,951,300	1,989,300
Office of Administrative Services	2,912,446	2,821,622	2,826,100	2,753,900	2,779,000
Fleet Management	20,215,215	25,813,916	23,967,800	24,097,500	24,137,900
Postal Services	2,478,245	2,532,491	2,714,300	2,741,500	2,883,800
Policy and Audit	973,469	874,715	830,000	831,100	845,300
Weatherization	19,727,954	31,438,807	30,534,500	3,500,000	3,500,000
TOTAL EXPENDITURES	50,254,665	66,988,692	64,797,200	37,571,900	37,871,300

The General Administration appropriation unit provides coordination and management of the Cabinet. It is comprised of the Office of the Secretary, Office of Public Information, Office of General Counsel, Office of Equal Employment Opportunity and Contract Compliance, Office of Policy and Audit, and Office of Administrative Services.

The Office of the Secretary, including the Office of Public Information, develops executive policy and directs the overall management of the Commonwealth's property and financial assets. Office staff coordinates fiscal and personnel administration

for the Cabinet, reviews all internal reorganizations, prepares the Cabinet legislative package, and handles inquiries and issues that arise from the General Assembly, the news media, and the general public. The Secretary of Finance serves on numerous boards and commissions including the Kentucky Economic Development Partnership Board, the Kentucky Economic Development Finance Authority, the Kentucky Infrastructure Authority, the Kentucky Higher Education Assistance Authority, and the Kentucky Housing Corporation.

The Office of Equal Employment Opportunity (EEO) and Contract Compliance is responsible for developing, implementing, and monitoring the Finance and Administration Cabinet's affirmative action plan as required by KRS 18A.138. The Office also monitors all contracts in excess of \$250,000 awarded by the Cabinet to ensure compliance with the affirmative action provisions of the Kentucky Equal Opportunity Act.

The Office of General Counsel provides legal services to the departments of the Finance and Administration Cabinet and Cabinet-related entities. Members of this office represent the Secretary of the Cabinet in civil litigation. The unit also reviews legislation being considered by the General Assembly.

The Office of Administrative Services manages personnel, fiscal policy, and payroll functions for all units within the Finance and Administration Cabinet, the Governor's Office, the Executive Branch Ethics Commission, the School Facilities Construction Commission, and the Lieutenant Governor's Office. This unit prepares the Cabinet's budget and manages the Cabinet's personal property inventory. The Office also has responsibility for the management and oversight of the Division of Postal Services and the Division of Fleet Management.

The Division of Postal Services has recently consolidated from five locations into one mail management center which provides a more secure environment for the Commonwealth's mail. The Division provides messenger service to all state agencies and performs mail processing functions for over 125 state agencies. This division advises agencies about USPS rules, regulations, and services. The Division of Fleet Management manages and maintains the Commonwealth's vehicle fleet for use by state agencies and employees.

**Finance and Administration
Controller**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	8,077,600	5,929,200	5,869,900	6,077,800	6,143,800
State Salary and Compensation Allocation	89,600	164,000	234,200		
Budget Reduction-General Fund	-830,300				
Mandated Expenditure Reductions	-413,900	-177,600	-89,500		
Total General Fund	6,923,000	5,915,600	6,014,600	6,077,800	6,143,800
Restricted Funds					
Balance Forward	5,551,077	5,767,429	4,441,600	3,341,500	1,489,300
Current Receipts	2,722,569	2,998,439	2,393,500	2,175,000	2,589,900
Non-Revenue Receipts	4,639,054	3,952,268	6,420,300	7,418,500	7,438,700
Fund Transfers		-1,163,500	-374,300	-750,000	-750,000
Total Restricted Funds	12,912,701	11,554,635	12,881,100	12,185,000	10,767,900
Federal Funds					
Current Receipts	1,350,000				
Total Federal Funds	1,350,000				
TOTAL SOURCE OF FUNDS	21,185,701	17,470,235	18,895,700	18,262,800	16,911,700
EXPENDITURES BY CLASS					
Personnel Cost	6,942,638	7,069,446	8,117,400	10,705,700	10,840,200
Operating Expenses	6,676,584	5,957,581	7,254,900	6,067,800	6,071,500
Grants Loans Benefits	1,350,000				
Capital Outlay	449,000	1,497			
TOTAL EXPENDITURES	15,418,222	13,028,524	15,372,300	16,773,500	16,911,700
EXPENDITURES BY FUND SOURCE					
General Fund	6,922,950	5,915,462	5,832,700	6,077,800	6,143,800
Restricted Funds	7,145,272	7,113,062	9,539,600	10,695,700	10,767,900
Federal Funds	1,350,000				
TOTAL EXPENDITURES	15,418,222	13,028,524	15,372,300	16,773,500	16,911,700
EXPENDITURES BY UNIT					
Controller	3,601,100	2,416,646	2,619,700	2,517,100	2,543,900
Local Government Services	757,839	726,786	735,400	594,600	605,300
Financial Management	3,999,174	2,881,537	4,045,200	4,788,100	4,824,300
Procurement Services	1,550,000	1,295,238	1,414,100	1,458,900	1,487,400
Customer Resource Center	3,185,196	4,745,313	5,229,600	6,117,200	6,117,200
State Risk and Insurance Services	974,913	963,005	1,328,300	1,297,600	1,333,600
TOTAL EXPENDITURES	14,068,222	13,028,524	15,372,300	16,773,500	16,911,700

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

The Division of Local Government Services administers, for the benefit of state employees and political subdivisions within the Commonwealth, the Old Age and Survivors Insurance program under Section 218 of the federal Social Security Act. This program is responsible for ensuring that the social security obligations of the state and its political subdivisions are met. To fulfill this responsibility, the State Office for Social Security periodically visits each of the political subdivisions for a procedural, compliance, and fiscal audit pursuant to KRS 61.410 - 61.500. The Division also provides personnel, accounting, and other administrative services to counties through the County Costs, County Fees, and PVA programs.

The Division of Statewide Accounting Services is responsible for maintenance and operation of the central statewide accounting system and provides centralized accounting of all receipts and disbursements of the Commonwealth. In addition, this division

prepares daily, monthly, and annual financial reports, which constitute a complete report of the financial activities and condition of the Commonwealth.

The Office of Financial Management manages the state's investments and debt. This includes managing cash flow to maximize the return on state investments, making debt service payments, managing the sale of bonds, and reporting to the General Assembly on all investment and debt matters. The Office is responsible for developing a long-term debt plan for the Commonwealth, including the development of criteria for the issuance of debt, providing an evaluation of how much total state debt is justified, and evaluating revenue projections relative to proposed revenue bond issues. The Office handles all investments on behalf of the General Fund, the Capital Construction Fund, the Road Fund, and approximately 50 other accounts.

The Office of Material and Procurement Services is responsible for the central purchasing and materials management for state government (excluding construction and road maintenance). The Office supports the Procurement Desktop software module of eMARS, designing and testing modifications to the software to ensure it meets the needs of using agencies. The Procurement Services Branch and the Procurement of Technology Services Branch are responsible, with respect to their area of expertise, for purchasing all commodities and non-professional services for state agencies that exceed an agency's small purchase authority limit. The Government Contract Review Branch provides administrative oversight and review of all personal service contracts and Memoranda of Agreement, and ensures compliance with the provisions of KRS Chapter 45A prior to forwarding contracts to the Legislative Research Commission, Government Contract Review Committee, for review.

The Office of the Customer Resource Center (CRC) operates a help desk to support nearly 5,000 users of the eMARS system and is responsible for training Commonwealth employees on all eMARS products. In addition, CRC is responsible for developing and analyzing reports to identify areas that need improvement.

The Office of Policy and Audit is responsible for assuring the reliability and integrity of information used to support management decision making, evaluating how state assets are safeguarded, providing risk and insurance management to the Cabinet, and appraising the economy and efficiency of resource use. Staff also ascertains whether the operations and programs are being implemented as planned, and performs special studies at the request of management.

The Division of State Risk Services manages the state property insurance program and the state building sprinkler system program in accordance with KRS Chapter 56.

**Finance and Administration
Debt Service**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	421,706,400	321,896,900	302,232,500	419,292,900	434,883,200
Budget Reduction-General Fund	-83,072,400				
Mandated Expenditure Reductions	-187,784,300	-87,879,200	-55,420,600		
Total General Fund	150,849,700	234,017,700	246,811,900	419,292,900	434,883,200
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	23,998,900	18,746,600	30,275,700	28,320,300	30,692,700
Continuing Approp.-Tobacco Settlement	2,725,487	2,916,194	100		
Budget Reduction-General Fund Tobacco	-6,681,888		-2,702,700		
Total Tobacco Settlement - Phase I	20,042,499	21,662,794	27,573,100	28,320,300	30,692,700
TOTAL SOURCE OF FUNDS	170,892,199	255,680,494	274,385,000	447,613,200	465,575,900
EXPENDITURES BY CLASS					
Debt Service	163,760,441	231,402,899	252,935,300	432,424,400	450,387,100
TOTAL EXPENDITURES	163,760,441	231,402,899	252,935,300	432,424,400	450,387,100
EXPENDITURES BY FUND SOURCE					
General Fund	146,634,137	212,748,347	229,294,300	406,397,700	421,988,000
Tobacco Settlement - Phase I	17,126,304	18,654,552	23,641,000	26,026,700	28,399,100
TOTAL EXPENDITURES	163,760,441	231,402,899	252,935,300	432,424,400	450,387,100
EXPENDITURES BY UNIT					
Debt Service	163,760,441	231,402,899	252,935,300	432,424,400	450,387,100
TOTAL EXPENDITURES	163,760,441	231,402,899	252,935,300	432,424,400	450,387,100

Previously authorized State Property and Buildings Commission General Fund debt service for all agencies is consolidated in the Finance and Administration Cabinet. All new 2012-2014 General Fund debt service is reflected in budgets of the affected agencies.

Policy

The American Recovery and Reinvestment Act of 2009 created a new debt instrument for tax-exempt municipal bond issuers, called Build America Bonds. Municipal bond issuers could issue Build America Bonds for eligible tax-exempt purposes on a permanent basis only. The Commonwealth was eligible for a subsidy for bonds issued as Build America Bonds prior to December 31, 2010. Subsidies from the Build America Bonds shall lapse to the General Fund. The amount of the General Fund lapse is \$12,895,200 in each fiscal year. The amount of Tobacco Fund lapse is \$2,293,600 in each fiscal year.

**Finance and Administration
Facilities and Support Services**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,294,600	5,379,700	5,326,900	5,351,700	6,215,300
State Salary and Compensation Allocation	129,500	241,100	346,000		
Budget Reduction-General Fund	-672,000				
Reorganization Adjustment	81,400				
Mandated Expenditure Reductions	-278,700	-203,900	-188,000		
Total General Fund	5,554,800	5,416,900	5,484,900	5,351,700	6,215,300
Restricted Funds					
Balance Forward	6,307,383	8,094,809	8,959,900	8,912,400	7,730,500
Current Receipts	35,403,939	36,601,169	37,371,200	37,371,200	37,371,200
Non-Revenue Receipts	19,839	1,524			
Fund Transfers	-750,000	-914,100	-1,834,900		
Total Restricted Funds	40,981,160	43,783,402	44,496,200	46,283,600	45,101,700
Federal Funds					
Non-Revenue Receipts	34,470	118,407			
ARRA Receipts	41,093	225,012	681,000		
Total Federal Funds	75,564	343,419	681,000		
TOTAL SOURCE OF FUNDS	46,611,524	49,543,721	50,662,100	51,635,300	51,317,000
EXPENDITURES BY CLASS					
Personnel Cost	20,824,342	20,957,836	21,964,800	22,217,100	23,223,700
Operating Expenses	16,285,724	15,583,249	17,596,600	17,706,800	18,280,800
Debt Service		30,132	30,100	252,100	1,014,100
Capital Outlay	1,406,648	4,012,094	1,864,200	3,728,800	3,782,700
TOTAL EXPENDITURES	38,516,715	40,583,311	41,455,700	43,904,800	46,301,300
EXPENDITURES BY FUND SOURCE					
General Fund	5,554,800	5,416,387	5,190,900	5,351,700	6,215,300
Restricted Funds	32,886,351	34,823,505	35,583,800	38,553,100	40,086,000
Federal Funds	75,564	343,419	681,000		
TOTAL EXPENDITURES	38,516,715	40,583,311	41,455,700	43,904,800	46,301,300
EXPENDITURES BY UNIT					
Commissioner's Office	526,028	438,015	538,500	799,900	1,587,800
Facility Development and Efficiency	4,404,700	4,733,309	4,369,400	4,621,100	4,680,600
Real Property	1,294,479	1,351,122	1,449,400	1,364,900	1,392,600
Historic Properties	361,672	342,428	386,500	315,700	319,200
Building and Mechanical Services	31,117,276	32,688,426	33,746,400	35,805,900	37,297,500
State Surplus Property	397,276	502,915	424,300	457,000	468,500
Federal Surplus Property	415,284	527,096	541,200	540,300	555,100
TOTAL EXPENDITURES	38,516,715	40,583,311	41,455,700	43,904,800	46,301,300

The Department for Facilities and Support Services consists of the Commissioner's Office and five offices/divisions: Engineering and Contract Administration, Historic Properties, Real Properties, Surplus Properties, and the Office of Building and Mechanical Services. The Department manages the State's facilities construction program, maintains Finance and Administration Cabinet buildings, provides management and oversight of state-owned historical buildings and sites, and provides real property acquisition, disposition, leasing, and inventory services.

The Commissioner's Office coordinates and supervises the activities of the five offices/divisions authorized in KRS 42.027.

The Division of Engineering and Contract Administration provides professional and technical engineering and architectural services to state agencies, reviews capital construction design documents, acts as a liaison between the Department and state agencies on new construction and major maintenance projects, and monitors construction and maintenance contracts for compliance with plans and specifications. The Division is also responsible for administering the procurement process for construction projects of the Commonwealth of Kentucky, excluding roads and bridges, as prescribed by the Kentucky Model Procurement Code (KRS 45A) and

the related administrative regulations. The Division prepares invitations to bid, opens and evaluates those bids, and awards contracts. The General Contracting Branch provides general construction procurement, administers the advertising and awarding of state general construction projects and related support systems, provides procurement information to state agencies, and administers procurement programs for new building construction, renovation, and mechanical, electrical, and HVAC systems. The Specialized Contracting Branch administers the advertising and awarding of state specialized construction projects and related support systems; provides procurement information to state agencies; and administers programs such as reclamation under the Abandoned Mines Lands program, the procurement of state-owned telephone switching systems, asbestos abatement projects, and master agreements for maintenance of elevators, escalators, and similar services. The Administrative Services Branch and the Pre-Audit Branch provide support services to the Division and Department.

The Division of Real Properties provides buildings and parking facilities for state agencies throughout the Commonwealth. The Leased Properties Branch is responsible for administering space requests for leased property, acquisitions of privately-owned leased property for state use, lease renewals and cancellations, modifications to leased property, and related activities. The State Properties Branch administers space assignments for state-owned real property, acquisitions and sales of real properties, leases of state-owned real property to other entities, easements on state-owned real property, appraisals and appraisal reviews for acquisitions and dispositions, authorization of demolition of state-owned buildings, and relocation assistance. The Inventory and Property Utilization Branch plans space utilization including minor building alterations and renovations and interior space standards and administers inventory of state-owned real property, inventory of state-owned leased-out real property, inventory of state leased-in real property, building use permits, reserved parking assignments in Frankfort, and deed and easement records of state-owned real property.

The Division of Historic Properties, in accordance with KRS 42.019 and KRS 11.026, is responsible for the preservation and maintenance of Finance and Administration Cabinet-owned historic sites including the Kentucky State Capitol, Executive Mansion, Old Governor's Mansion, Berry Hill Mansion, and the Vest-Lindsey State Meeting House. The Division consults with the Department of Parks to preserve and maintain those historic sites under the management and control of the Tourism Development Cabinet. The same consultation services are provided to other agencies within state government as requested. The Director of the Division of Historic Properties serves as State Curator and a member of the Historic Properties Advisory Commission. The Commission is statutorily responsible for overseeing the maintenance, restoration, preservation, and care of furnishings and grounds of the Executive Mansion, Old Governor's Mansion, and State Capitol grounds. Historic Properties staff is responsible for scheduling and coordinating events held in the public areas of the Capitol Building and grounds. Staff have established and implemented policies and guidelines for the use of this space to allow public access while preserving and protecting the historic and architectural integrity of the buildings and grounds.

The Office of Building and Mechanical Services, which includes the Division of Building Services and the Division of Mechanical Services, as authorized by KRS 42.027, provides services for all Finance and Administration Cabinet-operated buildings and for the state agencies occupying those facilities. The Office is responsible for several buildings in Frankfort including the Capitol, New Capitol Annex, Old Capitol, Old Capitol Annex, Capital Plaza Complex, Human Resources Building, Executive Mansion, Old Governor's Mansion, New State Office Building, Library and Archives Building, Central Lab Facility, the Kentucky History Center and the Transportation Cabinet building. The Office also services buildings at the London Regional and Madisonville state office complexes, the Spindletop Research Complex in Fayette County, and offices in Ashland, Jackson, Louisville, Owensboro, and Richmond that were formerly owned and operated by Cabinet for Health and Family Services. Services provided include minor renovations; maintaining parking lots, sidewalks and ramps; janitorial and landscaping services; maintaining the heating, ventilating, and air conditioning systems; maintaining special equipment within the buildings as requested; roof repair; fire alarm and security systems; electrical systems; energy conservation; maintaining elevators and escalators; maintaining emergency power systems; and after-hours emergency services.

Additionally, the Office is responsible for developing plans and specifications for a wide variety of construction projects. After plans and specifications are complete and have been approved, the Office oversees the construction phase and provides contract administration.

Policy

The Budget of the Commonwealth provides General Fund in the amount of \$222,000 in fiscal year 2013 and \$984,000 in fiscal year 2014 for debt service on new bonds included in the capital budget.

**Finance and Administration
County Costs**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	16,581,500	16,825,200	16,739,800	16,733,700	16,733,700
Total General Fund	16,581,500	16,825,200	16,739,800	16,733,700	16,733,700
Restricted Funds					
Balance Forward	166,584	152	7,100		
Current Receipts	1,450,647	1,420,541	1,695,400	1,702,500	1,702,500
Total Restricted Funds	1,617,231	1,420,693	1,702,500	1,702,500	1,702,500
TOTAL SOURCE OF FUNDS	18,198,731	18,245,893	18,442,300	18,436,200	18,436,200
EXPENDITURES BY CLASS					
Personnel Cost	2,106,976	2,282,330	2,274,600	2,129,700	2,129,700
Operating Expenses	14,355,499	15,044,347	14,972,200	15,111,000	15,111,000
Grants Loans Benefits	1,116,856	907,842	1,195,500	1,195,500	1,195,500
TOTAL EXPENDITURES	17,579,331	18,234,518	18,442,300	18,436,200	18,436,200
EXPENDITURES BY FUND SOURCE					
General Fund	15,962,252	16,820,929	16,739,800	16,733,700	16,733,700
Restricted Funds	1,617,079	1,413,589	1,702,500	1,702,500	1,702,500
TOTAL EXPENDITURES	17,579,331	18,234,518	18,442,300	18,436,200	18,436,200
EXPENDITURES BY UNIT					
Public Defender Program	2,076,128	2,239,974	2,231,600	2,086,700	2,086,700
Witnesses	66,591	100,797	100,000	91,600	91,600
DUI Service Fees	1,116,856	907,842	1,195,500	1,195,500	1,195,500
Sheriffs Fees'	9,442,275	9,980,000	9,900,000	10,468,400	10,468,400
County Clerks (Make Tax Bills)	250,318	244,413	250,000	229,000	229,000
Board Of Assessment Appeals	38,925	55,300	60,000	55,000	55,000
Fugitive From Justice	1,167,991	1,214,962	1,225,000	1,122,100	1,122,100
Jury Fund	2,953,988	3,003,959	3,000,000	2,748,000	2,748,000
Sheriffs Expense Allowance	462,849	473,756	466,600	427,400	427,400
Premium On Sheriffs' Bonds	3,411	13,515	13,600	12,500	12,500
TOTAL EXPENDITURES	17,579,331	18,234,518	18,442,300	18,436,200	18,436,200

The County Costs program pays local officials for the performance of functions required by state statutes. For example, a sheriff is paid by the state for services rendered to the state for enforcing state laws. This falls within the Criminal Prosecutions program. A witness in a state court trial is paid by the state for performing a function required by state statute. This is an example of the Miscellaneous Fee program. Payments under the County Costs program are statutorily mandated and are regarded as a necessary governmental expense.

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

Pursuant to KRS 64.092 the sheriff or other law enforcement officer serving in a Circuit or District Court shall be compensated at the rate of \$8 per hour of service.

Under KRS 27A.630, filing fees for civil actions include \$20 in Circuit Court and \$10 in District Court to support access to justice by indigent clients. The fees are paid to the General Fund, and the Finance and Administration Cabinet distributes them monthly to non-profit agencies designated by the Chief Justice in each judicial district to provide the legal services. In previous years these have been accounted for as expenditures requiring an appropriation upon recommendation of the Finance Cabinet. These will be considered as reductions to revenue and accounted for solely on the revenue side of the ledger.

Policy

Funds required to pay county costs are appropriated and additional funds may be allotted from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705) by the Secretary of the Finance and

Administration Cabinet as a necessary governmental expense, subject to the conditions and procedures provided in the Appropriations Act.

The enacted budget suspends KRS 64.092(6) and provides \$1,400,000 in each year to support a wage increase from \$8 to \$9 per hour for court security officers.

**Finance and Administration
Commonwealth Office of Technology**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	8,954,866	11,815,176	17,155,300	20,217,100	11,282,700
Current Receipts	61,956,217	69,150,235	67,846,800	67,846,800	67,846,800
Non-Revenue Receipts	217,584	-70,296	533,100	220,100	220,100
Fund Transfers	-1,500,000	-2,033,300	-3,710,100	-3,000,000	-3,000,000
Total Restricted Funds	69,628,667	78,861,815	81,825,100	85,284,000	76,349,600
Federal Funds					
Balance Forward		201,303			
Current Receipts	165,743	6,662		50,000	50,000
Non-Revenue Receipts	-160,287	2,439			
ARRA Receipts	690,538	818,114	3,031,400	471,700	291,000
Total Federal Funds	695,994	1,028,519	3,031,400	521,700	341,000
TOTAL SOURCE OF FUNDS	70,324,660	79,890,333	84,856,500	85,805,700	76,690,600
EXPENDITURES BY CLASS					
Personnel Cost	36,336,487	45,485,552	35,195,800	41,344,400	42,100,500
Operating Expenses	16,307,958	12,709,267	22,983,000	25,576,700	28,456,900
Grants Loans Benefits	490,538	618,752	3,031,400	-674,400	-4,462,500
Capital Outlay	5,167,142	3,912,474	3,429,200	8,276,300	8,276,300
Construction	6,056	9,006			
TOTAL EXPENDITURES	58,308,181	62,735,052	64,639,400	74,523,000	74,371,200
EXPENDITURES BY FUND SOURCE					
Restricted Funds	57,813,491	61,706,533	61,608,000	74,001,300	74,030,200
Federal Funds	494,691	1,028,519	3,031,400	521,700	341,000
TOTAL EXPENDITURES	58,308,181	62,735,052	64,639,400	74,523,000	74,371,200
EXPENDITURES BY UNIT					
Commonwealth Office of Technology	4,683,000	4,457,764	5,759,900	6,877,000	3,207,800
Chief Information Security Officer	1,123,925	991,030	1,325,600	1,381,800	1,401,600
Application Development	10,038,516	10,398,880	10,359,500	10,796,700	10,951,500
Infrastructure Services	40,496,450	45,302,083	45,615,400	53,171,900	56,467,300
Office of Enterprise Technology	1,966,289	1,585,295	1,579,000	2,295,600	2,343,000
TOTAL EXPENDITURES	58,308,181	62,735,052	64,639,400	74,523,000	74,371,200

The Commonwealth Office of Technology (COT) provides leadership, policy direction, and technical support to all executive branch agencies in the application of information technology and the delivery of information services. This broad statement of responsibility encompasses major information resource functions such as data center operations; voice, data, and video communications; application development; data security administration; computer hardware selection and installation; and related end-user and customer support services. The workload for COT is highly sensitive to agency programmatic shifts, particularly changes mandated by state and federal legislation.

COT consists of five units for budgetary purposes: Commissioner, Chief Information Security Officer, Application Development, Infrastructure Services, and Enterprise Technology.

The Commissioner is responsible for developing strategies and policies to promote the effective application of information technology within state government as a means of saving money, increasing efficiency and employee productivity, and improving services to the public, including electronic access to information of the Commonwealth.

The Chief Information Security Officer manages security, access and acceptable use policies for all COT functions. As more and more of the Commonwealth's mission-critical applications go on-line, their potential exposure to malicious activity increases. In addition to maintaining the physical security of the Commonwealth Data Center and other COT facilities, the Security Office develops and maintains the disaster recovery business continuity plan.

The Office of Application Development analyzes, designs, develops and installs systems and applications for client agencies throughout state government. Support is provided for systems that drive mission-critical activities for the Commonwealth, including public assistance, public health and safety, collection of taxes, and financial and personnel management of state government. The Office provides consulting services and support in a broad range of technical environments including Windows

NT, 2000, and XP; UNIX; and Z/OS using languages such as Java, VB, .NET, COBOL, SAS, and others.

The Office of Infrastructure Services operates the Commonwealth's enterprise computing and communications environment. This Office includes the daily operation of the Commonwealth Data Center, operation and maintenance of the Kentucky Information Highway, and all communication services, including data, voice, video, and wireless. Other responsibilities include providing help desk assistance to end-users and ensuring the security of client information in the areas of electronic commerce and network computing. The Division of Printing provides agencies with hard copy access to information, especially for high volume, color, and wide-format documents, as well as print project planning, consulting and electronic forms design.

The Office of Enterprise Technology is responsible for the statewide strategic information technology (IT) plan. Staff in this office assist state agencies in developing their own IT plans that conform with the policies and architecture standards determined by COT. Other responsibilities include enterprise capacity planning, testing, research, and development.

The Commonwealth Office of Technology operates as an internal service fund agency with budgetary support derived through the application of a federally-approved cost allocation plan, which distributes costs to user agencies based upon utilization of services. The rate schedule by which COT bills agencies for IT services is reviewed annually and adjusted as necessary to accurately reflect actual cost. By consolidating infrastructure services and purchases of equipment and software licenses, COT is able to provide many basic services at very competitive rates.

**Finance and Administration
Revenue**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	72,473,200	74,716,800	73,086,800	85,318,900	83,505,600
State Salary and Compensation Allocation		1,875,500	2,902,700		
Special Appropriation	3,113,600				
Mandated Expenditure Reductions		-2,156,100	-2,582,100		
Total General Fund	75,586,800	74,436,200	73,407,400	85,318,900	83,505,600
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	275,000	275,000	275,000	246,600	243,100
Budget Reduction-General Fund Tobacco		-28,383	-14,500		
Total Tobacco Settlement - Phase I	275,000	246,617	260,500	246,600	243,100
Restricted Funds					
Balance Forward	12,746,260	2,682,927	4,470,300	3,225,100	2,721,800
Current Receipts	6,967,381	7,321,904	6,559,700	6,559,700	6,559,700
Non-Revenue Receipts			-1,200,000		
Fund Transfers	-10,000,000	-91,700	-214,900		
Total Restricted Funds	9,713,641	9,913,131	9,615,100	9,784,800	9,281,500
Federal Funds					
Non-Revenue Receipts		4,398	1,200		
Total Federal Funds		4,398	1,200		
Road Fund					
Regular Appropriation	2,325,000	2,325,000	2,325,000	2,720,400	2,720,400
Current Year Appropriation			395,400		
Total Road Fund	2,325,000	2,325,000	2,720,400	2,720,400	2,720,400
TOTAL SOURCE OF FUNDS	87,900,441	86,925,346	86,004,600	98,070,700	95,750,600
EXPENDITURES BY CLASS					
Personnel Cost	53,046,673	56,334,975	55,443,400	65,720,600	66,554,800
Operating Expenses	27,856,023	26,112,254	24,829,900	29,525,700	27,040,100
Capital Outlay	311,927	7,685		102,600	
Construction	36				
TOTAL EXPENDITURES	81,214,659	82,454,914	80,273,300	95,348,900	93,594,900
EXPENDITURES BY FUND SOURCE					
General Fund	71,589,655	74,436,116	70,991,600	85,318,900	83,505,600
Tobacco Settlement - Phase I	275,000	246,617	260,500	246,600	243,100
Restricted Funds	7,030,714	5,442,784	6,390,000	7,063,000	7,125,800
Federal Funds		4,398	1,200		
Road Fund	2,319,291	2,325,000	2,630,000	2,720,400	2,720,400
TOTAL EXPENDITURES	81,214,659	82,454,914	80,273,300	95,348,900	93,594,900
EXPENDITURES BY UNIT					
Commissioner's Office	27,801,284	29,027,800	27,426,000	27,776,400	28,076,900
Property Valuation	5,902,226	5,450,616	5,527,900	6,209,400	6,128,700
Field Operations	12,428,632	12,533,864	12,320,500	13,238,700	13,405,300
Income Taxation	7,018,288	7,445,700	7,348,000	7,935,800	7,959,300
Sales and Excise Taxes	5,677,645	5,775,028	6,232,400	6,632,600	6,764,600
Processing and Enforcement	22,386,584	22,221,905	21,418,500	33,556,000	31,260,100
TOTAL EXPENDITURES	81,214,659	82,454,914	80,273,300	95,348,900	93,594,900

The Department of Revenue is responsible for the accurate and equitable administration of all state revenue laws, and for the assessment and collection of 43 separate state taxes. The Department aims to ensure the taxpayer's voluntary compliance with the revenue laws, to enforce such laws in those instances where necessary, and to supervise and assist county property valuation administrators in assessing property for taxation.

The Commissioner's Office includes the Division of Special Investigations, the Security and Disclosure Branch and the Taxpayer Ombudsman. Department-wide costs such as office rent, printing, postage, and information technology are budgeted in this unit.

The Office of Property Valuation monitors and evaluates the real property assessments produced by the 120 locally-elected Property Valuation Administrators (PVA's). The division is charged with assessing the property of public service companies; collecting and distributing personal property taxes; and providing education, training, and technical support to the PVA's and sheriffs.

The Office of Field Operations has 10 regional taxpayer service centers located across the state and is responsible for field audits and providing taxpayer assistance.

The Office of Income Taxation administers individual and business income taxes, including employer withholding. The Office is responsible for technical tax research, compliance, taxpayer assistance, tax-specific training, and publications.

The Office of Sales and Excise Taxes administers sales and use taxes and miscellaneous excise taxes. The Office conducts technical tax research and is responsible for compliance, taxpayer assistance, training and publications.

The Office of Processing and Enforcement receives all tax receipts, returns, refunds, documents and correspondence; registers new businesses; and maintains appropriate storage, retrieval and management of tax records for the Commonwealth.

Policy

The Budget of the Commonwealth includes funding in the amount of \$395,400 in fiscal year 2012 and \$473,000 in fiscal years 2013 and 2014 to support software maintenance costs for the Motor Fuels Electronic Tax Filing System.

General Fund in the amount of \$10,620,000 in fiscal year 2013 and \$7,734,600 in fiscal year 2014 is included to support the costs associated with implementing a tax amnesty program and other revenue enhancement initiatives.

**Finance and Administration
Property Valuation Administrators**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	35,354,200	34,972,600	34,622,800	36,539,200	37,364,700
State Salary and Compensation Allocation	875,600	1,625,800	2,341,500		
Mandated Expenditure Reductions		-1,079,300	-538,500		
Total General Fund	36,229,800	35,519,100	36,425,800	36,539,200	37,364,700
Restricted Funds					
Balance Forward	402,593	431,370	270,000	68,700	
Current Receipts	3,751,668	5,558,134	3,500,000	3,500,000	3,500,000
Total Restricted Funds	4,154,261	5,989,504	3,770,000	3,568,700	3,500,000
TOTAL SOURCE OF FUNDS	40,384,061	41,508,604	40,195,800	40,107,900	40,864,700
EXPENDITURES BY CLASS					
Personnel Cost	39,489,148	40,806,952	38,415,200	40,107,900	40,864,700
Operating Expenses	463,544	431,642	23,400		
TOTAL EXPENDITURES	39,952,691	41,238,594	38,438,600	40,107,900	40,864,700
EXPENDITURES BY FUND SOURCE					
General Fund	36,229,800	35,519,100	34,737,300	36,539,200	37,364,700
Restricted Funds	3,722,891	5,719,494	3,701,300	3,568,700	3,500,000
TOTAL EXPENDITURES	39,952,691	41,238,594	38,438,600	40,107,900	40,864,700
EXPENDITURES BY UNIT					
Property Valuation Administrators	39,952,691	41,238,594	38,438,600	40,107,900	40,864,700
TOTAL EXPENDITURES	39,952,691	41,238,594	38,438,600	40,107,900	40,864,700

Each of the state's 120 counties has a locally elected Property Valuation Administrator (PVA). The PVA and an appointed staff are responsible for locating, identifying, and assessing at fair market value all taxable real property (land and improvements) and tangible personal property in the county. Tax revenues generated by these assessments are used to fund services provided by the state, cities, counties, and school districts as well as special taxing districts such as fire departments, libraries, extension offices, and refuse disposal services. Funding for PVA offices is provided by state, county, and city governments as well as from sales of maps and other geographic information.

Health and Family Services

Health and Family Services

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,023,761,500	1,456,550,200	2,107,732,800	1,997,288,400	2,185,860,800
State Salary and Compensation Allocation	4,838,700	9,126,700	7,255,800		
Special Appropriation		163,834,700	-97,295,800		
Continuing Approp.-General Fund	2,053,222	20,609,400	16,350,700		
Budget Reduction-General Fund	-451,897,600				
Mandated Expenditure Reductions	-29,699,600	-6,370,900	-6,161,200		
Total General Fund	1,549,056,222	1,643,750,100	2,027,882,300	1,997,288,400	2,185,860,800
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	30,641,600	27,192,300	24,930,100	22,336,600	22,120,600
Continuing Approp.-Tobacco Settlement	3,943,997	1,511,095	1,516,900		
Budget Reduction-General Fund Tobacco	-4,009,329	-2,859,542	-1,476,400		
Total Tobacco Settlement - Phase I	30,576,268	25,843,853	24,970,600	22,336,600	22,120,600
Restricted Funds					
Balance Forward	36,315,580	40,031,013	73,103,606	17,509,000	8,654,700
Current Receipts	543,166,517	588,274,009	609,405,194	585,071,800	590,476,800
Non-Revenue Receipts	355,115,026	333,506,577	322,470,000	375,037,100	333,225,800
Fund Transfers	-10,263,700	-3,032,600	-6,537,100		
Total Restricted Funds	924,333,422	958,778,999	998,441,700	977,617,900	932,357,300
Federal Funds					
Balance Forward	22,767,510	67,929,570	79,018,700		
Current Receipts	5,082,650,057	5,218,950,408	5,217,702,500	4,962,047,300	5,223,542,900
Non-Revenue Receipts	-2,070,168	-17,160,217	217,300	217,300	217,300
ARRA Receipts	593,445,159	475,253,048	353,300		
Total Federal Funds	5,696,792,558	5,744,972,808	5,297,291,800	4,962,264,600	5,223,760,200
TOTAL SOURCE OF FUNDS	8,200,758,470	8,373,345,759	8,348,586,400	7,959,507,500	8,364,098,900
EXPENDITURES BY CLASS					
Personnel Cost	601,490,609	626,794,030	628,237,600	672,068,700	679,761,300
Operating Expenses	118,852,410	108,072,374	117,104,600	112,857,700	108,932,700
Grants Loans Benefits	7,347,767,889	7,464,909,086	7,577,439,600	7,162,944,000	7,563,305,400
Debt Service				482,500	8,792,300
Capital Outlay	2,390,977	3,453,728	1,980,500	2,379,900	1,540,300
Construction	92,190	126,483	120,000	120,000	120,000
TOTAL EXPENDITURES	8,070,594,075	8,203,355,700	8,324,882,300	7,950,852,800	8,362,452,000
EXPENDITURES BY FUND SOURCE					
General Fund	1,528,363,506	1,627,399,400	2,021,703,000	1,997,288,400	2,185,860,800
Tobacco Settlement - Phase I	29,065,172	24,326,893	24,954,800	22,336,600	22,120,600
Restricted Funds	884,302,409	885,675,329	980,932,700	968,963,200	930,710,400
Federal Funds	5,628,862,988	5,665,954,078	5,297,291,800	4,962,264,600	5,223,760,200
TOTAL EXPENDITURES	8,070,594,075	8,203,355,700	8,324,882,300	7,950,852,800	8,362,452,000
EXPENDITURES BY UNIT					
General Administration and Program Support	73,577,320	80,868,830	79,299,600	83,997,600	83,390,000
Comm for Children with Special Health Care Needs	14,577,889	15,074,165	16,292,300	16,408,600	16,298,500
Medicaid Services	5,964,285,853	6,085,041,736	6,189,849,300	5,900,294,900	6,314,365,900
Behavioral Health, Developmental & Intellectual Disabilities	442,288,678	449,622,925	459,090,600	445,116,900	459,797,800
Public Health	386,975,080	372,671,468	429,722,600	396,250,100	378,376,200
Health Policy	1,109,912	1,124,798	8,965,900	1,609,000	1,214,800

Family Resource Centers and Volunteer Services	4,618,266	5,557,023	3,843,000	3,601,000	3,601,800
Income Support	98,638,221	100,555,556	106,963,800	109,856,900	110,225,400
Community Based Services	1,016,609,048	1,025,948,866	967,451,600	929,775,900	931,652,300
Aging and Independent Living	67,913,809	66,890,332	63,403,600	63,941,900	63,529,300
TOTAL EXPENDITURES	8,070,594,075	8,203,355,700	8,324,882,300	7,950,852,800	8,362,452,000

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

Health and Family Services
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	35,206,000	34,366,000	33,753,400	31,279,200	31,935,600
State Salary and Compensation Allocation	643,000	1,190,100	1,039,800		
Budget Reduction-General Fund Mandated Expenditure Reductions	-1,177,500				
		-1,234,600	-1,260,300		
Total General Fund	34,671,500	34,321,500	33,532,900	31,279,200	31,935,600
Restricted Funds					
Balance Forward	1,043,735	1,864,237	1,328,800	1,253,300	274,300
Current Receipts	4,247,111	4,506,136	3,933,500	3,959,000	3,958,900
Non-Revenue Receipts	5,555,109	4,793,581	5,674,800	7,899,800	7,099,800
Fund Transfers		-78,300	-386,900		
Total Restricted Funds	10,845,956	11,085,654	10,550,200	13,112,100	11,333,000
Federal Funds					
Balance Forward	2,858,614	5,694,900	4,355,400		
Current Receipts	32,499,256	34,014,792	32,933,000	39,880,600	40,121,400
Non-Revenue Receipts	571	13,651			
ARRA Receipts	260,560	1,422,460			
Total Federal Funds	35,619,002	41,145,802	37,288,400	39,880,600	40,121,400
TOTAL SOURCE OF FUNDS	81,136,457	86,552,956	81,371,500	84,271,900	83,390,000
EXPENDITURES BY CLASS					
Personnel Cost	47,452,152	51,146,649	51,268,400	56,666,500	56,899,800
Operating Expenses	25,202,327	28,364,588	26,471,200	25,312,300	24,847,100
Grants Loans Benefits	-7,444	387			
Debt Service				109,500	328,500
Capital Outlay	838,132	1,234,028	1,440,000	1,789,300	1,194,600
Construction	92,153	123,178	120,000	120,000	120,000
TOTAL EXPENDITURES	73,577,320	80,868,830	79,299,600	83,997,600	83,390,000
EXPENDITURES BY FUND SOURCE					
General Fund	34,671,500	34,321,500	32,714,300	31,279,200	31,935,600
Restricted Funds	8,981,718	9,756,914	9,296,900	12,837,800	11,333,000
Federal Funds	29,924,102	36,790,416	37,288,400	39,880,600	40,121,400
TOTAL EXPENDITURES	73,577,320	80,868,830	79,299,600	83,997,600	83,390,000
EXPENDITURES BY UNIT					
Administrative Support	56,324,143	63,038,216	60,104,500	61,450,100	61,428,900
Inspector General	17,253,177	17,830,614	19,195,100	22,547,500	21,961,100
TOTAL EXPENDITURES	73,577,320	80,868,830	79,299,600	83,997,600	83,390,000

General Administration and Program Support consists of Administrative Support and the Office of the Inspector General.

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

The Office of the Inspector General (OIG) provides support to other programs in the Cabinet for Health and Family Services as well as its programmatic functions of health care facility licensure and child care facility regulation. The OIG consists of three Divisions; 1) Division of Audits and Investigations, 2) Division of Regulated Child Care, and the 3) Division of Health Care.

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

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	29,206,000	28,808,400	28,345,800	27,008,900	27,257,600
State Salary and Compensation Allocation	398,700	773,600	647,400		
Budget Reduction-General Fund Mandated Expenditure Reductions	-993,100				
		-906,200	-1,150,500		
Total General Fund	28,611,600	28,675,800	27,842,700	27,008,900	27,257,600
Restricted Funds					
Balance Forward	876,930	1,095,883	656,300	554,200	274,300
Current Receipts	2,586,061	3,096,955	2,681,000	2,681,000	2,681,000
Non-Revenue Receipts	5,536,389	5,218,581	5,699,800	5,524,800	5,524,800
Fund Transfers		-64,800	-274,700		
Total Restricted Funds	8,999,380	9,346,618	8,762,400	8,760,000	8,480,100
Federal Funds					
Balance Forward	1,327,018	3,973,272	3,132,300		
Current Receipts	22,207,364	23,490,455	21,431,000	25,955,500	25,691,200
Non-Revenue Receipts	557	5,712			
ARRA Receipts	247,379	1,334,961			
Total Federal Funds	23,782,318	28,804,400	24,563,300	25,955,500	25,691,200
TOTAL SOURCE OF FUNDS	61,393,298	66,826,818	61,168,400	61,724,400	61,428,900
EXPENDITURES BY CLASS					
Personnel Cost	32,302,540	35,374,769	35,089,400	37,441,800	37,540,500
Operating Expenses	23,099,951	26,307,418	24,055,100	22,633,200	22,545,300
Grants Loans Benefits	-7,444	387			
Debt Service				109,500	328,500
Capital Outlay	836,943	1,232,465	840,000	1,145,600	894,600
Construction	92,153	123,178	120,000	120,000	120,000
TOTAL EXPENDITURES	56,324,143	63,038,216	60,104,500	61,450,100	61,428,900
EXPENDITURES BY FUND SOURCE					
General Fund	28,611,600	28,675,800	27,333,000	27,008,900	27,257,600
Restricted Funds	7,903,497	8,690,341	8,208,200	8,485,700	8,480,100
Federal Funds	19,809,046	25,672,076	24,563,300	25,955,500	25,691,200
TOTAL EXPENDITURES	56,324,143	63,038,216	60,104,500	61,450,100	61,428,900

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

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

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

The Office of Communications and Administrative Review is responsible for providing qualified administrative law judges/hearing officials to conduct administrative hearings related to Cabinet matters, overseeing and monitoring legislative activities, and representing the Cabinet in matters of public information, including media inquiries, open records requests, press releases, public relations, and internal communications.

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

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

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

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

The Governor's Office of Electronic Health Information (GOEHI) was created by Executive Order 2009-770 in August of 2009 to serve as a focal point for e-health initiatives in the Commonwealth in light of the health information provisions of the American Recovery and Reinvestment Act. GOEHI is to assist with electronic health technology to improve patient care, reduce medical errors, and make more efficient use of health care dollars by reducing redundant services.

Policy

The Budget of the Commonwealth includes General Fund in the amount of \$109,500 in fiscal year 2013 and \$328,500 in fiscal year 2014 to support \$5,000,000 in bonds for the cabinets 2012-2014 Maintenance Pool project.

House Bill 1, from the 2012 Special Session, signed by the Governor on April 24, 2012, authorized National Mortgage Settlement proceeds received by the Office of the Attorney General, not to exceed \$4,000,000 over the 2012-2014 fiscal biennium, be transferred to the Cabinet for Health and Family Services, General Administration and Support for upgrades and operation of the Kentucky All Schedule Prescription Electronic Reporting System (KASPER). If sufficient funds from the National Mortgage Settlement proceeds are less than \$4,000,000, then the balance necessary shall be deemed a necessary government expense. The revenue and related expenditures are reflected in the above.

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

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,000,000	5,557,600	5,407,600	4,270,300	4,678,000
State Salary and Compensation Allocation	244,300	416,500	392,400		
Budget Reduction-General Fund Mandated Expenditure Reductions	-184,400				
		-328,400	-109,800		
Total General Fund	6,059,900	5,645,700	5,690,200	4,270,300	4,678,000
Restricted Funds					
Balance Forward	166,805	768,355	672,500	699,100	
Current Receipts	1,661,050	1,409,181	1,252,500	1,278,000	1,277,900
Non-Revenue Receipts	18,720	-425,000	-25,000	2,375,000	1,575,000
Fund Transfers		-13,500	-112,200		
Total Restricted Funds	1,846,576	1,739,036	1,787,800	4,352,100	2,852,900
Federal Funds					
Balance Forward	1,531,596	1,721,627	1,223,100		
Current Receipts	10,291,892	10,524,337	11,502,000	13,925,100	14,430,200
Non-Revenue Receipts	15	7,939			
ARRA Receipts	13,181	87,499			
Total Federal Funds	11,836,684	12,341,402	12,725,100	13,925,100	14,430,200
TOTAL SOURCE OF FUNDS	19,743,159	19,726,138	20,203,100	22,547,500	21,961,100
EXPENDITURES BY CLASS					
Personnel Cost	15,149,613	15,771,880	16,179,000	19,224,700	19,359,300
Operating Expenses	2,102,376	2,057,170	2,416,100	2,679,100	2,301,800
Capital Outlay	1,188	1,563	600,000	643,700	300,000
TOTAL EXPENDITURES	17,253,177	17,830,614	19,195,100	22,547,500	21,961,100
EXPENDITURES BY FUND SOURCE					
General Fund	6,059,900	5,645,700	5,381,300	4,270,300	4,678,000
Restricted Funds	1,078,221	1,066,573	1,088,700	4,352,100	2,852,900
Federal Funds	10,115,056	11,118,341	12,725,100	13,925,100	14,430,200
TOTAL EXPENDITURES	17,253,177	17,830,614	19,195,100	22,547,500	21,961,100

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

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

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

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

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

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,038,400	4,984,500	4,934,700	4,674,000	4,761,600
State Salary and Compensation Allocation	88,400	168,800	242,700		
Budget Reduction-General Fund Mandated Expenditure Reductions	-2,026,300				
		-168,200	-174,000		
Total General Fund	4,100,500	4,985,100	5,003,400	4,674,000	4,761,600
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	352,000	350,000	350,000	100,000	
Budget Reduction-General Fund Tobacco		-350,000	-136,400		
Total Tobacco Settlement - Phase I	352,000		213,600	100,000	
Restricted Funds					
Balance Forward	1,288,375	6,174	1,059,000		
Current Receipts	6,084,190	8,074,679	5,962,900	7,021,900	7,021,900
Non-Revenue Receipts	-50,000	-50,000	-50,000	-51,100	-51,100
Fund Transfers		-76,200	-149,500		
Total Restricted Funds	7,322,565	7,954,653	6,822,400	6,970,800	6,970,800
Federal Funds					
Current Receipts	2,683,866	3,332,399	4,468,400	4,663,800	4,566,100
Non-Revenue Receipts	125,132	-138,946			
Total Federal Funds	2,808,998	3,193,453	4,468,400	4,663,800	4,566,100
TOTAL SOURCE OF FUNDS	14,584,063	16,133,206	16,507,800	16,408,600	16,298,500
EXPENDITURES BY CLASS					
Personnel Cost	9,955,094	10,184,185	10,681,700	10,987,500	11,063,200
Operating Expenses	1,720,169	1,792,189	2,033,200	1,953,000	1,898,000
Grants Loans Benefits	2,738,455	2,731,098	3,269,400	3,208,100	3,172,200
Capital Outlay	164,170	366,694	308,000	260,000	165,100
TOTAL EXPENDITURES	14,577,889	15,074,165	16,292,300	16,408,600	16,298,500
EXPENDITURES BY FUND SOURCE					
General Fund	4,100,500	4,985,100	4,803,700	4,674,000	4,761,600
Tobacco Settlement - Phase I	352,000		197,800	100,000	
Restricted Funds	7,316,391	6,895,613	6,822,400	6,970,800	6,970,800
Federal Funds	2,808,998	3,193,453	4,468,400	4,663,800	4,566,100
TOTAL EXPENDITURES	14,577,889	15,074,165	16,292,300	16,408,600	16,298,500
EXPENDITURES BY UNIT					
Children's Health Services	14,577,889	15,074,165	16,292,300	16,408,600	16,298,500
TOTAL EXPENDITURES	14,577,889	15,074,165	16,292,300	16,408,600	16,298,500

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

The Commission is charged with planning, developing, providing, and evaluating the public statewide system of care for children with special health care needs and providing early hearing and detection intervention services. The Commission for Children with Special Health Care Needs works collaboratively with other agencies to assure services to children with disabilities are comprehensive, community-based, family-centered, and coordinated, thus avoiding duplication and fragmentation of the service delivery system. Accessibility is a key component of the delivery system. The program provides an array of preventative, diagnostic, and treatment services for special needs children and youth under 21 including: medical care, hospitalization, medications, durable medical goods, case management, therapy, transportation, and nutritional education. Because rapid advances in medical science have enabled over 90 percent of youth with disabilities and chronic conditions to reach adulthood, the program has expanded its focus to include services and supports for academic achievement, transition from education to employment, from pediatric to adult health care, and to independent living. Because health care is so critical to learning and

success in school, CCSHCN has entered into an active partnership with the Kentucky Department of Education and other health, education, and social services providers to support children and youth and families and their schools. The Early Hearing Detection and Intervention Program provides surveillance and support for statewide screening for the early detection of hearing disorders and referral for follow-up treatment. The Hemophilia Program provides medical and social services to children and adults with blood disorders. The Foster Care Program represents a collaborative effort with the Department of Community Based Services to provide medical consultation services to the foster care support program by making regular home visits to the entire population of medically fragile foster care children and acting as onsite, medical resources for the social workers charged with responsibility for both children who are currently in the child welfare system and those who may be at risk for entering that system.

The family's financial status plays a role in determining whether the child is accepted into the Children with Special Health Care Needs Program and/or Hemophilia Program. All families with incomes below 300 percent of the federal poverty level are accepted. A sliding fee scale based on income and number in household determines what percentage of the cost each family pays for treatment. Individuals who fall above the program's maximum income guidelines can still receive services if they are uninsured, reside in medically under-served areas of the state, have certain high cost conditions or conditions that benefit from a multi-disciplinary approach, require durable medical equipment or hearing aids, and/or require services that are exclusions on their private insurance plans. These families benefit from the Commission's discounted rates with contracted providers and are required to reimburse the Commission for treatment costs. This allows the Commission to further assist in communities where specialized medical care is unavailable.

**Health and Family Services
Medicaid Services**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,319,432,000	812,901,600	1,471,195,700	1,336,819,300	1,511,364,800
State Salary and Compensation Allocation	105,200	205,100	296,900		
Special Appropriation		163,834,700	-97,295,800		
Continuing Approp.-General Fund	2,053,222	20,609,400	16,350,700		
Budget Reduction-General Fund	-418,504,800				
Mandated Expenditure Reductions	-4,515,300	-169,400	-744,500		
Total General Fund	898,570,322	997,381,400	1,389,803,000	1,336,819,300	1,511,364,800
Restricted Funds					
Balance Forward	104,796	10,698,240	41,340,700		
Current Receipts	58,055,331	58,113,461	62,032,000	62,078,400	62,063,200
Non-Revenue Receipts	349,313,194	345,729,438	338,992,700	389,728,100	349,319,500
Total Restricted Funds	407,473,322	414,541,139	442,365,400	451,806,500	411,382,700
Federal Funds					
Balance Forward	6,143,279	61,373,540	47,950,800		
Current Receipts	4,239,352,801	4,280,264,852	4,309,998,900	4,111,669,100	4,391,618,400
Non-Revenue Receipts	6,561,349	-1,003,132			
ARRA Receipts	498,866,000	438,126,198			
Total Federal Funds	4,750,923,429	4,778,761,458	4,357,949,700	4,111,669,100	4,391,618,400
TOTAL SOURCE OF FUNDS	6,056,967,073	6,190,683,997	6,190,118,100	5,900,294,900	6,314,365,900
EXPENDITURES BY CLASS					
Personnel Cost	81,244,269	80,600,682	76,526,700	74,167,000	74,349,600
Operating Expenses	1,046,110	1,660,371	1,672,700	1,672,700	1,672,700
Grants Loans Benefits	5,881,992,028	6,002,739,552	6,111,624,900	5,824,101,200	6,237,660,600
Debt Service				329,000	658,000
Capital Outlay	3,446	41,131	25,000	25,000	25,000
TOTAL EXPENDITURES	5,964,285,853	6,085,041,736	6,189,849,300	5,900,294,900	6,314,365,900
EXPENDITURES BY FUND SOURCE					
General Fund	877,960,881	981,030,700	1,389,534,200	1,336,819,300	1,511,364,800
Restricted Funds	396,775,082	373,200,398	442,365,400	451,806,500	411,382,700
Federal Funds	4,689,549,890	4,730,810,639	4,357,949,700	4,111,669,100	4,391,618,400
TOTAL EXPENDITURES	5,964,285,853	6,085,041,736	6,189,849,300	5,900,294,900	6,314,365,900
EXPENDITURES BY UNIT					
Medicaid Administration	118,615,530	113,183,966	109,542,200	106,718,900	107,205,500
Medicaid Benefits	5,845,670,323	5,971,857,771	6,080,307,100	5,793,576,000	6,207,160,400
TOTAL EXPENDITURES	5,964,285,853	6,085,041,736	6,189,849,300	5,900,294,900	6,314,365,900

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

The Medical Assistance program provides for comprehensive physical and behavioral health services by reimbursing providers for health care provided to medically indigent Kentuckians. The Department reimburses providers directly on a fee-for-service basis or indirectly through contractual arrangements with managed care organizations who receive a monthly capitation payment for each enrolled recipient. Eligibility for services is determined by staff in each county through a contractual agreement with the Department for Community Based Services. Individuals may automatically qualify for benefits if they are eligible for Supplemental Security Income benefits administered by the Social Security Administration.

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

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

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	36,779,400	36,303,100	35,940,100	35,122,000	33,839,800
State Salary and Compensation Allocation	105,200	205,100	296,900		
Budget Reduction-General Fund Mandated Expenditure Reductions	-2,107,600				
		-169,400	-744,500		
Total General Fund	34,777,000	36,338,800	35,492,500	35,122,000	33,839,800
Restricted Funds					
Balance Forward		5,740,236	10,845,200		
Current Receipts	32,185	112,423	22,000	68,400	53,200
Non-Revenue Receipts	19,819,065	18,558,703	3,229,700	14,874,900	16,574,900
Total Restricted Funds	19,851,250	24,411,362	14,096,900	14,943,300	16,628,100
Federal Funds					
Balance Forward	5,451,859	11,430,481	17,358,800		
Current Receipts	75,692,235	68,021,743	42,862,800	56,653,600	56,737,600
Non-Revenue Receipts	4,473	-4,473			
ARRA Receipts	9,470	1,190,086			
Total Federal Funds	81,158,037	80,637,837	60,221,600	56,653,600	56,737,600
TOTAL SOURCE OF FUNDS	135,786,287	141,387,999	109,811,000	106,718,900	107,205,500
EXPENDITURES BY CLASS					
Personnel Cost	81,244,269	80,600,682	76,526,700	74,167,000	74,349,600
Operating Expenses	1,046,110	1,658,133	1,672,700	1,672,700	1,672,700
Grants Loans Benefits	36,321,705	30,884,020	31,317,800	30,525,200	30,500,200
Debt Service				329,000	658,000
Capital Outlay	3,446	41,131	25,000	25,000	25,000
TOTAL EXPENDITURES	118,615,530	113,183,966	109,542,200	106,718,900	107,205,500
EXPENDITURES BY FUND SOURCE					
General Fund	34,776,959	36,338,800	35,223,700	35,122,000	33,839,800
Restricted Funds	14,111,014	13,566,138	14,096,900	14,943,300	16,628,100
Federal Funds	69,727,556	63,279,027	60,221,600	56,653,600	56,737,600
TOTAL EXPENDITURES	118,615,530	113,183,966	109,542,200	106,718,900	107,205,500
EXPENDITURES BY UNIT					
Medical Assistance Administration	117,212,994	111,428,986	107,922,100	105,098,800	105,585,400
KCHIP Administration	1,402,536	1,754,980	1,620,100	1,620,100	1,620,100
TOTAL EXPENDITURES	118,615,530	113,183,966	109,542,200	106,718,900	107,205,500

Administrative functions of the Medicaid program and the Kentucky Children's Health Insurance program (KCHIP) include determining applicant eligibility, formulating policy, processing claims, assuring appropriate utilization of medical services, and managed care oversight. For the fee for service elements of the program, claims are paid through contracts with a fiscal agent and a pharmacy benefits administrator. For the managed care elements of the program, a monthly capitation fee for each member is paid. The Medicaid program contracts for medical review of acute care admissions, level of care determinations for long-term care patients, and care reviews for recipients in mental hospitals and psychiatric facilities.

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

Policy

Included in the General Fund is \$329,000 in fiscal year 2013 and \$658,000 in fiscal year 2014 for debt service for a new Medicaid Eligibility System. The project will provide for the design, development and implementation of a web-based Medicaid Eligibility System. The federal government will pay for \$45,000,000 of the expected \$50,000,000 total project cost.

Health and Family Services

Medicaid Services

Medicaid Benefits

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,282,652,600	776,598,500	1,435,255,600	1,301,697,300	1,477,525,000
Special Appropriation		163,834,700	-97,295,800		
Continuing Approp.-General Fund	2,053,222	20,609,400	16,350,700		
Budget Reduction-General Fund	-416,397,200				
Mandated Expenditure Reductions	-4,515,300				
Total General Fund	863,793,322	961,042,600	1,354,310,500	1,301,697,300	1,477,525,000
Restricted Funds					
Balance Forward	104,796	4,958,004	30,495,500		
Current Receipts	58,023,146	58,001,039	62,010,000	62,010,000	62,010,000
Non-Revenue Receipts	329,494,129	327,170,735	335,763,000	374,853,200	332,744,600
Total Restricted Funds	387,622,071	390,129,777	428,268,500	436,863,200	394,754,600
Federal Funds					
Balance Forward	691,420	49,943,059	30,592,000		
Current Receipts	4,163,660,566	4,212,243,108	4,267,136,100	4,055,015,500	4,334,880,800
Non-Revenue Receipts	6,556,877	-998,659			
ARRA Receipts	498,856,530	436,936,113			
Total Federal Funds	4,669,765,393	4,698,123,620	4,297,728,100	4,055,015,500	4,334,880,800
TOTAL SOURCE OF FUNDS	5,921,180,786	6,049,295,997	6,080,307,100	5,793,576,000	6,207,160,400
EXPENDITURES BY CLASS					
Operating Expenses		2,238			
Grants Loans Benefits	5,845,670,323	5,971,855,532	6,080,307,100	5,793,576,000	6,207,160,400
TOTAL EXPENDITURES	5,845,670,323	5,971,857,771	6,080,307,100	5,793,576,000	6,207,160,400
EXPENDITURES BY FUND SOURCE					
General Fund	843,183,922	944,691,900	1,354,310,500	1,301,697,300	1,477,525,000
Restricted Funds	382,664,067	359,634,259	428,268,500	436,863,200	394,754,600
Federal Funds	4,619,822,334	4,667,531,611	4,297,728,100	4,055,015,500	4,334,880,800
TOTAL EXPENDITURES	5,845,670,323	5,971,857,771	6,080,307,100	5,793,576,000	6,207,160,400
EXPENDITURES BY UNIT					
Medicaid Benefits	5,692,737,635	5,808,104,795	5,914,552,200	5,621,409,200	6,028,006,100
KCHIP Benefits	152,932,688	163,752,976	165,754,900	172,166,800	179,154,300
TOTAL EXPENDITURES	5,845,670,323	5,971,857,771	6,080,307,100	5,793,576,000	6,207,160,400

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

Medicare beneficiaries with incomes below the poverty level receive Medicaid assistance for payment of Medicare premiums, deductibles and cost sharing. These individuals are Qualified Medicare Beneficiaries (QMBs). Individuals at the lowest income levels are entitled to full Medicaid benefits and the payment of co-payments for some non-Medicaid covered services including physical therapy, occupational therapy, psychologists, licensed clinical social worker, physician assistant, and comprehensive outpatient rehabilitative facility services. Medicare beneficiaries with income levels slightly higher than poverty receive Medicaid assistance for payment of Medicare premiums. These individuals are Specified Low-Income Medicare Beneficiaries (SLMBs).

Kentucky Medical Assistance Program (KMAP) Recipient Groups

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

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

Medically Needy: Individuals in this group meet a categorical requirement but exceed the established income and resource standards. They do not qualify for any financial assistance but their income is insufficient to meet all or part of their medical needs. This group includes: pregnant women and infants in households with income less than 185 percent of the Federal Poverty Level (FPL); children under age six with household income under 133 percent of FPL; children, ages six to 19 years in families with income not exceeding 100 percent of the FPL; and individuals who “spend down” their resources by incurring medical expenses so that they are able to meet the income guidelines.

2011 Poverty Guidelines	
<u>Family Size</u>	<u>Monthly Income</u>
1	\$908
2	\$1,226
3	\$1,545
4	\$1,863
5	\$2,181
6	\$2,500
7	\$2,818
8	\$3,136

Although the aged, blind, and disabled (both categorically and medically needy) represent only 33 percent of the Medicaid population, they account for approximately 64 percent of Medicaid expenditures. The recommended budget assumes average monthly Medicaid eligibles of 852,547 in fiscal year 2013 and 870,550 in fiscal year 2014.

Projecting Benefits Cost

Forecasting models were combined in the preparation of the Medicaid Benefits projections. Both the Office of State Budget Director (OSBD) and the Department for Medicaid Services (DMS) prepared cash forecasts to arrive at a consensus forecast. These forecasts examine past trends in categorical spending to generate projections for future cash expenditures, adjusting for policy changes. It should be noted that fewer members and services remain under fee-for-service due to the expansion of managed care which was implemented November 1, 2011. Using member eligibility information, historical monthly cash fee-for-service data was classified as either fee-for-service or managed care. Managed care costs were calculated based on the monthly member forecast and the negotiated rates with the contracted managed care organizations. The managed care portion of the budget does not include individual categories of service; therefore, total projected costs for individual services cannot be determined.

Provider Taxes

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

Disproportionate Share Hospital (DSH) Payments

The fiscal year 2012 budget includes funding for Disproportionate Share Hospital (DSH) payments of \$209,100,000 and \$215,400,000 and \$221,800,000 in fiscal years 2013 and 2014, respectively. Disproportionate Share Hospital payments to state mental hospitals are budgeted at approximately \$37,443,073 in each year of the biennium. This budget includes funds transferred from the university teaching hospitals to be used as state matching funds for the portion of DSH funds received by those facilities.

Managed Care

The Budget of the Commonwealth assumes that the Region Three Medicaid managed care partnership (Passport) will continue to operate in Jefferson County and the 15 surrounding counties. In addition, as of November 1, 2011, services will be provided through 3 contracted managed care organizations in the remaining 7 regions of the Commonwealth. Recipients in long term care facilities and waiver programs are excluded from managed care enrollment.

Benefit Match Rate

The Budget of the Commonwealth assumes a federal medical assistance percentage of 70.71 for state fiscal year 2013 and 70.55 percent for state fiscal year 2014 for most budget items. The federal Medicaid match rate assumed for KCHIP is 79.50 percent in fiscal year 2013 and 79.39 percent in fiscal year 2014.

Quality and Charity Care Trust Fund

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

Kentucky Children's Health Insurance Program (KCHIP)

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

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

Policy

The Budget of the Commonwealth provides additional General Fund of \$2,200,000 in fiscal year 2013 and \$7,650,100 in fiscal year 2014 to continue the roll-out of the Supports for Community Living program. There will be 300 slots added in fiscal year 2013 and an additional 300 slots added in fiscal year 2014 for a total of 600 new slots added over the biennium. The total funds added to the Supports for Community Living program for increased slots for fiscal year 2013 is \$7,511,100 and \$25,976,400 in fiscal year 2014.

The Budget of the Commonwealth provides additional funding to seek a Medicaid State Plan Amendment to serve individuals with severe mental illness who are Medicaid eligible and who are either institutionalized or at risk of being institutionalized. Services will be targeted to improve housing status, secure employment and build support networks. General Fund of \$600,000 in fiscal year 2013 and \$1,200,000 in fiscal year 2014 is included in the Budget of the Commonwealth to provide 200 new slots in fiscal year 2013 and an additional 400 slots in fiscal year 2014 for a total of 600 new slots in the biennium. The total funds added for this new program for the severely mentally ill is \$2,048,500 in fiscal year 2013 and \$4,074,700 in fiscal year 2014.

The Budget of the Commonwealth provides additional funding to seek a Medicaid State Plan Amendment to serve Medicaid eligible adolescents and adults with substance use disorders (SUD). Services will include individual therapy, group therapy, peer support and intensive case management. General Fund of \$1,700,000 in fiscal year 2013 and \$4,400,000 in fiscal year 2014 is included in the Budget of the Commonwealth to provide 5,800 new slots over the biennium. The total funds added for this new program substance use disorder treatment is \$5,804,000 in fiscal year 2013 and \$14,940,600 in fiscal year 2014.

Health and Family Services
Behavioral Health, Developmental & Intellectual Disabilities

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	198,212,400	182,659,800	179,705,100	182,586,000	197,169,600
State Salary and Compensation Allocation	273,400	522,000	782,900		
Reorganization Adjustment	-7,195,500				
Mandated Expenditure Reductions	-8,418,500	-304,700			
Total General Fund	182,871,800	182,877,100	180,488,000	182,586,000	197,169,600
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	975,000	900,000	900,000	683,400	697,400
Continuing Approp.-Tobacco Settlement		10	69,300		
Budget Reduction-General Fund Tobacco		-87,897	-56,700		
Total Tobacco Settlement - Phase I	975,000	812,113	912,600	683,400	697,400
Restricted Funds					
Balance Forward	12,366,150	1,891,078	2,024,806		
Current Receipts	218,422,168	230,152,479	234,990,994	220,846,100	220,851,700
Non-Revenue Receipts	2,414,374	747,513	5,678,600	5,886,100	5,890,100
Fund Transfers	-10,220,000	-505,900	-2,019,700		
Total Restricted Funds	222,982,693	232,285,171	240,674,700	226,732,200	226,741,800
Federal Funds					
Balance Forward					
Current Receipts	37,200,481	35,863,813	37,787,000	35,115,300	35,189,000
Non-Revenue Receipts	149,793	-121,077			
Total Federal Funds	37,350,274	35,742,736	37,787,000	35,115,300	35,189,000
TOTAL SOURCE OF FUNDS	444,179,767	451,717,120	459,862,300	445,116,900	459,797,800
EXPENDITURES BY CLASS					
Personnel Cost	114,175,910	118,677,781	123,974,400	127,639,700	128,956,400
Operating Expenses	22,812,394	21,149,945	22,339,800	21,523,700	21,533,900
Grants Loans Benefits	304,041,064	308,519,332	312,568,900	295,753,900	301,346,100
Debt Service				44,000	7,805,800
Capital Outlay	1,259,309	1,274,811	207,500	155,600	155,600
Construction		1,055			
TOTAL EXPENDITURES	442,288,678	449,622,925	459,090,600	445,116,900	459,797,800
EXPENDITURES BY FUND SOURCE					
General Fund	182,871,800	182,877,100	179,716,300	182,586,000	197,169,600
Tobacco Settlement - Phase I	974,990	742,772	912,600	683,400	697,400
Restricted Funds	221,091,614	230,260,317	240,674,700	226,732,200	226,741,800
Federal Funds	37,350,274	35,742,736	37,787,000	35,115,300	35,189,000
TOTAL EXPENDITURES	442,288,678	449,622,925	459,090,600	445,116,900	459,797,800
EXPENDITURES BY UNIT					
Community Behavioral Health	118,090,322	121,060,600	123,362,400	120,707,600	120,767,200
Community Developmental and Intellectual Disabilities	25,960,344	25,055,129	27,576,300	27,589,800	27,683,900
General Support	27,809,600	30,273,600	32,721,400	33,688,300	34,376,300
Residential	270,428,412	273,233,597	275,430,500	263,131,200	276,970,400
TOTAL EXPENDITURES	442,288,678	449,622,925	459,090,600	445,116,900	459,797,800

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

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

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	47,865,600	46,987,100	46,798,900	46,857,700	46,897,700
State Salary and Compensation Allocation			16,000		
Mandated Expenditure Reductions	-1,036,700				
Other	-245,200	-10,400			
Total General Fund	46,583,700	46,976,700	46,814,900	46,857,700	46,897,700
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	975,000	900,000	900,000	683,400	697,400
Continuing Approp.-Tobacco Settlement		10	69,300		
Budget Reduction-General Fund Tobacco		-87,897	-56,700		
Total Tobacco Settlement - Phase I	975,000	812,113	912,600	683,400	697,400
Restricted Funds					
Balance Forward	1,690,476	1,843,938	1,888,806		
Current Receipts	35,411,914	39,457,477	38,630,694	40,455,100	40,460,700
Non-Revenue Receipts	2,845,205	2,329,435	2,757,300	2,824,800	2,824,800
Fund Transfers			-1,800		
Total Restricted Funds	39,947,595	43,630,850	43,275,000	43,279,900	43,285,500
Federal Funds					
Balance Forward					
Current Receipts	32,218,574	31,680,370	32,448,400	29,886,600	29,886,600
Non-Revenue Receipts	209,402	-81,285			
Total Federal Funds	32,427,976	31,599,084	32,448,400	29,886,600	29,886,600
TOTAL SOURCE OF FUNDS	119,934,271	123,018,747	123,450,900	120,707,600	120,767,200
EXPENDITURES BY CLASS					
Personnel Cost	4,510,937	4,477,595	4,525,400	4,859,800	4,852,300
Operating Expenses	335,914	478,464	573,800	573,800	573,800
Grants Loans Benefits	113,243,471	116,104,540	118,263,200	115,274,000	115,341,100
TOTAL EXPENDITURES	118,090,322	121,060,600	123,362,400	120,707,600	120,767,200
EXPENDITURES BY FUND SOURCE					
General Fund	46,583,700	46,976,700	46,726,400	46,857,700	46,897,700
Tobacco Settlement - Phase I	974,990	742,772	912,600	683,400	697,400
Restricted Funds	38,103,657	41,742,044	43,275,000	43,279,900	43,285,500
Federal Funds	32,427,976	31,599,084	32,448,400	29,886,600	29,886,600
TOTAL EXPENDITURES	118,090,322	121,060,600	123,362,400	120,707,600	120,767,200
EXPENDITURES BY UNIT					
Community Alcohol and Drug Services	36,254,793	36,146,978	36,386,600	34,403,200	34,433,300
Community Mental Health Services	81,835,529	84,913,622	86,975,800	86,304,400	86,333,900
TOTAL EXPENDITURES	118,090,322	121,060,600	123,362,400	120,707,600	120,767,200

Community Mental Health Services

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

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

In accordance with KRS 210.410, community mental health centers must provide persons suffering from mental health problems

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

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

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

Community Alcohol and Drug Services

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

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

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

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	27,709,400	20,006,600	19,829,600	19,847,000	19,863,400
Reorganization Adjustment	-7,195,500				
Mandated Expenditure Reductions	-507,300				
Other	-493,000	-313,500			
Total General Fund	19,513,600	19,693,100	19,829,600	19,847,000	19,863,400
Restricted Funds					
Balance Forward	325	20,775	136,000		
Current Receipts		7,000			
Non-Revenue Receipts	2,075,505	1,906,823	2,921,300	3,061,300	3,065,300
Fund Transfers			-23,000		
Total Restricted Funds	2,075,831	1,934,599	3,034,300	3,061,300	3,065,300
Federal Funds					
Balance Forward					
Current Receipts	4,467,991	3,604,205	4,744,800	4,681,500	4,755,200
Non-Revenue Receipts	-76,302	-40,727			
Total Federal Funds	4,391,689	3,563,477	4,744,800	4,681,500	4,755,200
TOTAL SOURCE OF FUNDS	25,981,119	25,191,176	27,608,700	27,589,800	27,683,900
EXPENDITURES BY CLASS					
Personnel Cost	4,265,727	4,840,813	4,369,100	4,478,900	4,535,000
Operating Expenses	834,900	765,338	943,800	919,900	930,100
Grants Loans Benefits	20,859,716	19,448,979	22,263,400	22,191,000	22,218,800
TOTAL EXPENDITURES	25,960,344	25,055,129	27,576,300	27,589,800	27,683,900
EXPENDITURES BY FUND SOURCE					
General Fund	19,513,600	19,693,100	19,797,200	19,847,000	19,863,400
Restricted Funds	2,055,055	1,798,551	3,034,300	3,061,300	3,065,300
Federal Funds	4,391,689	3,563,478	4,744,800	4,681,500	4,755,200
TOTAL EXPENDITURES	25,960,344	25,055,129	27,576,300	27,589,800	27,683,900
EXPENDITURES BY UNIT					
Local Developmental and Intellectual Disabilities	23,908,416	23,657,299	26,052,300	26,177,800	26,271,900
KY Developmental Disability Council	2,051,927	1,397,830	1,524,000	1,412,000	1,412,000
TOTAL EXPENDITURES	25,960,344	25,055,129	27,576,300	27,589,800	27,683,900

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

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

The Kentucky Council on Developmental Disabilities is administratively attached to the Division of Developmental and Intellectual Disabilities. The Council is made up of 26 members (individuals with developmental disabilities and family/guardian/siblings) appointed by the Governor and state agency representatives as defined in (PL 106-402 and KRS 194.135). The Council promotes systems change, capacity building and advocacy for individuals with developmental disabilities. The Council on Developmental

Disabilities represents the interests of approximately 122,000 Kentuckians who have developmental disabilities. The Council funds time-limited demonstration projects and engages in outreach activities to assist individuals with developmental disabilities and their families.

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

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	29,619,600	30,805,000	32,877,700	33,688,300	34,376,300
Mandated Expenditure Reductions	-1,810,000				
Other		-531,400			
Total General Fund	27,809,600	30,273,600	32,877,700	33,688,300	34,376,300
TOTAL SOURCE OF FUNDS	27,809,600	30,273,600	32,877,700	33,688,300	34,376,300
EXPENDITURES BY CLASS					
Personnel Cost	2,817,311	2,807,101	3,446,500	3,671,400	3,743,600
Operating Expenses	642,102	605,152	646,700	642,200	642,200
Grants Loans Benefits	24,350,187	26,861,347	28,628,200	29,374,700	29,990,500
TOTAL EXPENDITURES	27,809,600	30,273,600	32,721,400	33,688,300	34,376,300
EXPENDITURES BY FUND SOURCE					
General Fund	27,809,600	30,273,600	32,721,400	33,688,300	34,376,300
TOTAL EXPENDITURES	27,809,600	30,273,600	32,721,400	33,688,300	34,376,300

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

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

Policy

The Budget of the Commonwealth includes a General Fund appropriation of \$733,900 in fiscal year 2013 and \$1,349,700 in fiscal year 2014 for Regional Mental Health/Mental Retardation Boards to assist them with the required increase of the employer contribution rates, effective July 1, 2012, and July 1, 2013, for the Kentucky Employees Nonhazardous state retirement system. The Department for Medicaid Services shall recognize this new cost to the Regional Mental Health/Mental Retardation Boards in the reimbursement rates, and the Department for Behavioral Health, Developmental and Intellectual Disabilities shall utilize these funds to provide the required state match.

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

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	93,017,800	84,861,100	80,198,900	82,193,000	96,032,200
State Salary and Compensation Allocation	273,400	522,000	766,900		
Mandated Expenditure Reductions	-5,064,500	-304,700			
Other	738,200	855,300			
Total General Fund	88,964,900	85,933,700	80,965,800	82,193,000	96,032,200
Restricted Funds					
Balance Forward	10,675,349	26,365			
Current Receipts	183,010,254	190,688,002	196,360,300	180,391,000	180,391,000
Non-Revenue Receipts	-2,506,336	-3,488,745			
Fund Transfers	-10,220,000	-505,900	-1,994,900		
Total Restricted Funds	180,959,267	186,719,722	194,365,400	180,391,000	180,391,000
Federal Funds					
Balance Forward					
Current Receipts	513,916	579,238	593,800	547,200	547,200
Non-Revenue Receipts	16,694	936			
Total Federal Funds	530,610	580,175	593,800	547,200	547,200
TOTAL SOURCE OF FUNDS	270,454,777	273,233,597	275,925,000	263,131,200	276,970,400
EXPENDITURES BY CLASS					
Personnel Cost	102,581,934	106,552,273	111,633,400	114,629,600	115,825,500
Operating Expenses	20,999,478	19,300,991	20,175,500	19,387,800	19,387,800
Grants Loans Benefits	145,587,690	146,104,466	143,414,100	128,914,200	133,795,700
Debt Service				44,000	7,805,800
Capital Outlay	1,259,309	1,274,811	207,500	155,600	155,600
Construction		1,055			
TOTAL EXPENDITURES	270,428,412	273,233,597	275,430,500	263,131,200	276,970,400
EXPENDITURES BY FUND SOURCE					
General Fund	88,964,900	85,933,700	80,471,300	82,193,000	96,032,200
Restricted Funds	180,932,902	186,719,722	194,365,400	180,391,000	180,391,000
Federal Funds	530,610	580,175	593,800	547,200	547,200
TOTAL EXPENDITURES	270,428,412	273,233,597	275,430,500	263,131,200	276,970,400

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

Inpatient psychiatric services are provided for adults through four psychiatric hospitals: Eastern State Hospital in Lexington with an average daily census (ADC) of 161; Central State Hospital in Louisville with an ADC of 74; and Western State Hospital in Hopkinsville with an ADC of 104. The Hazard Psychiatric Facility, owned and operated by Appalachian Regional Healthcare, Inc., with an ADC of 86, provides acute inpatient psychiatric services through a contract with the Department. Eastern State Hospital is operated under a management contract with Bluegrass Regional Mental Health/Mental Retardation Board, Inc.

Glasgow Nursing Facility with an ADC of 79 and Western State Nursing Facility with an ADC of 128 provide nursing facility services for adults with behavioral health illness who are admitted from state psychiatric hospitals.

Ten facilities provide intermediate care for individuals with development and intellectual disabilities who are unable to live unassisted in their communities: the Oakwood Community Center in Somerset with an ADC of 134, Outwood in Dawson Springs with an ADC of 50, Hazelwood in Louisville with an ADC of 134, Bingham Gardens, formally known as Central State Intermediate Care Facility, located in Louisville with an ADC of 24, Del Maria in Fern Creek with an ADC of 8, the Meadows in Mount Washington with an ADC of 8, and Windsong in Crestwood with an ADC of 8. Residents are assisted in self-care skills and appropriate social behavior and are provided specialized services to promote their personal growth.

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

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

Forensic psychiatric services are provided at the Kentucky Correctional Psychiatric Center within the Luther Lockett Correctional Complex in LaGrange (97 licensed beds). Pretrial services are provided for persons with felony charges who are referred by district and circuit courts for evaluation of competency to stand trial. The correctional component may serve some post-convicted females in need of acute inpatient psychiatric treatment who are transferred from various institutions within the Department of Corrections.

Policy

The Budget of the Commonwealth includes General Fund of \$7,717,800 in fiscal year 2014 for debt service for the construction of the new Eastern State Hospital on the grounds of University of Kentucky's Coldstream Research Campus on Newtown Pike in Lexington. Construction is scheduled to be completed by July of 2013. This project was authorized in the 2008-2010 Budget of the Commonwealth and financed by a conduit bond issued by the Lexington Fayette Urban County Government. The bond funds for this project repaid the Lexington Fayette Urban County Government and will fund the cost of construction of the hospital. The amount of the project is \$129,005,000.

The Budget of the Commonwealth includes General Fund in the amount of \$1,000,000 in fiscal year 2013 and \$6,905,000 in fiscal year 2014 for new and expanded programming and increased operational costs at the new Eastern State Hospital. The expanded and new programming includes: Personal Care Home beds will increase from 40 to 64; a new Brain Injury or Neurological Unit will be opened with a 17 bed capacity; twenty-five new high acuity beds will be added; and 8 new partial-hospitalization beds are planned.

The Budget of the Commonwealth includes General Fund of \$44,000 in fiscal year 2013 and \$88,000 in fiscal year 2014 for the design phase of an electrical system upgrade on the campus of Western State Hospital.

**Health and Family Services
Public Health**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	71,989,800	61,174,300	61,312,500	56,085,300	56,884,600
State Salary and Compensation Allocation	255,400	481,500	691,200		
Budget Reduction-General Fund	-9,467,600				
Mandated Expenditure Reductions	-3,133,400	-1,337,000	-2,067,700		
Total General Fund	59,644,200	60,318,800	59,936,000	56,085,300	56,884,600
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	19,919,200	16,546,900	14,505,100	12,838,200	12,708,200
Continuing Approp.-Tobacco Settlement	3,568,997	1,509,535	1,444,700		
Budget Reduction-General Fund Tobacco	-4,009,329	-1,811,645	-824,200		
Total Tobacco Settlement - Phase I	19,478,868	16,244,790	15,125,600	12,838,200	12,708,200
Restricted Funds					
Balance Forward	4,147,318	7,019,314	10,202,800	5,712,700	3,266,700
Current Receipts	112,585,114	117,551,089	126,716,700	129,252,100	130,470,700
Non-Revenue Receipts	490,630	-9,753,435	-14,751,800	-15,634,300	-15,837,400
Fund Transfers		-320,400	-660,200		
Total Restricted Funds	117,223,063	114,496,568	121,507,500	119,330,500	117,900,000
Federal Funds					
Balance Forward		695,209	3,317,800		
Current Receipts	199,139,996	190,511,088	236,133,500	211,262,800	192,530,300
Non-Revenue Receipts	-1,560,031	125,436			
ARRA Receipts	2,273,042	5,244,944			
Total Federal Funds	199,853,008	196,576,678	239,451,300	211,262,800	192,530,300
TOTAL SOURCE OF FUNDS	396,199,138	387,636,835	436,020,400	399,516,800	380,023,100
EXPENDITURES BY CLASS					
Personnel Cost	50,064,648	61,399,185	65,443,900	66,729,900	67,768,300
Operating Expenses	19,463,274	12,108,714	13,275,700	12,391,800	12,025,700
Grants Loans Benefits	317,410,467	298,831,059	351,003,000	317,128,400	298,582,200
Capital Outlay	36,653	330,260			
Construction	37	2,250			
TOTAL EXPENDITURES	386,975,080	372,671,468	429,722,600	396,250,100	378,376,200
EXPENDITURES BY FUND SOURCE					
General Fund	59,644,200	60,318,800	59,350,900	56,085,300	56,884,600
Tobacco Settlement - Phase I	17,969,332	14,800,081	15,125,600	12,838,200	12,708,200
Restricted Funds	110,203,749	104,293,732	115,794,800	116,063,800	116,253,100
Federal Funds	199,157,799	193,258,855	239,451,300	211,262,800	192,530,300
TOTAL EXPENDITURES	386,975,080	372,671,468	429,722,600	396,250,100	378,376,200
EXPENDITURES BY UNIT					
General Health Support	60,078,642	63,609,953	66,917,000	66,694,700	67,545,900
Women's Health	11,832,947	12,658,416	13,825,000	12,670,400	11,827,100
Prevention and Quality Improvement	11,024,548	10,452,976	10,186,500	9,712,500	9,572,600
Epidemiology and Health Planning	59,235,324	48,111,022	54,165,200	47,427,600	45,008,100
Maternal and Child Health	227,694,557	220,935,632	267,811,900	243,019,500	227,735,500
Laboratory Services	6,647,584	6,803,931	6,164,700	5,978,200	6,015,100
Public Health Protection and Safety	10,461,477	10,099,539	10,652,300	10,747,200	10,671,900
TOTAL EXPENDITURES	386,975,080	372,671,468	429,722,600	396,250,100	378,376,200

The Department for Public Health (DPH) as authorized by KRS 211.025 and 211.180 supervises and assists all local boards of health and local health departments in and effort to protect and improve the health of the citizens of the Commonwealth. There are 58 local health departments units serving all 120 counties in Kentucky.

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

In fiscal year 2011, the public health departments of Kentucky reported the following accomplishments:

- Provided adult health preventive visits to 205,000 people
- Provided cancer related clinical visits (primarily breast and cervical cancer) to 153,276 people
- Provided individual and group diabetes education services to 69,545 people
- Provided family planning services to 103,799 people
- Provided maternity services to 3,026 women
- Provided 256,390 medical home health units/visits to 8,137 patients
- Provided 151,601 units/visits of Medicaid Home and Community Based Services to 1,085 people
- Provided children's preventive services to 135,479
- Enrolled 144,371 Women, Infants and Children participants
- Referred 1,500 infants with positive or inconclusive results from newborn metabolic screening (approximately 30 disorders) to university diagnostic centers
- Performed genetic testing, counseling and education for 1,831 families
- Provided 2,205,660 doses of vaccine to Kentuckians.
- Immunized 560,834 persons
- Immunized kindergarten entrants adequately (49,305 children)
- Inspected 59,986 food establishments, 1,391 X-ray and other radiation-producing machines, 7,582 dairies, and performed 44,728 sanitation inspections
- Performed 3,434,691 laboratory tests
- Provided 591,320 copies of vital statistics records to the public

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

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

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

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	21,088,110	14,117,400	14,391,500	13,601,700	14,209,400
State Salary and Compensation Allocation	155,400	134,100	189,000		
Budget Reduction-General Fund	-3,252,000				
Reorganization Adjustment	380,600				
Mandated Expenditure Reductions	-2,169,800	-133,100	-292,800		
Other	-4,360,200	125,800			
Total General Fund	11,842,110	14,244,200	14,287,700	13,601,700	14,209,400
Restricted Funds					
Balance Forward	1,678	1,077,965	6,800		
Current Receipts	49,875,352	59,401,060	68,074,400	69,182,500	69,523,900
Non-Revenue Receipts	-562,534	-11,118,035	-15,753,300	-16,498,500	-16,576,400
Fund Transfers		-50,400	-5,400		
Total Restricted Funds	49,314,497	49,310,590	52,322,500	52,684,000	52,947,500
Federal Funds					
Balance Forward			700		
Current Receipts		62,679	441,100	409,000	389,000
Total Federal Funds		62,679	441,800	409,000	389,000
TOTAL SOURCE OF FUNDS	61,156,607	63,617,469	67,052,000	66,694,700	67,545,900
EXPENDITURES BY CLASS					
Personnel Cost	5,312,176	5,916,306	5,788,000	6,446,600	7,064,800
Operating Expenses	403,648	324,100	528,700	502,400	502,400
Grants Loans Benefits	54,362,818	57,369,546	60,600,300	59,745,700	59,978,700
TOTAL EXPENDITURES	60,078,642	63,609,953	66,917,000	66,694,700	67,545,900
EXPENDITURES BY FUND SOURCE					
General Fund	11,842,110	14,244,200	14,152,700	13,601,700	14,209,400
Restricted Funds	48,236,532	49,303,790	52,322,500	52,684,000	52,947,500
Federal Funds		61,962	441,800	409,000	389,000
TOTAL EXPENDITURES	60,078,642	63,609,953	66,917,000	66,694,700	67,545,900

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

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

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

The Kentucky Office of Health Equity was established in September 2008, functionally operating through the Kentucky Department of Public Health, Commissioner's Office. The Office receives funding from the U.S. Department of Health and Human Services, Office of Minority Health. The Office seeks to eliminate health disparities in the state of Kentucky specifically those social, cultural, and environmental factors that contribute to adverse health outcomes. The Office serves in an advisory capacity to all divisions and departments across the Department of Public Health.

The Division of Administration and Financial Management provides all resource support to the Department for Public Health. This includes approximately 394 Cabinet-level personnel and nearly 4,000 personnel represented by the 58 local health departments in all 120 counties. The Division provides all budgets and accounting support, payments, grant allocation, fee collection, procurement, and contracting support. The Division is also responsible for training state and local level staff in the area of administrative and financial management. The Division develops the Department's biennial budget and oversees local health departments' fiscal planning and administrative management functions. The Division works in concert with the other divisions in the Department to plan, program, execute, manage, and report the financial activities of the Department and local health departments.

The Division is also responsible for overseeing the day-to-day operation of the 58 local health departments across the state. This responsibility includes conducting training on medical coding and billing practices, local health personnel procedures, and financial operations. Additionally, this Division has the responsibilities for personnel management; medical records and forms management, reporting of clinical and community-based services, operating the online local health network that tracks approximately 7.4 million services to 848,000 patients, policy interpretation, and the Local Board of Health nomination process. The Division is the primary liaison between the Department for Public Health and local health departments.

Policy

The Budget of the Commonwealth includes a General Fund appropriation of \$417,000 in fiscal year 2013 and \$913,600 in fiscal year 2014 for local health departments to assist them with the required increase of the employer contribution rates, effective July 1, 2013, and July 1, 2014, for the Kentucky Employees Nonhazardous state retirement system.

Health and Family Services

Public Health

Women's Health

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,970,800	2,826,000	2,763,800	2,479,200	2,481,400
State Salary and Compensation Allocation		10,600	7,500		
Budget Reduction-General Fund	-77,000				
Mandated Expenditure Reductions	-10,900	-75,100	-68,400		
Other	-49,700	-83,700			
Total General Fund	2,833,200	2,677,800	2,702,900	2,479,200	2,481,400
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	400,000	200,000	200,000	128,200	128,200
Continuing Approp.-Tobacco Settlement	11,688				
Budget Reduction-General Fund Tobacco	-11,688		-80,000		
Other	-100,000				
Total Tobacco Settlement - Phase I	300,000	200,000	120,000	128,200	128,200
Restricted Funds					
Balance Forward	12,004	16,300	5,900		
Current Receipts	155,474	198,220	253,100	259,000	259,000
Total Restricted Funds	167,478	214,520	259,000	259,000	259,000
Federal Funds					
Balance Forward			10,100		
Current Receipts	8,529,223	9,582,142	10,739,900	9,804,000	8,958,500
Non-Revenue Receipts	19,346				
Total Federal Funds	8,548,569	9,582,142	10,750,000	9,804,000	8,958,500
TOTAL SOURCE OF FUNDS	11,849,247	12,674,462	13,831,900	12,670,400	11,827,100
EXPENDITURES BY CLASS					
Personnel Cost	981,432	1,002,545	894,300	925,300	935,500
Operating Expenses	188,400	256,039	235,400	235,400	235,400
Grants Loans Benefits	10,663,115	11,399,832	12,695,300	11,509,700	10,656,200
TOTAL EXPENDITURES	11,832,947	12,658,416	13,825,000	12,670,400	11,827,100
EXPENDITURES BY FUND SOURCE					
General Fund	2,833,200	2,677,800	2,696,000	2,479,200	2,481,400
Tobacco Settlement - Phase I	300,000	200,000	120,000	128,200	128,200
Restricted Funds	151,178	208,591	259,000	259,000	259,000
Federal Funds	8,548,569	9,572,025	10,750,000	9,804,000	8,958,500
TOTAL EXPENDITURES	11,832,947	12,658,416	13,825,000	12,670,400	11,827,100

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

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

The Breast Cancer Research and Education Trust Fund, created in 2005, is funded by sale of the breast cancer license plates

and the State Income tax form optional checkbox. Funds collected are distributed to breast cancer affiliates through an annual Request for Proposal process. Projects are to support breast cancer research, education, treatment, screening, and awareness in Kentucky.

The Folic Acid Counseling and Supplementation subprogram services are provided in every health department (58) in Kentucky and six sub-delegates, which include three university clinic sites, Bluegrass Farm Workers, and Planned Parenthoods in Lexington and Louisville. Research has shown that when women consume adequate folic acid, the incidence of neural tube defects such as spina bifida can be decreased by as much as 70%. Since the inception of this program, the number of neural tube defects in infants in Kentucky has declined. The Folic Acid program has been funded by Tobacco Settlement funds.

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

The Abstinence subprogram provides abstinence-until-marriage education for youth aged 12-19 years old to support teens' decisions to abstain from sexual activity until marriage. Kentucky's abstinence education program provides knowledge about the physical and emotional benefits of abstaining from sex before marriage and long-term strategies for postponing sex until marriage to teens most at risk for out-of-wedlock births.

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

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	9,887,979	8,148,924	7,821,700	7,390,700	7,427,800
State Salary and Compensation Allocation		73,700	108,200		
Budget Reduction-General Fund	-591,100				
Reorganization Adjustment	-380,600	-221,600			
Mandated Expenditure Reductions	-435,600	-317,100	-439,900		
Other	-466,900	-301,500			
Total General Fund	8,013,779	7,382,424	7,490,000	7,390,700	7,427,800
Restricted Funds					
Balance Forward	2,836	51,532	32,500		
Current Receipts	148,929	342,976	67,500	100,000	100,000
Non-Revenue Receipts	316,396	33,361			
Fund Transfers		-1,000			
Total Restricted Funds	468,161	426,869	100,000	100,000	100,000
Federal Funds					
Balance Forward		4,852	138,700		
Current Receipts	2,563,874	2,158,589	2,534,000	2,221,800	2,044,800
Non-Revenue Receipts		125,456			
ARRA Receipts	35,118	525,930			
Total Federal Funds	2,598,992	2,814,828	2,672,700	2,221,800	2,044,800
TOTAL SOURCE OF FUNDS	11,080,932	10,624,121	10,262,700	9,712,500	9,572,600
EXPENDITURES BY CLASS					
Personnel Cost	2,340,921	3,817,895	3,810,200	3,946,700	3,992,300
Operating Expenses	474,188	347,182	389,700	389,700	389,700
Grants Loans Benefits	8,209,439	6,287,899	5,986,600	5,376,100	5,190,600
TOTAL EXPENDITURES	11,024,548	10,452,976	10,186,500	9,712,500	9,572,600
EXPENDITURES BY FUND SOURCE					
General Fund	8,013,779	7,382,424	7,413,800	7,390,700	7,427,800
Restricted Funds	416,630	394,400	100,000	100,000	100,000
Federal Funds	2,594,139	2,676,153	2,672,700	2,221,800	2,044,800
TOTAL EXPENDITURES	11,024,548	10,452,976	10,186,500	9,712,500	9,572,600

The Prevention and Quality Improvement Program is comprised of three subprograms which include: Chronic Disease Prevention, Health Care Access, and Public Health Improvement.

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

The Chronic Disease Prevention and Control subprogram is responsible for decreasing the morbidity and mortality from chronic diseases. Emphasis is on prevention and risk factors that can be reduced through healthy lifestyles. Prevention programs include asthma, arthritis, cardiovascular health, comprehensive cancer, diabetes, and osteoporosis. The program provides funding to local health departments for community-based services aimed at individuals and at bringing about policy and environmental changes that will improve the health status of Kentuckians.

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

The Public Health Improvement subprogram is responsible for the publication and maintenance of the Public Health Practice

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

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

Policy

The Budget of the Commonwealth provides additional General Fund of \$500,000 in fiscal year 2013 and \$500,000 in fiscal year 2014 to expand colon cancer screening for the uninsured.

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

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,345,200	4,768,800	4,750,200	4,397,800	4,430,600
State Salary and Compensation Allocation		61,500	99,900		
Budget Reduction-General Fund	-328,000				
Mandated Expenditure Reductions	-68,600	-72,700	-86,100		
Other	-77,300	-5,700			
Total General Fund	4,871,300	4,751,900	4,764,000	4,397,800	4,430,600
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	2,313,400	1,775,900	800,000	250,000	250,000
Continuing Approp.-Tobacco Settlement	419	46	1,800		
Budget Reduction-General Fund Tobacco			-400,000		
Total Tobacco Settlement - Phase I	2,313,819	1,775,946	401,800	250,000	250,000
Restricted Funds					
Balance Forward	3,358,348	5,834,542	8,967,400	5,712,700	3,266,700
Current Receipts	9,887,920	8,778,943	9,286,200	10,142,500	11,071,500
Non-Revenue Receipts	45,548	86,224	41,500	41,500	41,500
Fund Transfers		-52,900	-135,000		
Total Restricted Funds	13,291,817	14,646,809	18,160,100	15,896,700	14,379,700
Federal Funds					
Balance Forward					
Current Receipts	44,170,373	35,013,794	36,610,800	30,149,800	27,594,700
Non-Revenue Receipts	320,079	505,692			
ARRA Receipts	102,524	386,043			
Total Federal Funds	44,592,977	35,905,529	36,610,800	30,149,800	27,594,700
TOTAL SOURCE OF FUNDS	65,069,912	57,080,184	59,936,700	50,694,300	46,655,000
EXPENDITURES BY CLASS					
Personnel Cost	22,523,165	27,131,255	29,198,700	28,948,000	29,106,300
Operating Expenses	12,428,016	5,235,090	6,457,400	5,635,400	5,291,000
Grants Loans Benefits	24,261,475	15,414,416	18,509,100	12,844,200	10,610,800
Capital Outlay	22,668	330,260			
TOTAL EXPENDITURES	59,235,324	48,111,022	54,165,200	47,427,600	45,008,100
EXPENDITURES BY FUND SOURCE					
General Fund	4,871,300	4,751,900	4,705,200	4,397,800	4,430,600
Tobacco Settlement - Phase I	2,313,773	1,774,184	401,800	250,000	250,000
Restricted Funds	7,457,275	5,679,409	12,447,400	12,630,000	12,732,800
Federal Funds	44,592,977	35,905,529	36,610,800	30,149,800	27,594,700
TOTAL EXPENDITURES	59,235,324	48,111,022	54,165,200	47,427,600	45,008,100

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

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

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

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

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

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

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

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	25,533,211	24,493,776	24,451,000	21,514,000	21,541,600
State Salary and Compensation Allocation		65,500	93,700		
Budget Reduction-General Fund	-4,972,600				
Mandated Expenditure Reductions	-280,800	-628,200	-1,064,200		
Reorganization Adjustment		221,600			
Other	4,547,000	-202,900			
Total General Fund	24,826,811	23,949,776	23,480,500	21,514,000	21,541,600
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	17,205,800	14,571,000	13,505,100	12,460,000	12,330,000
Continuing Approp.-Tobacco Settlement	3,556,890	1,509,489	1,442,900		
Budget Reduction-General Fund Tobacco	-3,997,641	-1,811,645	-344,200		
Other	100,000				
Total Tobacco Settlement - Phase I	16,865,049	14,268,844	14,603,800	12,460,000	12,330,000
Restricted Funds					
Balance Forward	564,905	8,348	1,099,000		
Current Receipts	43,622,630	40,108,649	40,081,600	40,562,800	40,511,000
Non-Revenue Receipts	1,291,220	1,555,015	1,664,000	1,526,700	1,401,500
Fund Transfers		-166,400	-395,500		
Total Restricted Funds	45,478,755	41,505,612	42,449,100	42,089,500	41,912,500
Federal Funds					
Balance Forward		690,357	3,016,600		
Current Receipts	142,798,206	142,252,304	184,345,000	166,956,000	151,951,400
Non-Revenue Receipts	-2,201,468	-505,712			
ARRA Receipts	2,135,400	4,332,971			
Total Federal Funds	142,732,137	146,769,920	187,361,600	166,956,000	151,951,400
TOTAL SOURCE OF FUNDS	229,902,751	226,494,152	267,895,000	243,019,500	227,735,500
EXPENDITURES BY CLASS					
Personnel Cost	10,816,488	15,354,844	17,588,000	18,121,100	18,225,800
Operating Expenses	966,168	1,023,929	1,386,700	1,386,700	1,386,700
Grants Loans Benefits	215,906,696	204,556,859	248,837,200	223,511,700	208,123,000
Capital Outlay	5,204				
TOTAL EXPENDITURES	227,694,557	220,935,632	267,811,900	243,019,500	227,735,500
EXPENDITURES BY FUND SOURCE					
General Fund	24,826,811	23,949,776	23,397,400	21,514,000	21,541,600
Tobacco Settlement - Phase I	15,355,559	12,825,897	14,603,800	12,460,000	12,330,000
Restricted Funds	45,470,406	40,406,612	42,449,100	42,089,500	41,912,500
Federal Funds	142,041,780	143,753,347	187,361,600	166,956,000	151,951,400
TOTAL EXPENDITURES	227,694,557	220,935,632	267,811,900	243,019,500	227,735,500

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

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

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

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

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

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

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

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,050,000	3,745,600	3,767,500	3,505,700	3,542,600
State Salary and Compensation Allocation		58,600	89,700		
Budget Reduction-General Fund	-220,600				
Mandated Expenditure Reductions	-58,500	-51,100	-70,800		
Other	108,600	265,100			
Total General Fund	3,879,500	4,018,200	3,786,400	3,505,700	3,542,600
Restricted Funds					
Balance Forward	196,438	16,002	77,200		
Current Receipts	3,187,649	3,163,129	3,139,100	3,176,500	3,176,500
Non-Revenue Receipts	-600,000	-310,000	-704,000	-704,000	-704,000
Fund Transfers		-6,200	-40,500		
Total Restricted Funds	2,784,087	2,862,931	2,471,800	2,472,500	2,472,500
TOTAL SOURCE OF FUNDS	6,663,587	6,881,131	6,258,200	5,978,200	6,015,100
EXPENDITURES BY CLASS					
Personnel Cost	2,550,163	2,824,737	2,822,000	2,671,100	2,729,700
Operating Expenses	3,834,521	3,777,797	3,198,400	3,162,800	3,141,100
Grants Loans Benefits	262,900	201,397	144,300	144,300	144,300
TOTAL EXPENDITURES	6,647,584	6,803,931	6,164,700	5,978,200	6,015,100
EXPENDITURES BY FUND SOURCE					
General Fund	3,879,500	4,018,200	3,692,900	3,505,700	3,542,600
Restricted Funds	2,768,084	2,785,731	2,471,800	2,472,500	2,472,500
TOTAL EXPENDITURES	6,647,584	6,803,931	6,164,700	5,978,200	6,015,100

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

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

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

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

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

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

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,114,500	3,073,800	3,366,800	3,196,200	3,251,200
State Salary and Compensation Allocation	100,000	77,500	103,200		
Budget Reduction-General Fund	-26,300				
Mandated Expenditure Reductions	-109,200	-59,700	-45,500		
Other	298,500	202,900			
Total General Fund	3,377,500	3,294,500	3,424,500	3,196,200	3,251,200
Restricted Funds					
Balance Forward	11,109	14,626	14,000		
Current Receipts	5,707,160	5,558,112	5,814,800	5,828,800	5,828,800
Fund Transfers		-43,500	-83,800		
Total Restricted Funds	5,718,269	5,529,238	5,745,000	5,828,800	5,828,800
Federal Funds					
Balance Forward			151,700		
Current Receipts	1,078,321	1,441,579	1,462,700	1,722,200	1,591,900
Non-Revenue Receipts	302,012				
Total Federal Funds	1,380,333	1,441,579	1,614,400	1,722,200	1,591,900
TOTAL SOURCE OF FUNDS	10,476,102	10,265,316	10,783,900	10,747,200	10,671,900
EXPENDITURES BY CLASS					
Personnel Cost	5,540,303	5,351,602	5,342,700	5,671,100	5,713,900
Operating Expenses	1,168,333	1,144,577	1,079,400	1,079,400	1,079,400
Grants Loans Benefits	3,744,022	3,601,109	4,230,200	3,996,700	3,878,600
Capital Outlay	8,781				
Construction	37	2,250			
TOTAL EXPENDITURES	10,461,477	10,099,539	10,652,300	10,747,200	10,671,900
EXPENDITURES BY FUND SOURCE					
General Fund	3,377,500	3,294,500	3,292,900	3,196,200	3,251,200
Restricted Funds	5,703,643	5,515,200	5,745,000	5,828,800	5,828,800
Federal Funds	1,380,333	1,289,839	1,614,400	1,722,200	1,591,900
TOTAL EXPENDITURES	10,461,477	10,099,539	10,652,300	10,747,200	10,671,900

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

The Radiation subprogram inspects and issues over 675 specific licenses to users of radioactive materials, and registers and inspects over 200 users of radiation sources. The subprogram monitors the transportation of radioactive waste, within and through the Commonwealth, and is mandated and equipped to respond to radiological emergencies 24 hours per day. The subprogram registers and inspects 4,000 facilities with 9,800 X-Ray tubes, conducts reviews and inspects approximately 164 mammography facilities and shielding plans for facilities, and issues certificates and inspects approximately 7,586 operators of sources of radiation. The subprogram collects and analyzes approximately 1,500 samples from Maxey Flats Disposal Site and conducts 4,584 analyses on these samples. The subprogram also collects approximately 2,100 samples at the Paducah Gaseous Diffusion Plant and conducts 11,754 quality control analyses.

The Milk Safety subprogram inspects dairy farms, dairy plants, transfer and hauler facilities, and milk processors, conducting 8,048 inspections of 1,900 dairies annually as the events of September 11, 2001 have re-emphasized the need for added security of the nation's food supply, including milk products. The subprogram provides safety education to milk haulers, pasteurization equipment operators and other industry professionals. Routine testing and inspection of pasteurization equipment along with monthly sampling aid in the prevention of possible public health illnesses from occurring. The subprogram investigates complaints, responds to federal Food & Drug Administration notices regarding dairy recalls or events, and serves as

a first responder for dairy industry events.

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

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

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

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

**Health and Family Services
Health Policy**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	583,300	496,500	491,500	433,300	440,200
State Salary and Compensation Allocation	10,300	26,200	27,700		
Budget Reduction-General Fund	-175,600				
Mandated Expenditure Reductions	-24,900	-54,700	-53,900		
Total General Fund	393,100	468,000	465,300	433,300	440,200
Restricted Funds					
Balance Forward	285,977	399,913	450,800	204,800	27,700
Current Receipts	874,448	753,226	750,000	761,600	771,900
Non-Revenue Receipts		-225,000	-175,000	-163,000	-25,000
Fund Transfers	-43,700	-72,600	-94,500		
Total Restricted Funds	1,116,725	855,538	931,300	803,400	774,600
Federal Funds					
Current Receipts		250,924	7,800,000	400,000	
Non-Revenue Receipts		1,122			
Total Federal Funds		252,047	7,800,000	400,000	
TOTAL SOURCE OF FUNDS	1,509,825	1,575,585	9,196,600	1,636,700	1,214,800
EXPENDITURES BY CLASS					
Personnel Cost	927,691	745,534	1,400,000	881,800	793,400
Operating Expenses	56,650	250,350	430,800	200,200	237,500
Grants Loans Benefits	125,572	128,914	7,135,100	527,000	183,900
TOTAL EXPENDITURES	1,109,912	1,124,798	8,965,900	1,609,000	1,214,800
EXPENDITURES BY FUND SOURCE					
General Fund	393,100	468,000	439,400	433,300	440,200
Restricted Funds	716,812	404,751	726,500	775,700	774,600
Federal Funds		252,047	7,800,000	400,000	
TOTAL EXPENDITURES	1,109,912	1,124,798	8,965,900	1,609,000	1,214,800
EXPENDITURES BY UNIT					
Office of Health Policy	1,109,912	1,124,798	8,965,900	1,609,000	1,214,800
TOTAL EXPENDITURES	1,109,912	1,124,798	8,965,900	1,609,000	1,214,800

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

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

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

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

A certificate of need is required to establish a health facility; to change bed capacity of health facility; to make a substantial change in a project (as defined by KRS Chapter 216 B.015); to add a health service for which there are review criteria in the

state health plan to add a service subject to licensure; to obligate a capital expenditure or acquire major medical equipment which exceeds a specific threshold; or to change the geographic area which has been designated on a certificate of need or license.

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

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	434,000	428,300	424,000	427,700	439,100
State Salary and Compensation Allocation	16,800	31,400	45,000		
Budget Reduction-General Fund Mandated Expenditure Reductions	-15,900				
		-23,600	-14,900		
Total General Fund	434,900	436,100	454,100	427,700	439,100
Restricted Funds					
Balance Forward	1,046	84,033	61,700		
Non-Revenue Receipts	119,008		33,300	93,600	93,600
Fund Transfers		-1,700	-4,300		
Total Restricted Funds	120,054	82,333	90,700	93,600	93,600
Federal Funds					
Balance Forward	175,082	165,921	115,400		
Current Receipts	3,598,649	4,988,000	3,218,900	3,079,700	3,069,100
Non-Revenue Receipts	4,962	-4,962			
ARRA Receipts	617,848	66,646			
Total Federal Funds	4,396,541	5,215,605	3,334,300	3,079,700	3,069,100
TOTAL SOURCE OF FUNDS	4,951,495	5,734,038	3,879,100	3,601,000	3,601,800
EXPENDITURES BY CLASS					
Personnel Cost	565,684	705,269	379,100	421,600	444,400
Operating Expenses	245,771	215,521	207,500	248,800	207,900
Grants Loans Benefits	3,806,811	4,636,233	3,256,400	2,930,600	2,949,500
TOTAL EXPENDITURES	4,618,266	5,557,023	3,843,000	3,601,000	3,601,800
EXPENDITURES BY FUND SOURCE					
General Fund	351,624	436,100	418,000	427,700	439,100
Restricted Funds	36,021	20,679	90,700	93,600	93,600
Federal Funds	4,230,620	5,100,245	3,334,300	3,079,700	3,069,100
TOTAL EXPENDITURES	4,618,266	5,557,023	3,843,000	3,601,000	3,601,800
EXPENDITURES BY UNIT					
Family Resource and Youth Services Center	209,848	433,144	381,200	383,000	383,000
Kentucky Com. Community Volunteerism and Serv.	4,408,418	5,123,879	3,461,800	3,218,000	3,218,800
TOTAL EXPENDITURES	4,618,266	5,557,023	3,843,000	3,601,000	3,601,800

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

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

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	187,700	184,900	188,000	171,800	171,800
State Salary and Compensation Allocation	8,400	15,700			
Budget Reduction-General Fund	-7,900				
Mandated Expenditure Reductions		-14,200			
Other		57,000			
Total General Fund	188,200	243,400	188,000	171,800	171,800
Restricted Funds					
Balance Forward	3				
Total Restricted Funds	3				
Federal Funds					
Current Receipts	104,921	189,744	211,200	211,200	211,200
Total Federal Funds	104,921	189,744	211,200	211,200	211,200
TOTAL SOURCE OF FUNDS	293,124	433,144	399,200	383,000	383,000
EXPENDITURES BY CLASS					
Personnel Cost	154,912	260,497			
Operating Expenses	54,936	115,647	18,000	18,000	18,000
Grants Loans Benefits		57,000	363,200	365,000	365,000
TOTAL EXPENDITURES	209,848	433,144	381,200	383,000	383,000
EXPENDITURES BY FUND SOURCE					
General Fund	104,924	243,400	170,000	171,800	171,800
Restricted Funds	3				
Federal Funds	104,921	189,744	211,200	211,200	211,200
TOTAL EXPENDITURES	209,848	433,144	381,200	383,000	383,000

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

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

**Health and Family Services
Family Resource Centers and Volunteer Services
Kentucky Com. Community Volunteerism and Serv.**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	246,300	243,400	236,000	255,900	267,300
State Salary and Compensation Allocation	8,400	15,700	45,000		
Budget Reduction-General Fund	-8,000				
Mandated Expenditure Reductions		-9,400	-14,900		
Other		-57,000			
Total General Fund	246,700	192,700	266,100	255,900	267,300
Restricted Funds					
Balance Forward	1,043	84,033	61,700		
Non-Revenue Receipts	119,008		33,300	93,600	93,600
Fund Transfers		-1,700	-4,300		
Total Restricted Funds	120,051	82,333	90,700	93,600	93,600
Federal Funds					
Balance Forward	175,082	165,921	115,400		
Current Receipts	3,493,728	4,798,256	3,007,700	2,868,500	2,857,900
Non-Revenue Receipts	4,962	-4,962			
ARRA Receipts	617,848	66,646			
Total Federal Funds	4,291,620	5,025,861	3,123,100	2,868,500	2,857,900
TOTAL SOURCE OF FUNDS	4,658,372	5,300,894	3,479,900	3,218,000	3,218,800
EXPENDITURES BY CLASS					
Personnel Cost	410,772	444,772	379,100	421,600	444,400
Operating Expenses	190,834	99,874	189,500	230,800	189,900
Grants Loans Benefits	3,806,811	4,579,233	2,893,200	2,565,600	2,584,500
TOTAL EXPENDITURES	4,408,418	5,123,879	3,461,800	3,218,000	3,218,800
EXPENDITURES BY FUND SOURCE					
General Fund	246,700	192,700	248,000	255,900	267,300
Restricted Funds	36,018	20,679	90,700	93,600	93,600
Federal Funds	4,125,699	4,910,500	3,123,100	2,868,500	2,857,900
TOTAL EXPENDITURES	4,408,418	5,123,879	3,461,800	3,218,000	3,218,800

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

Federal funds are contracted to community organizations that, in turn, receive local matching funds, which include cash and in-kind services. AmeriCorps members provide household budget training, home renovation assistance, life skills training, and services to help senior citizens live independently. They train volunteers, serve the homeless, mentor at-risk youth, and offer assistance to victims of natural disasters. In addition, participants tutor children in elementary and secondary schools and assist parents in developing skills to help their children learn to read. Children tutored by AmeriCorps members tend to advance a minimum of two reading levels during the school year. AmeriCorps alumni in Kentucky have received more than \$15,000,000 in federal educational vouchers for their years of service.

**Health and Family Services
Income Support**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,345,900	1,376,400	1,362,600	11,941,100	8,644,100
Budget Reduction-General Fund	-1,676,200				
Mandated Expenditure Reductions	-272,300	-20,700	-47,500		
Total General Fund	1,397,400	1,355,700	1,315,100	11,941,100	8,644,100
Restricted Funds					
Balance Forward	2,402	2,123			
Current Receipts	17,039,366	19,550,396	26,968,200	12,525,200	15,650,800
Non-Revenue Receipts	81,412	97,877	100,000	100,000	100,000
Fund Transfers		-1,200			
Total Restricted Funds	17,123,181	19,649,196	27,068,200	12,625,200	15,750,800
Federal Funds					
Balance Forward	13,590,534		4,288,400		
Current Receipts	33,411,530	83,886,411	74,292,100	85,290,600	85,830,500
Non-Revenue Receipts	-3,828,199	-3,280,858			
ARRA Receipts	36,945,897	3,233,520			
Total Federal Funds	80,119,763	83,839,073	78,580,500	85,290,600	85,830,500
TOTAL SOURCE OF FUNDS	98,640,344	104,843,969	106,963,800	109,856,900	110,225,400
EXPENDITURES BY CLASS					
Personnel Cost	34,928,104	36,843,370	36,390,100	38,624,500	39,510,700
Operating Expenses	4,968,578	4,496,858	4,537,700	4,495,800	4,495,800
Grants Loans Benefits	58,657,338	59,024,025	66,036,000	66,736,600	66,218,900
Capital Outlay	84,201	191,304			
TOTAL EXPENDITURES	98,638,221	100,555,556	106,963,800	109,856,900	110,225,400
EXPENDITURES BY FUND SOURCE					
General Fund	1,397,400	1,355,700	1,315,100	11,941,100	8,644,100
Restricted Funds	17,121,058	19,649,196	27,068,200	12,625,200	15,750,800
Federal Funds	80,119,763	79,550,660	78,580,500	85,290,600	85,830,500
TOTAL EXPENDITURES	98,638,221	100,555,556	106,963,800	109,856,900	110,225,400
EXPENDITURES BY UNIT					
Disability Determinations	44,348,063	45,776,366	49,153,000	52,319,600	53,098,500
Child Support	54,290,158	54,779,190	57,810,800	57,537,300	57,126,900
TOTAL EXPENDITURES	98,638,221	100,555,556	106,963,800	109,856,900	110,225,400

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

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

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

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	2,402	2,123			
Non-Revenue Receipts	81,412	97,877	100,000	100,000	100,000
Total Restricted Funds	83,815	100,000	100,000	100,000	100,000
Federal Funds					
Balance Forward	270,751				
Current Receipts	43,699,801	48,859,261	49,053,000	52,219,600	52,998,500
Non-Revenue Receipts	295,820	-3,182,894			
Total Federal Funds	44,266,371	45,676,366	49,053,000	52,219,600	52,998,500
TOTAL SOURCE OF FUNDS	44,350,186	45,776,366	49,153,000	52,319,600	53,098,500
EXPENDITURES BY CLASS					
Personnel Cost	26,970,256	28,278,286	27,113,900	28,913,300	30,128,600
Operating Expenses	3,158,501	2,832,295	2,832,200	2,832,200	2,832,200
Grants Loans Benefits	14,135,105	14,474,482	19,206,900	20,574,100	20,137,700
Capital Outlay	84,201	191,304			
TOTAL EXPENDITURES	44,348,063	45,776,366	49,153,000	52,319,600	53,098,500
EXPENDITURES BY FUND SOURCE					
Restricted Funds	81,692	100,000	100,000	100,000	100,000
Federal Funds	44,266,371	45,676,366	49,053,000	52,219,600	52,998,500
TOTAL EXPENDITURES	44,348,063	45,776,366	49,153,000	52,319,600	53,098,500

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

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

Health and Family Services

Income Support

Child Support

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,345,900	1,376,400	1,362,600	11,941,100	8,644,100
Budget Reduction-General Fund	-1,676,200				
Mandated Expenditure Reductions	-272,300	-20,700	-47,500		
Total General Fund	1,397,400	1,355,700	1,315,100	11,941,100	8,644,100
Restricted Funds					
Current Receipts	17,039,366	19,550,396	26,968,200	12,525,200	15,650,800
Fund Transfers		-1,200			
Total Restricted Funds	17,039,366	19,549,196	26,968,200	12,525,200	15,650,800
Federal Funds					
Balance Forward	13,319,784		4,288,400		
Current Receipts	-10,288,270	35,027,150	25,239,100	33,071,000	32,832,000
Non-Revenue Receipts	-4,124,019	-97,964			
ARRA Receipts	36,945,897	3,233,520			
Total Federal Funds	35,853,392	38,162,706	29,527,500	33,071,000	32,832,000
TOTAL SOURCE OF FUNDS	54,290,158	59,067,602	57,810,800	57,537,300	57,126,900
EXPENDITURES BY CLASS					
Personnel Cost	7,957,848	8,565,084	9,276,200	9,711,200	9,382,100
Operating Expenses	1,810,077	1,664,563	1,705,500	1,663,600	1,663,600
Grants Loans Benefits	44,522,233	44,549,543	46,829,100	46,162,500	46,081,200
TOTAL EXPENDITURES	54,290,158	54,779,190	57,810,800	57,537,300	57,126,900
EXPENDITURES BY FUND SOURCE					
General Fund	1,397,400	1,355,700	1,315,100	11,941,100	8,644,100
Restricted Funds	17,039,366	19,549,196	26,968,200	12,525,200	15,650,800
Federal Funds	35,853,392	33,874,294	29,527,500	33,071,000	32,832,000
TOTAL EXPENDITURES	54,290,158	54,779,190	57,810,800	57,537,300	57,126,900

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

The core functions of the child support program include locating parents; establishing paternity; establishing, enforcing, and modifying child support orders; and collecting and disbursing child support payments. Program responsibilities include the establishment and enforcement of medical support. In addition to traditional judicial processes, state and federal laws allow the Child Support Program to accomplish its mission through administrative processes such as in-hospital paternity establishment, wage assignments, liens and levies on personal property and assets, and offsetting tax refunds and unemployment benefits. The Division of Child Support maintains program administration contracts with 117 county officials to provide child support collection locally.

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

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

The Personal Responsibility and Work Opportunity Reconciliation Act also revised the method for calculating incentive payments from one that focused solely on program processes to one based on program outcomes. Under this new plan, a pool of funds has been created for incentive payments to all states. However, only those states which meet the performance criteria in each of five program areas are eligible to receive a portion of the pool. The Deficit Reduction Act (DRA) of 2005 disallowed use of federal performance incentives as state matching funds for FFP.

Policy

The Budget of the Commonwealth includes General fund in the amount of \$10.7 million in fiscal year 2013 and \$7.5 million in fiscal year 2014 to sustain the Child Support Enforcement program at its current level. Additional General Fund is necessary to replace non-recurring funds and match existing levels of federal funds, which provides \$2 for every \$1 of state matching funds.

**Health and Family Services
Community Based Services**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	352,102,000	315,908,700	312,749,600	329,384,300	330,465,500
State Salary and Compensation Allocation	3,387,900	6,393,600	3,971,100		
Budget Reduction-General Fund	-18,203,800				
Mandated Expenditure Reductions	-11,893,300	-2,365,800	-837,400		
Total General Fund	325,392,800	319,936,500	315,883,300	329,384,300	330,465,500
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	9,395,400	9,395,400	9,175,000	8,715,000	8,715,000
Continuing Approp.-Tobacco Settlement	375,000	1,550	2,900		
Budget Reduction-General Fund Tobacco		-610,000	-459,100		
Total Tobacco Settlement - Phase I	9,770,400	8,786,950	8,718,800	8,715,000	8,715,000
Restricted Funds					
Balance Forward	15,013,905	15,912,778	16,057,700	10,338,200	5,086,000
Current Receipts	124,740,333	148,598,934	147,400,800	147,649,800	148,710,000
Non-Revenue Receipts	-4,183,432	-8,801,995	-14,060,100	-13,671,100	-13,830,300
Fund Transfers		-1,942,800	-3,140,300		
Total Restricted Funds	135,570,807	153,766,918	146,258,100	144,316,900	139,965,700
Federal Funds					
Balance Forward			18,990,900		
Current Receipts	511,933,681	563,870,781	490,918,300	452,445,700	452,506,100
Non-Revenue Receipts	-2,944,348	-12,295,368			
ARRA Receipts	52,800,036	26,934,609	353,300		
Total Federal Funds	561,789,369	578,510,021	510,262,500	452,445,700	452,506,100
TOTAL SOURCE OF FUNDS	1,032,523,376	1,061,000,389	981,122,700	934,861,900	931,652,300
EXPENDITURES BY CLASS					
Personnel Cost	255,289,645	259,766,536	255,344,600	289,008,800	292,948,600
Operating Expenses	42,769,386	37,427,698	45,552,400	44,522,500	41,429,800
Grants Loans Benefits	718,544,951	728,739,133	666,554,600	596,094,600	597,273,900
Capital Outlay	5,066	15,499		150,000	
TOTAL EXPENDITURES	1,016,609,048	1,025,948,866	967,451,600	929,775,900	931,652,300
EXPENDITURES BY FUND SOURCE					
General Fund	325,392,800	319,936,500	312,550,400	329,384,300	330,465,500
Tobacco Settlement - Phase I	9,768,850	8,784,039	8,718,800	8,715,000	8,715,000
Restricted Funds	119,658,029	137,709,234	135,919,900	139,230,900	139,965,700
Federal Funds	561,789,369	559,519,093	510,262,500	452,445,700	452,506,100
TOTAL EXPENDITURES	1,016,609,048	1,025,948,866	967,451,600	929,775,900	931,652,300
EXPENDITURES BY UNIT					
Family Support	339,747,396	359,383,693	332,928,600	353,795,700	355,872,200
Energy	66,784,567	67,560,198	26,004,200	24,333,000	24,300,900
Child Care	156,831,548	153,372,100	156,064,200	114,315,300	113,849,800
Family and Community Services	453,245,537	445,632,875	452,454,600	437,331,900	437,629,400
TOTAL EXPENDITURES	1,016,609,048	1,025,948,866	967,451,600	929,775,900	931,652,300

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

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

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

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	126,314,000	120,261,800	122,844,400	130,306,600	131,083,300
State Salary and Compensation Allocation	867,100	1,640,600	1,019,000		
Budget Reduction-General Fund	-151,500				
Mandated Expenditure Reductions	-442,200				
Total General Fund	126,587,400	121,902,400	123,863,400	130,306,600	131,083,300
Restricted Funds					
Balance Forward	2,506,364	2,939,624	692,600	289,400	141,700
Current Receipts	1,974,302	1,936,784	1,453,300	1,711,900	1,711,900
Non-Revenue Receipts	16,724,125	18,672,159	22,189,200	22,189,100	22,189,100
Fund Transfers			-724,300		
Total Restricted Funds	21,204,790	23,548,567	23,610,800	24,190,400	24,042,700
Federal Funds					
Balance Forward			4,662,500		
Current Receipts	192,825,918	205,095,733	182,450,800	199,440,400	200,746,200
Non-Revenue Receipts	-2,944,901	-221			
ARRA Receipts	5,013,814	14,192,294			
Total Federal Funds	194,894,830	219,287,806	187,113,300	199,440,400	200,746,200
TOTAL SOURCE OF FUNDS	342,687,020	364,738,774	334,587,500	353,937,400	355,872,200
EXPENDITURES BY CLASS					
Personnel Cost	120,401,961	120,175,460	124,275,100	140,894,500	145,656,600
Operating Expenses	19,932,977	17,161,986	22,510,900	26,706,700	24,052,300
Grants Loans Benefits	199,412,458	222,046,247	186,142,600	186,194,500	186,163,300
TOTAL EXPENDITURES	339,747,396	359,383,693	332,928,600	353,795,700	355,872,200
EXPENDITURES BY FUND SOURCE					
General Fund	126,587,400	121,902,400	122,493,900	130,306,600	131,083,300
Restricted Funds	18,265,166	22,856,000	23,321,400	24,048,700	24,042,700
Federal Funds	194,894,830	214,625,293	187,113,300	199,440,400	200,746,200
TOTAL EXPENDITURES	339,747,396	359,383,693	332,928,600	353,795,700	355,872,200
EXPENDITURES BY UNIT					
Food Stamps	79,984,316	76,013,728	77,035,500	93,045,400	94,448,300
Medical Assistance	34,389,993	36,412,963	39,963,800	42,973,400	43,511,900
State Supplementation	18,016,484	17,367,517	16,852,200	16,882,600	16,880,100
TANF	207,356,603	229,589,485	199,077,100	200,894,300	201,031,900
TOTAL EXPENDITURES	339,747,396	359,383,693	332,928,600	353,795,700	355,872,200

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

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

Temporary Assistance for Needy Families (TANF)

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PL 104-193) amended and combined Title IV-A

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

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

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

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

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

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

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

Food Stamps

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

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

Medicaid Eligibility

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

State Supplementation

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

Policy

The Budget of the Commonwealth includes General Fund in the amount of \$5,631,900 in fiscal year 2013 and \$5,692,500 in fiscal year 2014 to address caseloads in Family Support which have increased by over 30 percent since 2007. This investment will fund additional front-line benefit workers, reducing caseloads by approximately 14 percent over the biennium in the areas of Medicaid Eligibility, State Supplementation, Temporary Assistance for Needy Families, and Supplemental Nutrition Assistance Program (food stamps).

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

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	13	30,013	30,000	30,000	
Current Receipts	30,000				
Total Restricted Funds	30,013	30,013	30,000	30,000	
Federal Funds					
Balance Forward			19,400		
Current Receipts	66,784,567	67,579,583	25,984,800	24,303,000	24,300,900
Total Federal Funds	66,784,567	67,579,583	26,004,200	24,303,000	24,300,900
TOTAL SOURCE OF FUNDS	66,814,580	67,609,596	26,034,200	24,333,000	24,300,900
EXPENDITURES BY CLASS					
Personnel Cost	42,951	44,840	42,600	45,600	46,600
Operating Expenses	10,889	12,293	10,300	10,200	10,200
Grants Loans Benefits	66,730,727	67,503,066	25,951,300	24,277,200	24,244,100
TOTAL EXPENDITURES	66,784,567	67,560,198	26,004,200	24,333,000	24,300,900
EXPENDITURES BY FUND SOURCE					
Restricted Funds				30,000	
Federal Funds	66,784,567	67,560,198	26,004,200	24,303,000	24,300,900
TOTAL EXPENDITURES	66,784,567	67,560,198	26,004,200	24,333,000	24,300,900

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

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

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

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	16,913,000	9,265,300	9,265,300	9,279,700	9,292,400
State Salary and Compensation Allocation	33,800				
Budget Reduction-General Fund	-7,681,500				
Total General Fund	9,265,300	9,265,300	9,265,300	9,279,700	9,292,400
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	9,220,400	9,220,400	9,000,000	8,540,000	8,540,000
Continuing Approp.-Tobacco Settlement	300,000				
Budget Reduction-General Fund Tobacco		-610,000	-459,100		
Total Tobacco Settlement - Phase I	9,520,400	8,610,400	8,540,900	8,540,000	8,540,000
Restricted Funds					
Balance Forward	59,301		4,300		
Current Receipts	59,741	49,662	59,700	50,000	50,000
Total Restricted Funds	119,042	49,662	64,000	50,000	50,000
Federal Funds					
Balance Forward			8,172,400		
Current Receipts	105,673,180	146,980,048	130,021,600	96,445,600	95,967,400
Non-Revenue Receipts		-6,000,703			
ARRA Receipts	32,253,627	2,644,114			
Total Federal Funds	137,926,807	143,623,459	138,194,000	96,445,600	95,967,400
TOTAL SOURCE OF FUNDS	156,831,548	161,548,821	156,064,200	114,315,300	113,849,800
EXPENDITURES BY CLASS					
Personnel Cost	9,151,151	9,554,450	6,664,000	8,612,900	8,483,000
Operating Expenses	592,664	547,329	423,500	423,500	423,500
Grants Loans Benefits	147,082,667	143,254,821	148,976,700	105,278,900	104,943,300
Capital Outlay	5,066	15,499			
TOTAL EXPENDITURES	156,831,548	153,372,100	156,064,200	114,315,300	113,849,800
EXPENDITURES BY FUND SOURCE					
General Fund	9,265,300	9,265,300	9,265,300	9,279,700	9,292,400
Tobacco Settlement - Phase I	9,520,400	8,610,400	8,540,900	8,540,000	8,540,000
Restricted Funds	119,042	45,334	64,000	50,000	50,000
Federal Funds	137,926,807	135,451,066	138,194,000	96,445,600	95,967,400
TOTAL EXPENDITURES	156,831,548	153,372,100	156,064,200	114,315,300	113,849,800

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

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

Priorities for allocation of available funds have been to meet protective services child care and child care needs for work participation requirements for the families receiving benefits through the Kentucky Temporary Assistance Program (K-TAP). Failure to meet participation requirements would result in substantial penalties and the loss of Federal Funds. After these priorities are met, remaining funds are used to provide child care subsidies for low-income working parents. This includes families who are transitioning from K-TAP and those who would be at risk of becoming dependent on K-TAP if child care were

not available.

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

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

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

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	208,875,000	186,381,600	180,639,900	189,798,000	190,089,800
State Salary and Compensation Allocation	2,487,000	4,753,000	2,952,100		
Budget Reduction-General Fund	-10,370,800				
Mandated Expenditure Reductions	-11,451,100	-2,365,800	-837,400		
Total General Fund	189,540,100	188,768,800	182,754,600	189,798,000	190,089,800
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	175,000	175,000	175,000	175,000	175,000
Continuing Approp.-Tobacco Settlement	75,000	1,550	2,900		
Total Tobacco Settlement - Phase I	250,000	176,550	177,900	175,000	175,000
Restricted Funds					
Balance Forward	12,448,229	12,943,141	15,330,800	10,018,800	4,944,300
Current Receipts	122,676,290	146,612,489	145,887,800	145,887,900	146,948,100
Non-Revenue Receipts	-20,907,556	-27,474,154	-36,249,300	-35,860,200	-36,019,400
Fund Transfers		-1,942,800	-2,416,000		
Total Restricted Funds	114,216,962	130,138,676	122,553,300	120,046,500	115,873,000
Federal Funds					
Balance Forward			6,136,600		
Current Receipts	146,650,017	144,215,416	152,461,100	132,256,700	131,491,600
Non-Revenue Receipts	553	-6,294,444			
ARRA Receipts	15,532,596	10,098,201	353,300		
Total Federal Funds	162,183,165	148,019,173	158,951,000	132,256,700	131,491,600
TOTAL SOURCE OF FUNDS	466,190,228	467,103,198	464,436,800	442,276,200	437,629,400
EXPENDITURES BY CLASS					
Personnel Cost	125,693,581	129,991,786	124,362,900	139,455,800	138,762,400
Operating Expenses	22,232,856	19,706,090	22,607,700	17,382,100	16,943,800
Grants Loans Benefits	305,319,099	295,934,999	305,484,000	280,344,000	281,923,200
Capital Outlay				150,000	
TOTAL EXPENDITURES	453,245,537	445,632,875	452,454,600	437,331,900	437,629,400
EXPENDITURES BY FUND SOURCE					
General Fund	189,540,100	188,768,800	180,791,200	189,798,000	190,089,800
Tobacco Settlement - Phase I	248,450	173,639	177,900	175,000	175,000
Restricted Funds	101,273,821	114,807,900	112,534,500	115,102,200	115,873,000
Federal Funds	162,183,165	141,882,536	158,951,000	132,256,700	131,491,600
TOTAL EXPENDITURES	453,245,537	445,632,875	452,454,600	437,331,900	437,629,400
EXPENDITURES BY UNIT					
Family Based Services	100,713,400	105,152,821	102,792,000	109,572,500	107,919,600
Adult Services	43,830,552	39,848,709	34,796,000	33,168,400	36,426,100
Alternatives For Children	308,701,585	300,631,345	314,866,600	294,591,000	293,283,700
TOTAL EXPENDITURES	453,245,537	445,632,875	452,454,600	437,331,900	437,629,400

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

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

Family Based Services

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

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

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

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

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

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

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

Child Advocacy Centers provide services to victims of child sexual abuse and their non-offending caregivers.

Adult Services

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

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

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

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

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

Spouse Abuse Shelter Services are available in each of the 15 Area Development Districts under a contract between the Department and the Kentucky Domestic Violence Association. Part of the funding for this element is provided by a portion of the marriage license fee as authorized by KRS 209.160.

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

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

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

Rape Crisis Centers provide services to victims of rape and sexual assault, their friends, and family members.

Alternatives for Children

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

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

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

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

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

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

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

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

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

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

Policy

One of the few areas where the [Budget of the Commonwealth](#) includes additional resources is in the critical area of protecting children from abuse and neglect and providing help to families in crisis. The [Budget of the Commonwealth](#) includes over \$9 million from the General Fund over two years in response to a need to increase investigations into abuse and neglect; \$5.1

million in fiscal year 2013 and \$4.2 million in fiscal year 2014. Social worker caseloads have increased 22 percent since 2007. This investment will add more front-line social workers resulting in a six percent decrease in caseloads and an improvement in the ability to address these difficult family situations.

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

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	36,417,700	42,254,100	41,803,700	43,658,200	43,755,700
State Salary and Compensation Allocation	58,300	108,000	158,500		
Budget Reduction-General Fund	-649,900				
Reorganization Adjustment	7,195,500				
Mandated Expenditure Reductions	-1,441,900	-692,200	-961,000		
Total General Fund	41,579,700	41,669,900	41,001,200	43,658,200	43,755,700
Restricted Funds					
Balance Forward	2,061,874	2,153,123	577,300		
Current Receipts	1,118,456	973,608	650,100	977,700	977,700
Non-Revenue Receipts	1,374,730	968,598	1,027,500	849,000	466,600
Fund Transfers		-33,500	-81,700		
Total Restricted Funds	4,555,059	4,061,829	2,173,200	1,826,700	1,444,300
Federal Funds					
Current Receipts	22,829,796	21,967,349	20,152,400	18,239,700	18,112,000
Non-Revenue Receipts	-579,399	-456,083	217,300	217,300	217,300
ARRA Receipts	1,681,776	224,671			
Total Federal Funds	23,932,173	21,735,936	20,369,700	18,457,000	18,329,300
TOTAL SOURCE OF FUNDS	70,066,932	67,467,665	63,544,100	63,941,900	63,529,300
EXPENDITURES BY CLASS					
Personnel Cost	6,887,411	6,724,840	6,828,700	6,941,400	7,026,900
Operating Expenses	567,751	606,141	583,600	536,900	584,300
Grants Loans Benefits	60,458,647	59,559,351	55,991,300	56,463,600	55,918,100
TOTAL EXPENDITURES	67,913,809	66,890,332	63,403,600	63,941,900	63,529,300
EXPENDITURES BY FUND SOURCE					
General Fund	41,579,700	41,669,900	40,860,700	43,658,200	43,755,700
Restricted Funds	2,401,936	3,484,495	2,173,200	1,826,700	1,444,300
Federal Funds	23,932,173	21,735,936	20,369,700	18,457,000	18,329,300
TOTAL EXPENDITURES	67,913,809	66,890,332	63,403,600	63,941,900	63,529,300
EXPENDITURES BY UNIT					
Aging and Independent Living	63,303,791	61,813,152	58,710,400	59,383,100	58,910,900
Guardianship	4,610,017	5,077,179	4,693,200	4,558,800	4,618,400
TOTAL EXPENDITURES	67,913,809	66,890,332	63,403,600	63,941,900	63,529,300

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

Policy

The Budget of the Commonwealth includes additional General Fund in the amount of \$5,000,000 in each fiscal year. These funds restore cuts of \$3.4 million from the 2010-2012 and 2012-2014 bienniums and provide \$1.6 million to address the waiting list in the Meals on Wheels program, personal care attendant services, and enhance guardianship services as funding allows.

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

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	32,996,400	38,354,800	37,711,500	39,698,000	39,735,900
State Salary and Compensation Allocation	18,700	42,000			
Budget Reduction-General Fund	-649,900				
Reorganization Adjustment	7,195,500				
Mandated Expenditure Reductions	-1,441,900	-644,800	-961,000		
Other	-412,000	-51,000			
Total General Fund	37,706,800	37,701,000	36,750,500	39,698,000	39,735,900
Restricted Funds					
Balance Forward	2,061,874	1,882,004	577,200		
Current Receipts	804,580	661,265	338,100	665,700	665,700
Non-Revenue Receipts	1,088,130	432,998	740,900	562,400	180,000
Fund Transfers		-22,800	-45,300		
Total Restricted Funds	3,954,583	2,953,467	1,610,900	1,228,100	845,700
Federal Funds					
Current Receipts	22,829,796	21,967,349	20,152,400	18,239,700	18,112,000
Non-Revenue Receipts	-579,399	-456,083	217,300	217,300	217,300
ARRA Receipts	1,681,776	224,671			
Total Federal Funds	23,932,173	21,735,936	20,369,700	18,457,000	18,329,300
TOTAL SOURCE OF FUNDS	65,593,556	62,390,403	58,731,100	59,383,100	58,910,900
EXPENDITURES BY CLASS					
Personnel Cost	2,622,227	2,035,081	2,505,600	2,700,600	2,773,900
Operating Expenses	222,918	218,721	213,500	218,900	218,900
Grants Loans Benefits	60,458,647	59,559,351	55,991,300	56,463,600	55,918,100
TOTAL EXPENDITURES	63,303,791	61,813,152	58,710,400	59,383,100	58,910,900
EXPENDITURES BY FUND SOURCE					
General Fund	37,299,039	37,701,000	36,729,800	39,698,000	39,735,900
Restricted Funds	2,072,579	2,376,216	1,610,900	1,228,100	845,700
Federal Funds	23,932,173	21,735,936	20,369,700	18,457,000	18,329,300
TOTAL EXPENDITURES	63,303,791	61,813,152	58,710,400	59,383,100	58,910,900

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

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

The programs the Department administers to achieve these goals include:

- Nutritional Services provided through agreements with the AAA's include the Nutritional Services Incentive Program:

congregate meals to persons age 60 and over at senior centers in each Kentucky County and home-delivered meals to the homebound elderly ages 60 and over.

- Senior Community Service Employment Program (Title V): Employs persons age 55 and older who have incomes at or below 125% of the poverty level in part-time non-profit community work, such as senior citizens centers, with the goals of training and eventual placement in unsubsidized employment.
- State Health Insurance Assistance Program (SHIP): (Section 4360 OBRA 1990, PL 101-508) provides benefits counseling and assistance to aged and disabled Medicare eligible persons through a federal Health Care Financing Administration Grant.
- Nursing Home Diversion: provides a consumer directed approach to community based care by incorporating a consumer directed model to the state funded Homecare Program.
- Long-Term Care Ombudsman Program: On behalf of long-term care residents and their families, this program receives and investigates all complaints and problems of residents of nursing homes and personal care homes in Kentucky.
- Aging and Disability Resource Center (ADRC): (Sec 1110 SS Act and 42 USC 3031-3037B) provides a single point of entry to services and supports for individuals who require assistance due to need or disability, regardless of age.
- Homecare Program (KRS 205.445-465): A state-funded alternative in-home program for frail and vulnerable persons 60 years and older who have functional or physical limitations and are at risk of institutionalization. Homecare provides essential services designed to delay or prevent institutionalization, including homemaker/personal care, homemaker/home management, home health aide, home-delivered meals, home-repair, chore, respite, and escort services.
- Hart Supported Living (KRS 210.770-795): provides services which enable a person with disabilities to live in a home of the person's choice which is typical of those living arrangements in which persons without disabilities reside, encourages the individual's integrated participation in the community, promotes the individual's rights and autonomy, enhances the individual's skills and competencies in living in the community and enables the individual's acceptance in the community by promoting home ownership or leasing arrangements in the name of the individual or the individual's family or guardian.
- Personnel Care Attendant Program (PCAP) for Physically Disabled Adults (KRS 205.900): Provides personal care assistant services and case management services to severely physically disabled adults, age 18 and over, who have functional loss of two or more limbs and need the services to prevent institutionalization or to leave an institutional setting.
- Adult Day and Alzheimer's Respite (KRS 209): Provides programs for day-long care and supervision for persons 60 and over who, because of physical, mental, and/or psychological limitations, cannot remain in their own homes alone during the day.
- Kentucky Caregiver Program (910 KAR 1:260): provides assistance to Grandparents caring for grandchildren under the age of 18. The program provides information services, individual counseling, caregiver training, and funds (limited to not more than \$500 per grandchild and no more than \$1,500 per household per fiscal year) for defraying the costs of caring for the grandchild that could include purchase of clothing, educational supplies or assistance, certain legal services, medical services not related to co-pays and premiums, and other services as authorized by the Area Agency on Aging.
- Traumatic Brain Injury Trust Fund Program (KRS 42.320): provides assistance to children and adults with brain injuries. The TBI Trust Fund Program is a funding source of last resort for Kentucky residents. The TBI Trust Fund is administered by a Board of Directors to assure that individuals with a brain injury and their families are provided services and supports to promote independence and personal productivity.
- Traumatic Brain Injury Behavioral Program (KRS 189A.050): serves persons affected by Traumatic Brain Injury who are in need of behavioral services. Services are provided through crisis intervention, residential treatment, targeted case management, and other wraps services.
- The Consumer Directed Option (CDO) program gives Medicaid waiver members more choices in the way some Medicaid services are provided. The client can choose who will provide services they need as well as how, when, and where these services will be provided
- Adult Day Certification (KRS 205.950): The Department for Aging and Independent Living certifies Adult Day Social Model programs to assure quality standards are met for the client.
- Assisted Living Certification (KRS 194A.707): The Department of Aging and Independent Living certifies Social Model Assisted Living Communities to assure compliance with state statutes and regulations.
- Alzheimer's disease and Related Advisory Council (KRS 194.600-609): oversees information and resources related to policy and services affecting the sixty thousand (60,000) residents of Kentucky with dementia, and the caregivers and families of the residents.
- Ombudsman: provides full time ombudsman services to assist residents in protecting the health, safety, welfare and rights of elderly Kentuckians in long term facilities.
- Preventive Health: provides disease prevention, education and assistance in training and care of elderly Kentuckians on health related issues.
- State Profile Tool: a process to develop a snapshot of Kentucky's long term care service for individuals who are frail and elderly, people with disabilities, mental retardation and developmental disabilities, mental illness children, autism and brain injuries.
- Family Caregiver Support Program: a program serving family and informal caregivers who provide care to people over 60 or an individual of any age with Alzheimer or a related diagnosis, as well as grandparents and other relatives over 55 who provide care to children up to age 19.
- Supportive Services: for persons over 60, these include: assessment/case management, transportation, escort to medical facilities, stores and other service delivery points: information, assistance and referral: homecare and other in-home services; health promotion; visiting and telephone reassurance; legal assistance, counseling; education; advocacy; respite; preventive health services; elder abuse prevention programs; supportive services for families of elderly victims of Alzheimer's and related disorders.

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

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,421,300	3,899,300	4,092,200	3,960,200	4,019,800
State Salary and Compensation Allocation	39,600	66,000	158,500		
Mandated Expenditure Reductions		-47,400			
Other	412,000	51,000			
Total General Fund	3,872,900	3,968,900	4,250,700	3,960,200	4,019,800
Restricted Funds					
Balance Forward		271,119	100		
Current Receipts	313,876	312,343	312,000	312,000	312,000
Non-Revenue Receipts	286,600	535,600	286,600	286,600	286,600
Fund Transfers		-10,700	-36,400		
Total Restricted Funds	600,476	1,108,362	562,300	598,600	598,600
TOTAL SOURCE OF FUNDS	4,473,376	5,077,262	4,813,000	4,558,800	4,618,400
EXPENDITURES BY CLASS					
Personnel Cost	4,265,185	4,689,759	4,323,100	4,240,800	4,253,000
Operating Expenses	344,833	387,420	370,100	318,000	365,400
TOTAL EXPENDITURES	4,610,017	5,077,179	4,693,200	4,558,800	4,618,400
EXPENDITURES BY FUND SOURCE					
General Fund	4,280,661	3,968,900	4,130,900	3,960,200	4,019,800
Restricted Funds	329,357	1,108,279	562,300	598,600	598,600
TOTAL EXPENDITURES	4,610,017	5,077,179	4,693,200	4,558,800	4,618,400

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

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

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

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Justice and Public Safety

Justice and Public Safety

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	649,107,800	607,431,500	627,011,000	649,764,300	652,275,900
State Salary and Compensation Allocation	5,293,300	10,060,900	17,247,700		
Special Appropriation	1,727,100		-1,200,000		
Continuing Approp.-General Fund	24,416				
Budget Reduction-General Fund	-107,015,500				
Mandated Expenditure Reductions	-4,618,700	-6,132,300	-3,570,300		
Mandated Allotments		589,600	13,538,500		
Total General Fund	544,518,416	611,949,700	653,026,900	649,764,300	652,275,900
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	1,923,400	1,923,400	1,923,400	1,724,500	1,700,200
Continuing Approp.-Tobacco Settlement	118,604	4			
Budget Reduction-General Fund Tobacco	-255,052	-198,516	-101,500		
Total Tobacco Settlement - Phase I	1,786,952	1,724,888	1,821,900	1,724,500	1,700,200
Restricted Funds					
Balance Forward	11,412,136	19,403,992	21,158,782	20,901,800	12,428,900
Current Receipts	50,131,315	45,549,407	38,632,106	39,875,100	39,294,300
Non-Revenue Receipts	66,615,726	69,460,950	82,007,812	80,976,700	86,236,300
Fund Transfers		-6,446,383	-2,415,600	-17,041,100	-17,488,800
Total Restricted Funds	128,159,178	127,967,966	139,383,100	124,712,500	120,470,700
Federal Funds					
Balance Forward	1,760,804	14,794,259	6,628,277	4,652,000	2,228,500
Current Receipts	49,394,037	41,695,152	29,140,623	25,210,300	29,406,000
Non-Revenue Receipts	-6,404,271	-374,273	11,468,000	11,826,400	11,141,300
ARRA Receipts	15,098,142	2,290,996	5,569,500	562,500	281,100
SFSF Receipts	89,885,665	28,658,535			
Total Federal Funds	149,734,377	87,064,669	52,806,400	42,251,200	43,056,900
Road Fund					
Regular Appropriation	73,881,500	79,799,500	83,251,500	89,475,900	91,898,200
Total Road Fund	73,881,500	79,799,500	83,251,500	89,475,900	91,898,200
TOTAL SOURCE OF FUNDS	898,080,423	908,506,724	930,289,800	907,928,400	909,401,900
EXPENDITURES BY CLASS					
Personnel Cost	492,017,260	507,362,670	508,179,000	530,022,800	538,008,400
Operating Expenses	97,096,170	103,121,946	106,862,800	102,316,400	101,353,100
Grants Loans Benefits	259,724,390	257,072,401	260,097,700	251,456,700	249,612,100
Debt Service	3,815,274	2,914,016	2,211,400	2,421,500	2,748,200
Capital Outlay	11,202,540	10,191,922	9,712,700	7,053,600	6,764,900
Construction	20,836	37,736			
TOTAL EXPENDITURES	863,876,470	880,700,691	887,063,600	893,271,000	898,486,700
EXPENDITURES BY FUND SOURCE					
General Fund	544,512,719	611,930,846	636,545,600	649,764,300	652,275,900
Tobacco Settlement - Phase I	1,786,948	1,724,888	1,819,500	1,724,500	1,700,200
Restricted Funds	108,755,186	106,809,050	118,481,300	112,283,600	111,678,500
Federal Funds	134,940,117	80,436,406	48,154,400	40,022,700	40,933,900
Road Fund	73,881,500	79,799,500	82,062,800	89,475,900	91,898,200
TOTAL EXPENDITURES	863,876,470	880,700,691	887,063,600	893,271,000	898,486,700
EXPENDITURES BY UNIT					
Justice Administration	30,675,975	32,682,211	28,909,000	27,622,900	29,136,700
Criminal Justice Training	47,549,521	47,615,865	48,922,300	48,952,300	49,517,400
Juvenile Justice	101,979,331	102,160,714	101,486,000	102,666,600	102,959,400
State Police	174,670,326	183,748,877	185,688,400	189,311,300	189,731,800

Corrections	464,929,454	470,188,185	477,975,500	478,281,700	479,997,500
Public Advocacy	44,071,863	44,304,839	44,082,400	46,436,200	47,143,900
TOTAL EXPENDITURES	863,876,470	880,700,691	887,063,600	893,271,000	898,486,700

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

The Cabinet is comprised of six departments:

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

**Justice and Public Safety
Justice Administration**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	11,884,200	11,352,900	10,022,300	10,128,600	10,273,900
State Salary and Compensation Allocation	155,800	311,700	444,400		
Budget Reduction-General Fund	-885,700				
Reorganization Adjustment		-912,300			
Mandated Expenditure Reductions	-28,600	-522,400	-400,200		
Total General Fund	11,125,700	10,229,900	10,066,500	10,128,600	10,273,900
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	1,923,400	1,923,400	1,923,400	1,724,500	1,700,200
Continuing Approp.-Tobacco Settlement	118,604	4			
Budget Reduction-General Fund Tobacco	-255,052	-198,516	-101,500		
Total Tobacco Settlement - Phase I	1,786,952	1,724,888	1,821,900	1,724,500	1,700,200
Restricted Funds					
Balance Forward	2,213,922	2,206,081	2,631,100	1,568,200	1,186,200
Current Receipts	1,326,643	1,339,102	1,317,400	1,317,400	1,317,400
Non-Revenue Receipts	4,086,200	4,086,200	3,536,100	4,069,500	4,086,200
Fund Transfers		-73,200	-109,900		
Total Restricted Funds	7,626,765	7,558,183	7,374,700	6,955,100	6,589,800
Federal Funds					
Balance Forward	714,840	13,753,272	5,619,000	3,256,100	
Current Receipts	11,708,230	11,968,522	6,620,900	6,393,200	11,086,800
ARRA Receipts	13,672,845	-4,302,470	2,521,700	351,600	281,100
Total Federal Funds	26,095,915	21,419,324	14,761,600	10,000,900	11,367,900
TOTAL SOURCE OF FUNDS	46,635,332	40,932,296	34,024,700	28,809,100	29,931,800
EXPENDITURES BY CLASS					
Personnel Cost	14,298,905	12,896,114	12,333,100	12,797,700	12,979,800
Operating Expenses	2,223,722	2,055,455	1,861,500	1,328,500	1,377,800
Grants Loans Benefits	14,024,433	17,664,938	14,558,900	13,427,000	14,669,200
Capital Outlay	128,914	65,703	155,500	69,700	109,900
TOTAL EXPENDITURES	30,675,975	32,682,211	28,909,000	27,622,900	29,136,700
EXPENDITURES BY FUND SOURCE					
General Fund	11,125,700	10,229,900	9,777,500	10,128,600	10,273,900
Tobacco Settlement - Phase I	1,786,948	1,724,888	1,819,500	1,724,500	1,700,200
Restricted Funds	5,420,684	4,927,095	5,806,500	5,768,900	5,794,700
Federal Funds	12,342,643	15,800,328	11,505,500	10,000,900	11,367,900
TOTAL EXPENDITURES	30,675,975	32,682,211	28,909,000	27,622,900	29,136,700
EXPENDITURES BY UNIT					
Secretary	4,909,766	5,368,122	4,349,100	4,261,400	4,337,300
Office of Drug Control Policy	6,515,401	5,784,515	5,882,000	5,760,500	5,757,100
Medical Examiner Program	4,328,243	4,095,854	4,026,600	4,090,000	4,185,700
Parole Board	1,963,717	1,020,079	712,700	669,300	684,200
Grants	12,219,177	15,673,325	11,877,200	10,736,000	12,065,200
Criminal Justice Council	285,056	194,241	259,400	303,700	305,200
Motorcycle Training Program	454,615	546,074	1,052,000	1,052,000	1,052,000
Access to Justice			750,000	750,000	750,000
TOTAL EXPENDITURES	30,675,975	32,682,211	28,909,000	27,622,900	29,136,700

The Department of Justice Administration is comprised of the Office of the Secretary, Office of Management and Administrative Services, Office of Investigations, Office of Legal Services, Office of Legislative and Intergovernmental Services, Office of Drug

Control Policy, Office of the Kentucky State Medical Examiner, and the Parole Board. The Department is responsible for the overall administration of the Justice and Public Safety Cabinet, coordinating the activities of the various departments, boards, and branches.

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

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

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

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

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

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

Policy

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

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

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

The Budget of the Commonwealth includes \$106,000 General Fund in each year of the biennium for the Public Safety First - Sex Offender Notification System.

**Justice and Public Safety
Criminal Justice Training**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	837,124	1,167,618	4,077,982	11,987,500	7,144,800
Current Receipts	619,146	756,875	409,906	409,900	409,900
Non-Revenue Receipts	47,180,468	50,115,830	57,321,612	60,552,800	63,076,800
Fund Transfers		-506,500	-1,105,800	-17,041,100	-17,488,800
Total Restricted Funds	48,636,738	51,533,823	60,703,700	55,909,100	53,142,700
Federal Funds					
Balance Forward	31,752	993	18,377		
Current Receipts	49,643	177,426	187,723	188,000	188,000
Total Federal Funds	81,395	178,419	206,100	188,000	188,000
TOTAL SOURCE OF FUNDS	48,718,133	51,712,242	60,909,800	56,097,100	53,330,700
EXPENDITURES BY CLASS					
Personnel Cost	16,274,035	17,236,879	17,019,100	16,458,300	16,522,900
Operating Expenses	2,013,681	2,361,476	2,180,500	1,997,800	1,933,200
Grants Loans Benefits	25,769,654	25,682,924	27,421,200	28,230,100	28,797,500
Debt Service	3,333,416	2,215,765	2,211,400	2,213,000	2,210,700
Capital Outlay	155,959	81,487	90,100	53,100	53,100
Construction	2,776	37,334			
TOTAL EXPENDITURES	47,549,521	47,615,865	48,922,300	48,952,300	49,517,400
EXPENDITURES BY FUND SOURCE					
Restricted Funds	47,469,120	47,455,823	48,716,200	48,764,300	49,329,400
Federal Funds	80,402	160,042	206,100	188,000	188,000
TOTAL EXPENDITURES	47,549,521	47,615,865	48,922,300	48,952,300	49,517,400
EXPENDITURES BY UNIT					
Kentucky Law Enforcement Program Fund	46,563,164	46,469,657	47,763,700	47,614,900	48,168,600
Peace Officer Professional Standards	510,126	569,712	524,700	673,400	680,900
Special Training Programs	476,231	576,497	633,900	664,000	667,900
TOTAL EXPENDITURES	47,549,521	47,615,865	48,922,300	48,952,300	49,517,400

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

The DOCJT operates two training programs: the Kentucky Law Enforcement Foundation Program Fund (KLEFPF), and the Special Training programs with the Peace Officers Professional Standards office. The KLEFPF agency resources are derived from property and casualty insurance premium surcharge proceeds, which accrue pursuant to KRS 136.392, and are allocated by KRS 42.190 between the KLEFPF and the Kentucky Firefighters Foundation Program Fund. The Department provides entry-level and in-service training for approximately 20,000 students each year.

Policy

The Budget of the Commonwealth includes Restricted Funds of \$6,115,900 in fiscal year 2013 and \$6,349,200 in fiscal year 2014 for a \$3,100 training incentive stipend for state troopers, arson investigators, hazardous devices investigators, legislative security specialists, and Vehicle Enforcement officers within the Kentucky State Police. Each eligible must meet the requirements of Peace Officer Professional Standards Act training. The stipend payments are provided from the Kentucky Law Enforcement Foundation Program Fund (KLEFPF).

The Budget of the Commonwealth provides funding for approximately 7,400 training incentive stipend recipients each year.

The Budget of the Commonwealth includes \$47,523,900 in fiscal year 2013 and \$48,168,600 in fiscal year 2014 for the Kentucky Law Enforcement Foundation Program Fund.

Justice and Public Safety
Juvenile Justice

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	87,468,800	76,467,900	76,467,900	79,405,400	80,848,700
State Salary and Compensation Allocation	1,209,100	2,295,600	3,328,100		
Budget Reduction-General Fund	-9,591,000				
Mandated Expenditure Reductions	-1,386,200	-1,246,800	-239,800		
Total General Fund	77,700,700	77,516,700	79,556,200	79,405,400	80,848,700
Restricted Funds					
Balance Forward	2,883,786	4,450,312	5,535,500	2,386,700	736,600
Current Receipts	2,625,312	2,288,395	1,543,800	1,317,400	917,400
Non-Revenue Receipts	11,029,501	8,932,686	8,032,500	8,032,500	8,032,500
Fund Transfers		-5,400	-425,100		
Total Restricted Funds	16,538,599	15,665,993	14,686,700	11,736,600	9,686,500
Federal Funds					
Balance Forward	1,014,212	1,039,994	928,600	1,395,900	2,228,500
Current Receipts	22,731,089	14,391,082	1,269,400	1,267,400	1,177,400
Non-Revenue Receipts	-10,514,963	-7,258	11,468,000	11,826,400	11,141,300
ARRA Receipts		18,257			
Total Federal Funds	13,230,337	15,442,074	13,666,000	14,489,700	14,547,200
TOTAL SOURCE OF FUNDS	107,469,636	108,624,767	107,908,900	105,631,700	105,082,400
EXPENDITURES BY CLASS					
Personnel Cost	75,849,433	75,799,993	74,618,700	77,455,200	79,121,700
Operating Expenses	8,464,753	9,508,726	9,769,700	9,675,900	9,632,900
Grants Loans Benefits	16,063,496	14,863,197	15,577,600	14,374,000	13,154,800
Capital Outlay	1,601,649	1,988,798	1,520,000	1,161,500	1,050,000
TOTAL EXPENDITURES	101,979,331	102,160,714	101,486,000	102,666,600	102,959,400
EXPENDITURES BY FUND SOURCE					
General Fund	77,700,700	77,516,700	76,915,900	79,405,400	80,848,700
Restricted Funds	12,088,287	10,130,517	12,300,000	11,000,000	9,686,500
Federal Funds	12,190,344	14,513,497	12,270,100	12,261,200	12,424,200
TOTAL EXPENDITURES	101,979,331	102,160,714	101,486,000	102,666,600	102,959,400
EXPENDITURES BY UNIT					
Program Management	942,229	1,185,984	1,185,900	1,216,900	1,224,800
Program Operations	95,052,925	93,620,265	92,727,800	93,690,400	93,815,400
Support Services	5,984,177	7,354,464	7,572,300	7,759,300	7,919,200
TOTAL EXPENDITURES	101,979,331	102,160,714	101,486,000	102,666,600	102,959,400

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

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

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

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

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

Group Home Beds = 80

Group Homes are community-based residential treatment facilities that generally serve eight youths per home. These programs accept youths between 12-18 years of age who have been committed to the Department as “public” or “youthful” offenders. Group home care serves as an alternative to institutionalization and aims to transition a youth from institutional placement to the community. The total capacity of ten group homes is 80 youths.

Residential Facilities	City	County	Beds
Northern Kentucky Youth Development Center	Crittenden	Grant	40
Morehead Youth Development Center	Morehead	Rowan	40
Green River Youth Development Center	Cromwell	Butler	40
Audubon Youth Development Center	Louisville	Jefferson	80
Mayfield Youth Development Center	Mayfield	Graves	30
Owensboro Treatment Center	Owensboro	Daviess	30
Lincoln Village Youth Development Center	Elizabethtown	Hardin	40
Lake Cumberland Youth Development Center	Monticello	Wayne	40
Woodsbend Youth Development Center	West Liberty	Morgan	40
Cadet Leadership Education Program	Jackson	Breathitt	40
Adair Youth Development Center	Columbia	Adair	60

Residential Beds = 484

The 11 state-operated Residential Facilities provide 24-hour care and custody of juveniles who have been committed to the Department as public offenders or sentenced as youthful offenders. These facilities serve youths who are in need of treatment that cannot be provided in their community, or who require placement in a secure setting because they represent a threat to the community. The current capacity of the 11 facilities is 484 youths.

State-operated Detention Centers	County	Beds
Breathitt Regional Juvenile Detention Center	Breathitt	48
McCracken Regional Juvenile Detention Center	McCracken	48
Campbell Regional Juvenile Detention Center	Campbell	52
Adair Youth Development Center	Adair	20
Warren Regional Juvenile Detention Center	Warren	48
Boyd Regional Juvenile Detention Center	Boyd	36
Hardin Regional Juvenile Detention Center	Hardin	44
Fayette Regional Juvenile Detention Center	Fayette	60

Detention Beds = 356

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

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

Private child care facilities and therapeutic foster care programs are utilized to alleviate facility capacity problems and to provide specialized treatment for youths. Approximately 40-45 juveniles are in these programs on any given day.

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

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

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

**Justice and Public Safety
State Police**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	73,926,400	55,770,300	65,505,300	65,296,000	67,166,600
State Salary and Compensation Allocation	2,332,600	3,809,800	5,477,500		
Budget Reduction-General Fund	-20,023,500				
Mandated Expenditure Reductions	-2,486,600	-1,124,300	-2,203,600		
Total General Fund	53,748,900	58,455,800	68,779,200	65,296,000	67,166,600
Restricted Funds					
Balance Forward	4,227,438	5,361,566	5,825,500	4,959,400	3,361,300
Current Receipts	11,134,954	13,372,137	12,623,600	13,654,600	13,223,500
Non-Revenue Receipts	6,136,271	6,564,419	6,153,300	6,785,100	6,704,000
Fund Transfers		-1,274,100	-454,000		
Total Restricted Funds	21,498,663	24,024,021	24,148,400	25,399,100	23,288,800
Federal Funds					
Balance Forward			62,300		
Current Receipts	13,006,392	10,700,498	15,363,600	12,290,700	11,562,000
Non-Revenue Receipts	1,953,075	1,155,023			
ARRA Receipts	1,425,296	3,053,166	3,047,800	210,900	
SFSF Receipts	14,518,065	12,448,635			
Total Federal Funds	30,902,828	27,357,322	18,473,700	12,501,600	11,562,000
Road Fund					
Regular Appropriation	73,881,500	79,799,500	83,251,500	89,475,900	91,898,200
Total Road Fund	73,881,500	79,799,500	83,251,500	89,475,900	91,898,200
TOTAL SOURCE OF FUNDS	180,031,892	189,636,643	194,652,800	192,672,600	193,915,600
EXPENDITURES BY CLASS					
Personnel Cost	133,960,112	143,016,840	140,893,700	147,861,900	149,741,800
Operating Expenses	31,314,526	33,234,277	36,065,300	33,252,400	31,963,600
Grants Loans Benefits	1,047,300	1,137,245	1,137,300	2,683,500	2,683,500
Debt Service				88,000	176,000
Capital Outlay	8,334,818	6,360,515	7,592,100	5,425,500	5,166,900
Construction	13,570				
TOTAL EXPENDITURES	174,670,326	183,748,877	185,688,400	189,311,300	189,731,800
EXPENDITURES BY FUND SOURCE					
General Fund	53,748,900	58,455,800	65,962,900	65,296,000	67,166,600
Restricted Funds	16,137,098	18,198,569	19,189,000	22,037,800	19,105,000
Federal Funds	30,902,828	27,295,009	18,473,700	12,501,600	11,562,000
Road Fund	73,881,500	79,799,500	82,062,800	89,475,900	91,898,200
TOTAL EXPENDITURES	174,670,326	183,748,877	185,688,400	189,311,300	189,731,800
EXPENDITURES BY UNIT					
Administration	20,973,479	16,635,870	21,545,200	22,532,900	23,206,600
Technical Services	32,274,182	29,841,531	34,038,800	32,164,500	30,895,400
Operations	103,014,307	117,875,634	108,634,300	113,355,800	114,105,300
Commercial Vehicle Enforcement	18,408,359	19,395,842	21,470,100	21,258,100	21,524,500
TOTAL EXPENDITURES	174,670,326	183,748,877	185,688,400	189,311,300	189,731,800

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

The Administrative Division, which includes the Office of the Commissioner, provides professional support services for the

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

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

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

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

Policy

The Budget of the Commonwealth includes Restricted Funds of \$5,335,400 in fiscal year 2013 and \$5,554,200 in fiscal year 2014 for a \$3,100 training incentive stipend for state troopers, arson investigators, hazardous devices investigators, legislative security specialists, and Vehicle Enforcement officers within the Kentucky State Police. The stipend payments are provided from the Kentucky Law Enforcement Foundation Program Fund (KLEFPF).

The Frankfort Career Development Center minimum security prison was closed and the Department of Corrections transferred ownership of the 362 acres of land and facilities to the Kentucky State Police to be used as the Kentucky State Police Training Academy on July 1, 2011. The Budget of the Commonwealth provides General Fund debt service in the amount \$88,000 in fiscal year 2013 and \$176,000 in fiscal year 2014 for the Demolition and Construction of Training Academy Building capital project.

**Justice and Public Safety
Corrections**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	440,149,000	426,269,200	437,820,000	454,960,300	453,308,100
State Salary and Compensation Allocation	952,800	2,472,300	6,017,700		
Special Appropriation			-1,200,000		
Continuing Approp.-General Fund	24,416				
Budget Reduction-General Fund	-76,515,300				
Reorganization Adjustment		912,300			
Mandated Expenditure Reductions	-717,300	-2,635,300	-726,700		
Mandated Allotments		589,600	13,538,500		
Total General Fund	363,893,616	427,608,100	455,449,500	454,960,300	453,308,100
Restricted Funds					
Balance Forward	1,246,119	6,215,255	3,081,600		
Current Receipts	30,048,820	23,846,290	20,237,300	20,668,600	20,918,900
Non-Revenue Receipts	-1,566,714	-238,185	5,427,500		2,800,000
Fund Transfers		-4,559,883	-257,200		
Total Restricted Funds	29,728,225	25,263,477	28,489,200	20,668,600	23,718,900
Federal Funds					
Current Receipts	806,869	1,258,380	3,363,900	2,652,800	2,970,500
Non-Revenue Receipts	1,353,897	-566,653			
ARRA Receipts		3,500,316			
SFSF Receipts	75,367,600	16,209,900			
Total Federal Funds	77,528,366	20,401,943	3,363,900	2,652,800	2,970,500
TOTAL SOURCE OF FUNDS	471,150,207	473,273,520	487,302,600	478,281,700	479,997,500
EXPENDITURES BY CLASS					
Personnel Cost	219,244,118	225,008,929	224,763,500	234,863,500	238,381,700
Operating Expenses	47,359,505	50,901,577	51,494,300	50,251,800	50,602,200
Grants Loans Benefits	196,858,284	191,883,670	201,362,700	192,702,100	190,267,100
Debt Service	481,858	698,251		120,500	361,500
Capital Outlay	981,199	1,695,419	355,000	343,800	385,000
Construction	4,490	338			
TOTAL EXPENDITURES	464,929,454	470,188,185	477,975,500	478,281,700	479,997,500
EXPENDITURES BY FUND SOURCE					
General Fund	363,888,119	427,604,545	446,122,400	454,960,300	453,308,100
Restricted Funds	23,512,969	22,181,697	28,489,200	20,668,600	23,718,900
Federal Funds	77,528,366	20,401,943	3,363,900	2,652,800	2,970,500
TOTAL EXPENDITURES	464,929,454	470,188,185	477,975,500	478,281,700	479,997,500
EXPENDITURES BY UNIT					
Corrections Management	6,680,913	9,379,088	9,755,600	9,976,900	10,662,200
Adult Correctional Institutions	286,381,152	291,961,768	289,530,600	289,719,200	293,054,300
Community Services and Local Facilities	157,234,128	154,744,484	164,865,000	161,621,700	157,244,000
Local Jail Support	14,633,261	14,102,845	13,824,300	16,963,900	19,037,000
TOTAL EXPENDITURES	464,929,454	470,188,185	477,975,500	478,281,700	479,997,500

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

The Department's core cost driver is the felon population. In the 2011 Regular Session, HB 463 was passed with the intent to decrease the state's prison population; reduce incarceration costs; and implement programs that will reduce crime and increase overall public safety. KRS 196.111 mandates the use of evidence-based practices in the sentencing process for convicted felons and in the decision making process for the supervision and treatment of felons in prison or on probation or parole. HB 463 modified KRS Chapter 218A controlled substance statutes and placed emphasis on probation, diversion, and treatment and diverts savings from the drug law changes to drug treatment programs. Other provisions in KRS 439.335, KRS 439.340, KRS 439.320, and KRS 197.045 emphasize the use of parole to effectuate accelerated parole hearings; to order mandatory reentry supervision release; and to allow for good time credit that reduces the sentence while on parole.

Policy

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

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

2012 – 2014 Felon and Community Beds Forecast

	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>
Felons*	20,966	19,864	19,141
Other**	<u>1,867</u>	<u>1,867</u>	<u>1,867</u>
Total	22,833	21,731	21,008

* The incarcerated felon forecast is a consensus estimating process involving a nationally-known Corrections consulting firm, the Department of Corrections, and the Office of the State Budget Director. The forecast for the 2012-14 biennium estimates that the overall impact of the many provisions of HB 463, enacted in the 2011 Session of the General Assembly, would reduce the incarcerated felon population by 1,782 in fiscal year 2013 and by 2,871 in fiscal year 2014 (average daily population).

The projected gross savings are \$21,483,700 in fiscal year 2013 and \$34,612,600 in fiscal year 2014, of which the savings estimated from changes in the Controlled Substances laws are \$6,763,400 in FY 2013 and \$11,549,600 in fiscal year 2014.

**The Other category is the remaining population under the custody of the Department of Corrections located in Halfway House and Recovery Kentucky beds for parolees and probationers, as well as others serving time in jails under an alternative sentence arrangement with the Courts.

**Justice and Public Safety
Corrections
Corrections Management**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,618,900	8,127,700	9,258,300	9,493,900	9,537,200
State Salary and Compensation Allocation	119,800	226,900	522,700		
Budget Reduction-General Fund	-538,800				
Reorganization Adjustment		912,300			
Mandated Expenditure Reductions		-361,900	-229,500		
Total General Fund	6,199,900	8,905,000	9,551,500	9,493,900	9,537,200
Restricted Funds					
Balance Forward	96,222	26,573	208,300		
Current Receipts	65,451	329,834	91,700	300,000	300,000
Fund Transfers		-2,000	-4,700		
Total Restricted Funds	161,673	354,406	295,300	300,000	300,000
Federal Funds					
Current Receipts	100,389	490,665	315,000	183,000	825,000
Non-Revenue Receipts	245,881	-162,643			
Total Federal Funds	346,270	328,022	315,000	183,000	825,000
TOTAL SOURCE OF FUNDS	6,707,843	9,587,428	10,161,800	9,976,900	10,662,200
EXPENDITURES BY CLASS					
Personnel Cost	5,762,941	8,111,251	8,505,900	8,752,400	9,336,400
Operating Expenses	917,973	1,267,837	1,249,700	1,224,500	1,325,800
TOTAL EXPENDITURES	6,680,913	9,379,088	9,755,600	9,976,900	10,662,200
EXPENDITURES BY FUND SOURCE					
General Fund	6,199,543	8,905,000	9,145,300	9,493,900	9,537,200
Restricted Funds	135,100	146,066	295,300	300,000	300,000
Federal Funds	346,270	328,022	315,000	183,000	825,000
TOTAL EXPENDITURES	6,680,913	9,379,088	9,755,600	9,976,900	10,662,200
EXPENDITURES BY UNIT					
Commissioner	2,684,609	4,927,107	5,916,500	6,257,600	6,895,400
Corrections Training	1,613,975	1,607,936	1,429,200	1,368,800	1,389,100
Administrative Services	1,260,708	1,684,066	1,845,400	1,809,100	1,836,300
Division of Personnel	1,121,622	1,159,979	564,500	541,400	541,400
TOTAL EXPENDITURES	6,680,913	9,379,088	9,755,600	9,976,900	10,662,200

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

The Office of the Commissioner provides departmental management and administrative support necessary for the Commissioner of Corrections to conduct statutorily assigned duties pursuant to KRS 196 and 197. The Office conducts centralized personnel and budgeting functions. The Commission on Corrections/Community Services is administratively attached to the Office. Also attached to the Office of the Commissioner is the Office of the Deputy Commissioner for Support Services, responsible for the Division of Corrections Training and Division of Administrative Services. The Information Technology and Offender Records Branch as well as the Parole Board/Victims Services Branch are also under the Office of the Deputy Commissioner of Support Services.

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

The Division of Administrative Services, referenced in KRS 12.020, is comprised of two branches that provide support services to the entire Department in accounting and purchasing, property inventory, and budgeting. The Division of Administrative Services also includes the Contract Management Branch, which is charged with the responsibility for administering the contracts for the

Commonwealth's privately operated correctional facilities. These private facilities include two contracted adult institutions (authorized and governed by KRS 197.500-525) – the Marion Adjustment Center, an 826-bed minimum/medium security institution located at St. Mary's, and the Otter Creek Correctional Complex, a 646-bed facility located near Wheelwright. This branch also oversees contracts with 22 halfway houses located across the state which provide housing for approximately 1,780 community custody inmates and parolees, which includes community placements with the Recovery Kentucky substance abuse programs.

Policy

The Budget of the Commonwealth includes \$370,000 General Fund in fiscal year 2012-2013 and \$240,000 in fiscal year 2013-2014 for the Public Safety First Programs to support the Victim's Information Notification Everyday (VINE) Protective Order and VINE Court Notification programs. The VINE Protective Order program notifies petitioners when their protective order has been served and keeps them informed throughout the process. The VINE Court Notification program notifies victims of the offender's court hearings (dates, locations, schedule changes) and case status.

**Justice and Public Safety
Adult Correctional Institutions**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	268,179,800	259,399,000	273,313,700	270,450,800	273,659,900
State Salary and Compensation Allocation	603,900	1,710,000	4,343,900		
Budget Reduction-General Fund	-75,367,600				
Mandated Expenditure Reductions		-1,414,000			
Other	-1,900,000	-3,250,000	-2,900,000		
Total General Fund	191,516,100	256,445,000	274,757,600	270,450,800	273,659,900
Restricted Funds					
Balance Forward	850,336	6,032,674	1,453,700		
Current Receipts	24,659,459	16,130,782	18,535,200	17,338,600	17,588,900
Non-Revenue Receipts	-1,566,714	-238,185			
Fund Transfers		-4,557,883	-252,500		
Total Restricted Funds	23,943,081	17,367,389	19,736,400	17,338,600	17,588,900
Federal Funds					
Current Receipts	514,964	540,126	2,253,700	1,929,800	1,805,500
Non-Revenue Receipts	1,072,081	-647,139			
ARRA Receipts		3,500,316			
SFSF Receipts	75,367,600	16,209,900			
Total Federal Funds	76,954,645	19,603,202	2,253,700	1,929,800	1,805,500
TOTAL SOURCE OF FUNDS	292,413,826	293,415,591	296,747,700	289,719,200	293,054,300
EXPENDITURES BY CLASS					
Personnel Cost	178,836,460	182,281,661	175,054,400	182,686,900	185,029,800
Operating Expenses	41,590,204	44,544,889	44,425,000	43,305,200	43,544,800
Grants Loans Benefits	64,486,940	62,741,209	69,696,200	63,262,800	63,733,200
Debt Service	481,858	698,251		120,500	361,500
Capital Outlay	981,199	1,695,419	355,000	343,800	385,000
Construction	4,490	338			
TOTAL EXPENDITURES	286,381,152	291,961,768	289,530,600	289,719,200	293,054,300
EXPENDITURES BY FUND SOURCE					
General Fund	191,516,100	256,445,000	267,540,500	270,450,800	273,659,900
Restricted Funds	17,910,406	15,913,565	19,736,400	17,338,600	17,588,900
Federal Funds	76,954,645	19,603,202	2,253,700	1,929,800	1,805,500
TOTAL EXPENDITURES	286,381,152	291,961,768	289,530,600	289,719,200	293,054,300
EXPENDITURES BY UNIT					
Institutions Operations	2,257,037	1,833,487	2,891,500	3,208,800	3,405,600
Medical Services	54,063,839	54,788,208	56,064,100	57,602,000	54,164,600
Education	751,211	5,525,658	6,410,700	6,052,300	6,028,700
Correctional Industries	10,488,007	10,680,066	14,202,300	12,104,500	12,354,800
Correctional Facilities	185,571,554	185,715,767	175,789,800	184,078,100	186,075,100
Mental Health	10,804,970	10,900,375	11,767,400	12,189,000	19,114,300
Private Prisons	22,444,535	22,518,207	22,404,800	14,484,500	11,911,200
TOTAL EXPENDITURES	286,381,152	291,961,768	289,530,600	289,719,200	293,054,300

Adult Correctional Institutions is comprised of 12 state correctional facilities and two privately contracted facilities for adult felon offenders. Six additional programmatic areas serve all institutions and their incarcerated populations: the Division of Operations, the Division of Mental Health, Education programs, Inmate Medical Services, the Division of Adult Institutions and the Division of Correctional Industries.

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

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

Inmate Medical Services, pursuant to KRS 197.020, provides necessary health services to inmates committed to the Department. Services are performed at each institutional location through institutional medical staff, personal service contracts, and outside referrals to local specialists and hospitals. The provision of medical services is monitored, authorized, and reviewed by a system-wide Medical Director. Beneficiaries of the Division of Inmate Medical Services also include the state inmates housed in local jails who are able to participate in the healthcare network administered through the Division. County jail inmates are now beneficiaries of the healthcare network in accordance with KRS 441.560.

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

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

Correctional Institutions

Kentucky State Reformatory (KSR) is a medium security institution with an operational capacity of 1,952 inmates located near LaGrange in Oldham County. The inmate population is divided into four segments: general population, special management unit, nursing care facility, and mental health unit. Since 1980, KSR has converted designated living areas into single cell facilities and opened a new 150-bed mental health unit during 1998. In 1995 KSR opened the Nursing Care Facility which houses inmates in need of medical care due to their medical condition.

Kentucky State Penitentiary (KSP) is a maximum security institution with an operational capacity of 849 inmates, located near Eddyville in Lyon County. The inmate population is separated into three major groups: general population, protective custody, and disciplinary/administrative segregation. KSP also houses the state's capital punishment unit.

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

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

Kentucky Correctional Institution for Women (KCIW), the only state institutional facility for women in the Commonwealth, is located in PeeWee Valley in Shelby County, and has an operational capacity of 691 inmates. All levels of security and all levels of medical services must be provided since virtually all female prisoners are housed at KCIW.

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

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

Roederer Correctional Complex (RCC) is a medium security institution with an operational capacity of 1,002 inmates located near LaGrange in Oldham County. The institution operates the Department's Assessment and Classification Center, serving all incoming male inmates with the exception of inmates sentenced to capital punishment. The institution also operates a full farm operation on approximately 2,800 acres.

Luther Lockett Correctional Complex (LLCC) is a medium security institution with an operational capacity of 1,073 inmates, also located near LaGrange in Oldham County. The facility houses two separate institutions: the Department of Correction's prison facility and the Cabinet for Health and Family Services' Kentucky Correctional Psychiatric Center (KCPC). Due to KCPC, the inmate population has a variety of psychological, pharmaceutical, recreational, academic, vocational, and substance abuse programs available.

Green River Correctional Complex (GRCC) is a medium security institution with an operational capacity of 947 inmates located near Central City in Muhlenberg County.

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

Little Sandy Correctional Complex (LSCC) is the state's newest correctional institution. The new institution, which opened in June 2005, is located near Sandy Hook in Elliott County and has an operational capacity of 987 inmates. Programming at the new institution consists of basic educational and vocational training classes, as well as psychological services. Correctional industries programs are planned in the near future.

The **Frankfort Career Development Center (FCDC)** minimum security prison was closed and the Department of Corrections transferred the 362 acres of land and facilities to the Kentucky State Police to be used as the Kentucky State Police Training Academy on July 1, 2011.

Policy

HB 463 modified KRS Chapter 218A controlled substance statutes and placed emphasis on probation, diversion, and treatment and diverts savings from the drug law changes to drug treatment programs. KRS 196.286 directs that the estimated amount of savings shall be used solely for expanding and enhancing treatment programs that employ evidence-based or promising practices designed to reduce the likelihood of future criminal behavior. Consistent with the statute, the estimated savings attributable to fiscal year 2013 are budgeted to expand treatment programs in fiscal year 2014 once the savings are achieved. The Budget of the Commonwealth directs estimated savings in the amount of \$6,763,400 in fiscal year 2014 to the Mental Health program budget.

The incarcerated felon population forecast incorporates new provisions of KRS 197.045(1)(a) as a result of HB 463 to provide an educational good time credit of 90 days to any prisoner who successfully receives a graduate equivalency diploma or a high school diploma, a two or four year certification in applied sciences, or a technical education diploma, or completes a drug treatment program or other treatment program that requires participation in the program of six months or more.

The incarcerated felon population forecast also incorporates provisions of KRS 197.045(2) as a result of HB 463 so that an inmate may at the discretion of the Commissioner of the Department of Corrections, be allowed a deduction from a sentence not to exceed seven days per month served for meritorious behavior, and may be allowed an additional deduction up to seven days per month served for acts of exceptional service during times of emergency or for performing duties of outstanding importance in connection with institutional operations and programs.

The incarcerated felon population forecast incorporates provisions of KRS 439.340 as a result of HB 463 authorizing the commissioner to determine the most appropriate placement in a program operated by the department or community program approved by the department when the Parole Board grants parole contingent upon completion of a program.

The Budget of the Commonwealth suspends KRS 532.100(7) so that a state prisoner, excluding the Class C and D felons, qualifying to serve time in county jails, may be transferred to a state institution within 90 days of final sentencing, if the county jail does not object to the additional 45 days.

The Budget of the Commonwealth includes an estimated savings of \$4,000,000 in fiscal year 2013-2014 as a result of implementing the Affordable Health Care Act provision that becomes effective January 1, 2014 that allows state inmates below 133% of the poverty level Medicaid coverage.

The Budget of the Commonwealth assumes that during fiscal year 2013, Otter Creek Correctional Complex will no longer be needed and the result is estimated to increase the amount of jail per diem payment to the counties by \$5,867,800 in fiscal year 2013 and \$7,788,100 in fiscal year 2014.

The Budget of the Commonwealth provides General Fund debt service in the amount of \$120,500 in fiscal year 2013 and \$361,500 in fiscal year 2014 to support new bonds for capital projects.

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

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	149,410,300	144,421,000	140,926,500	158,051,700	151,074,000
State Salary and Compensation Allocation	229,100	535,400	1,151,100		
Special Appropriation			-1,200,000		
Mandated Expenditure Reductions		-644,300			
Mandated Allotments		589,600	13,538,500		
Other	1,900,000	3,250,000	2,900,000		
Total General Fund	151,539,400	148,151,700	157,316,100	158,051,700	151,074,000
Restricted Funds					
Balance Forward	299,561	156,008	1,419,600		
Current Receipts	5,323,911	7,385,674	1,610,400	3,030,000	3,030,000
Non-Revenue Receipts			5,427,500		2,800,000
Total Restricted Funds	5,623,472	7,541,682	8,457,500	3,030,000	5,830,000
Federal Funds					
Current Receipts	191,516	227,589	795,200	540,000	340,000
Non-Revenue Receipts	35,935	243,130			
Total Federal Funds	227,451	470,718	795,200	540,000	340,000
TOTAL SOURCE OF FUNDS	157,390,322	156,164,101	166,568,800	161,621,700	157,244,000
EXPENDITURES BY CLASS					
Personnel Cost	34,614,972	34,582,071	41,168,500	43,389,500	43,980,800
Operating Expenses	4,404,328	4,644,651	5,372,600	5,275,100	5,284,600
Grants Loans Benefits	118,214,828	115,517,762	118,323,900	112,957,100	107,978,600
TOTAL EXPENDITURES	157,234,128	154,744,484	164,865,000	161,621,700	157,244,000
EXPENDITURES BY FUND SOURCE					
General Fund	151,539,214	148,151,700	155,612,300	158,051,700	151,074,000
Restricted Funds	5,467,463	6,122,065	8,457,500	3,030,000	5,830,000
Federal Funds	227,451	470,718	795,200	540,000	340,000
TOTAL EXPENDITURES	157,234,128	154,744,484	164,865,000	161,621,700	157,244,000
EXPENDITURES BY UNIT					
Probation and Parole Program	37,074,773	36,519,252	43,602,000	49,262,700	51,854,300
Local Facilities Operations	949,369	974,698	977,500	1,012,800	1,015,300
Local Facilities - Jail Program	97,472,579	91,679,696	92,394,100	83,176,000	76,377,700
Community Corrections Commission	857,394	1,023,072	1,056,000	1,057,500	1,058,800
Halfway Houses	19,405,900	22,426,528	24,376,000	24,963,000	24,963,000
Electronic Monitoring	1,474,113	2,121,237	2,459,400	2,149,700	1,974,900
TOTAL EXPENDITURES	157,234,128	154,744,484	164,865,000	161,621,700	157,244,000

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

The Division of Probation and Parole, pursuant to KRS 439.370 and 439.480, through the probation and parole officers in the 19 districts, provides supervision of approximately 41,534 probationers and parolees in the community, investigations of offenders for the courts and parole board, rehabilitative services to offenders, and assistance in employment and home placement.

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

This division is also responsible for payment of local jail per diems, medical per diems, excess medical costs, and inmate labor for the state inmates housed in the Commonwealth's 74 full service jails and 4 regional jails.

The Community Corrections area is comprised of the Halfway House program, Kentucky Corrections Commissioner, and Electronic Monitoring program. Pursuant to KRS Chapter 439, the Halfway House program provides rehabilitation in community residential correctional centers throughout the Commonwealth where inmates are transitioned prior to their release. Pursuant to KRS Chapter 196, the Kentucky Corrections Commission grants funds for the purpose of assisting judges, throughout the Commonwealth, develop alternatives to incarceration. In accordance with KRS 532.260, the Department of Corrections has initiated the Home Incarceration program (HIP). The current average daily population of HIP participants is 433.

Policy

The Department of Corrections estimates a 20 percent growth in the number of probationers and parolees compared to fiscal year 2011. Much of this increase is due to the provisions of HB 463 enacted by the 2011 Session of the General Assembly related to accelerated parole hearings and mandatory reentry supervision release.

Fiscal Year	Probation and Parole Population
2011 Actual	41,534
2012 Estimated	43,225
2013 Estimated	46,961
2014 Estimated	49,728

One provision of HB 463, codified as KRS 196.288, requires a reinvestment of a portion of the estimated savings based on the implementation of several elements of HB 463, of \$3,615,800 in fiscal year 2013 and \$5,653,200 in fiscal year 2014 to expand probation and parole services. These funds will support 54 additional probation and parole officers in fiscal year 2013 and 84 officers in fiscal year 2014.

**Justice and Public Safety
Corrections
Local Jail Support**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	15,940,000	14,321,500	14,321,500	16,963,900	19,037,000
Continuing Approp.-General Fund	24,416				
Budget Reduction-General Fund	-608,900				
Mandated Expenditure Reductions	-717,300	-215,100	-497,200		
Total General Fund	14,638,216	14,106,400	13,824,300	16,963,900	19,037,000
TOTAL SOURCE OF FUNDS	14,638,216	14,106,400	13,824,300	16,963,900	19,037,000
EXPENDITURES BY CLASS					
Personnel Cost	29,745	33,946	34,700	34,700	34,700
Operating Expenses	447,000	444,199	447,000	447,000	447,000
Grants Loans Benefits	14,156,516	13,624,700	13,342,600	16,482,200	18,555,300
TOTAL EXPENDITURES	14,633,261	14,102,845	13,824,300	16,963,900	19,037,000
EXPENDITURES BY FUND SOURCE					
General Fund	14,633,261	14,102,845	13,824,300	16,963,900	19,037,000
TOTAL EXPENDITURES	14,633,261	14,102,845	13,824,300	16,963,900	19,037,000
EXPENDITURES BY UNIT					
Local Jail Allotment	13,130,500	12,612,800	12,330,700	12,026,600	12,026,600
Restricted Medical	931,100	931,100	931,100	931,100	931,100
Jailers' Allowance	476,745	478,145	481,700	481,700	481,700
Catastrophic Medical	94,916	80,800	80,800	80,800	80,800
Local Corrections Assistance Fund				3,443,700	5,516,800
TOTAL EXPENDITURES	14,633,261	14,102,845	13,824,300	16,963,900	19,037,000

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

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

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

The Catastrophic Medical program, pursuant to KRS 441.045, provides funds that assist counties with costs of providing necessary medical, dental, or psychological care beyond routine care and diagnostic services. When the cost of providing such services exceeds \$1,000, the county is reimbursed. Initial reimbursements are limited by the maximum payments allowed for services under the Kentucky Medical Assistance Program.

Policy

Pursuant to KRS 196.288, as enacted by the 2011 General Assembly in HB 463, the Budget of the Commonwealth directs General Fund in the amounts of \$3,443,700 in fiscal year 2013 and \$5,516,800 in fiscal year 2014 to the Local Corrections Assistance Fund established KRS 441.207. These amounts represent an estimate of 25% of the savings resulting from changes made by HB 463 to reduce the incarcerated population, excluding the effect of changes to KRS Chapter 218A, the Controlled Substances laws.

The Budget of the Commonwealth directs allocation of the Local Corrections Assistance Fund as follows:

- 1) In fiscal year 2013, the first \$2,400,000 shall be divided equally among all counties; and
- 2) In fiscal year 2014, the first \$3,000,000 shall be divided equally among all counties.
- 3) The remaining amount each year shall be distributed based on a ratio of the county inmate population of the total state population as of the second Thursday in January during the prior fiscal year.

**Justice and Public Safety
Public Advocacy**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	35,679,400	37,571,200	37,195,500	39,974,000	40,678,600
State Salary and Compensation Allocation	643,000	1,171,500	1,980,000		
Special Appropriation	1,727,100				
Mandated Expenditure Reductions		-603,500			
Total General Fund	38,049,500	38,139,200	39,175,500	39,974,000	40,678,600
Restricted Funds					
Balance Forward	3,749	3,160	7,100		
Current Receipts	4,376,439	3,946,608	2,500,100	2,507,200	2,507,200
Non-Revenue Receipts	-250,000		1,536,800	1,536,800	1,536,800
Fund Transfers		-27,300	-63,600		
Total Restricted Funds	4,130,188	3,922,468	3,980,400	4,044,000	4,044,000
Federal Funds					
Current Receipts	1,091,815	3,199,245	2,335,100	2,418,200	2,421,300
Non-Revenue Receipts	803,720	-955,384			
ARRA Receipts		21,727			
Total Federal Funds	1,895,535	2,265,588	2,335,100	2,418,200	2,421,300
TOTAL SOURCE OF FUNDS	44,075,223	44,327,256	45,491,000	46,436,200	47,143,900
EXPENDITURES BY CLASS					
Personnel Cost	32,390,657	33,403,915	38,550,900	40,586,200	41,260,500
Operating Expenses	5,719,984	5,060,435	5,491,500	5,810,000	5,843,400
Grants Loans Benefits	5,961,222	5,840,426	40,000	40,000	40,000
Construction		64			
TOTAL EXPENDITURES	44,071,863	44,304,839	44,082,400	46,436,200	47,143,900
EXPENDITURES BY FUND SOURCE					
General Fund	38,049,300	38,123,901	37,766,900	39,974,000	40,678,600
Restricted Funds	4,127,028	3,915,350	3,980,400	4,044,000	4,044,000
Federal Funds	1,895,535	2,265,588	2,335,100	2,418,200	2,421,300
TOTAL EXPENDITURES	44,071,863	44,304,839	44,082,400	46,436,200	47,143,900
EXPENDITURES BY UNIT					
Office of the Public Advocate	1,024,184	921,438	1,073,300	1,169,300	1,187,500
Defense Services	39,643,815	40,245,066	39,366,600	41,423,900	42,049,700
Law Operations	1,542,785	1,206,200	1,610,800	1,678,500	1,701,100
Protection and Advocacy	1,861,079	1,932,135	2,031,700	2,164,500	2,205,600
TOTAL EXPENDITURES	44,071,863	44,304,839	44,082,400	46,436,200	47,143,900

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

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

The Operations Division provides budget, personnel, administrative, technology, facility oversight, library services, research, archive services and management support for the Department.

The Trial Division represents all needy persons accused of crimes punishable by loss of liberty, persons accused of juvenile delinquency and status offenses, and all needy persons faced with involuntary commitments due to mental state or condition in

all of Kentucky's 120 counties. This includes district, circuit, drug, juvenile, and family court venues.

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

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

Labor
