

Tourism, Arts and Heritage

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	52,167,800	50,170,600	48,718,700	46,308,500	47,468,200
State Salary and Compensation Allocation	387,800	776,400	1,167,400		
Special Appropriation	4,943,200				
Current Year Appropriation			9,000,000		
Budget Reduction-General Fund	-2,111,400				
Reorganization Adjustment	-81,400				
Mandated Expenditure Reductions	-1,028,200	-909,000	-860,900		
Total General Fund	54,277,800	50,038,000	58,025,200	46,308,500	47,468,200
Restricted Funds					
Balance Forward	69,344,554	68,735,406	66,175,900	63,505,500	64,079,900
Current Receipts	146,823,818	138,839,739	155,088,200	161,829,700	166,501,800
Non-Revenue Receipts	-372,946	5,313,309	-8,730,000	-14,727,200	-14,552,000
Fund Transfers		-1,485,500	-2,356,600		
Total Restricted Funds	215,795,427	211,402,954	210,177,500	210,608,000	216,029,700
Federal Funds					
Balance Forward	10,551,174	11,151,925	6,148,800	6,148,800	7,240,600
Current Receipts	17,935,495	21,231,994	20,641,000	19,115,600	19,116,900
Non-Revenue Receipts	-560,515	-9,503,659			
ARRA Receipts	310,500	136,492			
Total Federal Funds	28,236,654	23,016,751	26,789,800	25,264,400	26,357,500
Road Fund					
Regular Appropriation	350,000	350,000	350,000	350,000	350,000
Total Road Fund	350,000	350,000	350,000	350,000	350,000
TOTAL SOURCE OF FUNDS	298,659,881	284,807,705	295,342,500	282,530,900	290,205,400
EXPENDITURES BY CLASS					
Personnel Cost	133,469,450	130,160,881	132,731,400	136,583,300	139,071,700
Operating Expenses	65,702,880	63,627,145	73,351,900	58,311,200	59,877,700
Grants Loans Benefits	11,093,373	10,335,575	11,307,600	10,365,100	10,293,700
Debt Service	4,431,741	4,435,862	4,422,300	4,785,200	5,286,400
Capital Outlay	4,051,792	3,885,078	3,044,700	1,165,600	1,376,300
Construction	23,313	38,137			
TOTAL EXPENDITURES	218,772,549	212,482,679	224,857,900	211,210,400	215,905,800
EXPENDITURES BY FUND SOURCE					
General Fund	54,277,799	50,037,932	57,194,900	46,308,500	47,468,200
Restricted Funds	147,060,021	145,226,784	146,672,000	146,528,100	150,790,200
Federal Funds	17,084,729	16,867,963	20,641,000	18,023,800	17,297,400
Road Fund	350,000	350,000	350,000	350,000	350,000
TOTAL EXPENDITURES	218,772,549	212,482,679	224,857,900	211,210,400	215,905,800
EXPENDITURES BY UNIT					
Secretary	12,257,626	11,275,520	12,710,000	12,841,300	12,915,200
Artisans Center	2,365,971	2,332,824	2,173,800	2,260,800	2,286,600
Travel	3,475,135	3,236,903	3,183,400	3,091,300	3,058,000
Parks	87,190,679	78,882,565	79,284,600	80,207,300	80,923,600
Horse Park Commission	9,273,767	10,727,793	13,460,600	10,127,700	10,231,100
State Fair Board	41,823,146	44,607,621	50,751,500	44,695,200	46,365,600
Fish and Wildlife Resources	47,370,431	48,245,861	50,372,200	45,613,500	47,703,300
Historical Society	7,271,854	6,535,172	6,442,400	6,158,700	6,195,700
Arts Council	4,566,427	3,808,154	3,826,200	3,683,300	3,709,100
Heritage Council	2,227,614	1,927,233	1,777,200	1,728,900	1,715,200
Kentucky Center for the Arts	949,899	903,032	876,000	802,400	802,400
TOTAL EXPENDITURES	218,772,549	212,482,679	224,857,900	211,210,400	215,905,800

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

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

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

**Tourism, Arts and Heritage
Secretary**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,357,300	2,761,700	2,734,100	2,528,100	2,582,400
State Salary and Compensation Allocation	56,000	101,000	144,800		
Budget Reduction-General Fund	-357,100				
Mandated Expenditure Reductions	-187,200	-178,100	-180,500		
Total General Fund	2,869,000	2,684,600	2,698,400	2,528,100	2,582,400
Restricted Funds					
Balance Forward	4,559,724	4,738,975	6,188,400	5,762,100	5,373,600
Current Receipts	1,145,618	1,125,484	1,311,000	1,329,700	1,361,900
Non-Revenue Receipts	8,422,259	9,083,128	8,770,000	8,595,000	8,767,000
Fund Transfers		-168,200	-386,800		
Total Restricted Funds	14,127,601	14,779,388	15,882,600	15,686,800	15,502,500
TOTAL SOURCE OF FUNDS	16,996,601	17,463,988	18,581,000	18,214,900	18,084,900
EXPENDITURES BY CLASS					
Personnel Cost	6,520,457	5,473,244	6,615,300	6,683,700	6,749,000
Operating Expenses	1,464,928	1,098,318	1,464,200	1,328,600	1,337,200
Grants Loans Benefits	4,176,648	4,690,961	4,620,500	4,819,000	4,819,000
Capital Outlay	95,593	7,616	10,000	10,000	10,000
Construction		5,381			
TOTAL EXPENDITURES	12,257,626	11,275,520	12,710,000	12,841,300	12,915,200
EXPENDITURES BY FUND SOURCE					
General Fund	2,869,000	2,684,600	2,589,500	2,528,100	2,582,400
Restricted Funds	9,388,626	8,590,920	10,120,500	10,313,200	10,332,800
TOTAL EXPENDITURES	12,257,626	11,275,520	12,710,000	12,841,300	12,915,200
EXPENDITURES BY UNIT					
Executive Policy and Management	2,032,800	2,106,600	2,085,200	2,163,400	2,207,400
Capital Plaza Operations	867,896	614,797	962,600	994,300	1,020,900
Creative Services	797,975	804,034	735,100	615,800	626,100
Sports Authority	333,141	153,651	117,000	28,900	21,900
Tourism Meeting & Convention Marketing	7,437,896	7,536,146	8,359,000	9,038,900	9,038,900
Coal Severance Tourism	787,918	60,292	451,100		
TOTAL EXPENDITURES	12,257,626	11,275,520	12,710,000	12,841,300	12,915,200

The Office of the Secretary's appropriation unit comprises of:

Executive Policy and Management - The Executive Policy and Management unit directs planning and management of the agencies within the Cabinet. This program develops plans to assure orderly growth and improved management, recommends executive actions and legislative measures, and evaluates agency budget requests.

Creative Services - The Creative Services program performs a range of creative and productive services for agencies in state government, including audio and video production, graphic design, multimedia event services, and photography.

Frankfort Convention Center - The Frankfort Convention Center serves as both a small and large meeting facility, containing a 10,000 square foot arena with fixed seating space of 5,365. The small meeting facility space contains 1,575 square feet for governmental or business conference functions.

The Frankfort Convention Center also manages over 57,000 square feet of rental space for 10 state agencies and eight private businesses.

Sports Authority - The Kentucky Sports Authority, established pursuant to KRS 148.590, has a fourteen member board with the primary responsibility to recruit, promote, assist, place, and develop sporting events, facilities, and programs throughout the Commonwealth, with the final goal of developing the economy, commerce, job opportunities, and revenue streams.

Tourism, Meeting, and Convention Marketing Fund - This fund is established by KRS 142.406 with revenues from a one percent transient room tax dedicated for the sole purpose of marketing and promoting tourism in the Commonwealth, including expenditures to market and promote events and venues related to meetings, conventions, trade shows, cultural activities, historical sites, recreation, entertainment, natural phenomena, areas of scenic beauty, craft marketing, and any other economic activity that brings tourists and visitors to the Commonwealth.

Coal Severance Fund - Marketing and development activities in coal producing counties are provided for through the Coal Severance Fund, which receives coal severance funds from the Multi-county fund. Allocations to coal counties are intended to supplement local tourism budgets that are deficient in tourism infrastructure. The Kentucky Recreational Trails Authority and the Adventure Tourism Program are funded through the Coal Severance funds. The purposes of the Recreational Trail Authority and the Adventure Tourism Program are to enhance the Kentucky economy through expanded tourism opportunities for motorized and non-motorized off-road trail activities, and other outdoor activities, which are opportunities available throughout the Commonwealth, including in the coal producing counties.

**Tourism, Arts and Heritage
Artisans Center**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	358,200	300,800	297,800	327,400	353,200
State Salary and Compensation Allocation	3,500	6,200	9,200		
Budget Reduction-General Fund	-34,000				
Mandated Expenditure Reductions	-16,100	-9,500	-10,500		
Total General Fund	311,600	297,500	296,500	327,400	353,200
Restricted Funds					
Balance Forward	208,580	143,473	56,800		
Current Receipts	1,639,264	1,700,884	1,583,400	1,583,400	1,583,400
Non-Revenue Receipts		-60,000			
Fund Transfers		-42,200	-104,300		
Total Restricted Funds	1,847,843	1,742,156	1,535,900	1,583,400	1,583,400
Road Fund					
Regular Appropriation	350,000	350,000	350,000	350,000	350,000
Total Road Fund	350,000	350,000	350,000	350,000	350,000
TOTAL SOURCE OF FUNDS	2,509,443	2,389,656	2,182,400	2,260,800	2,286,600
EXPENDITURES BY CLASS					
Personnel Cost	1,215,975	1,255,721	1,111,000	1,191,000	1,201,900
Operating Expenses	1,149,996	1,076,855	1,062,800	1,069,800	1,084,700
Construction		248			
TOTAL EXPENDITURES	2,365,971	2,332,824	2,173,800	2,260,800	2,286,600
EXPENDITURES BY FUND SOURCE					
General Fund	311,600	297,500	287,900	327,400	353,200
Restricted Funds	1,704,371	1,685,324	1,535,900	1,583,400	1,583,400
Road Fund	350,000	350,000	350,000	350,000	350,000
TOTAL EXPENDITURES	2,365,971	2,332,824	2,173,800	2,260,800	2,286,600
EXPENDITURES BY UNIT					
Berea Artisans Center	2,365,971	2,332,824	2,173,800	2,260,800	2,286,600
TOTAL EXPENDITURES	2,365,971	2,332,824	2,173,800	2,260,800	2,286,600

The Kentucky Artisan Center at Berea is established to promote Kentucky arts and craft products and serve as a unique gateway for travelers, offering quality Kentucky arts, crafts, music, and other artisan products, along with authentic heritage experiences. The Artisan Center purchases for resale over 4,000 different artisan products from over 650 vendors in 100 counties statewide. Hospitality, café food service, KY travel information assistance, and rest stop services are also provided by the Center for over 265,000 visitors annually. The Center currently serves as the only mid-state rest area on I-75.

The Appalachian/Kentucky Artisans Gateway Center Authority (KRS 148.560-569) has an appointed, thirteen member board to direct operations of the Center and is attached to the Tourism Arts and Heritage Cabinet for administrative purposes.

**Tourism, Arts and Heritage
Travel**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,982,000	3,292,600	3,259,700	2,997,800	3,056,800
State Salary and Compensation Allocation	62,700	117,300	168,500		
Budget Reduction-General Fund	-379,500				
Reorganization Adjustment	-81,400				
Mandated Expenditure Reductions	-179,400	-218,600	-222,500		
Total General Fund	3,404,400	3,191,300	3,205,700	2,997,800	3,056,800
Restricted Funds					
Balance Forward	272,434	282,114	191,100	92,300	
Current Receipts	80,415	131,084	1,200	1,200	1,200
Non-Revenue Receipts		-175,000			
Fund Transfers		-1,500	-3,500		
Total Restricted Funds	352,848	236,698	188,800	93,500	1,200
TOTAL SOURCE OF FUNDS	3,757,248	3,427,998	3,394,500	3,091,300	3,058,000
EXPENDITURES BY CLASS					
Personnel Cost	2,932,547	2,786,850	2,719,100	2,630,200	2,620,100
Operating Expenses	542,588	450,053	464,300	461,100	437,900
TOTAL EXPENDITURES	3,475,135	3,236,903	3,183,400	3,091,300	3,058,000
EXPENDITURES BY FUND SOURCE					
General Fund	3,404,400	3,191,300	3,086,900	2,997,800	3,056,800
Restricted Funds	70,735	45,603	96,500	93,500	1,200
TOTAL EXPENDITURES	3,475,135	3,236,903	3,183,400	3,091,300	3,058,000
EXPENDITURES BY UNIT					
Executive Policy and Management	1,036,900	987,700	804,900	655,800	667,600
Tourism Services	575,700	453,700	496,200	509,200	519,300
Marketing and Advertising	1,456,435	1,357,803	1,418,800	1,450,100	1,384,900
Communications and Promotions	406,100	437,700	463,500	476,200	486,200
TOTAL EXPENDITURES	3,475,135	3,236,903	3,183,400	3,091,300	3,058,000

The Department of Travel and Tourism was created to promote, develop, and provide support services for the tourism industry within the Commonwealth.

Executive Policy and Management - The Executive Policy and Management program establishes the policies and goals; coordinates the overall planning, management, and direction for the agency; and provides for the efficient administration of the Department and its programs.

Tourism Services - The Division of Tourism Services provides technical and design support to the overall marketing and promotions activities of the department. These activities provide graphic design support for development of both print and website promotions as well as technical support for website maintenance. Additionally, the division disseminates tourism information to tourists and potential visitors via a telephone system and fulfills visitor information through direct mail. Tourism Services provides assistance to travel planners calling the toll-free phone line requesting information as well as fulfilling requests for the Official Visitors Guide.

Marketing and Administration - The Division of Marketing and Administration is responsible for motivating travel to and within Kentucky. The Division maintains a database of all of the tourism related attractions, destinations and events throughout the state. These tourism assets are promoted through advertising via broadcast, print, and online media. Additionally, the Division participates in trade shows, events and conferences to showcase the state. The Division also collaborates with industry partners within the state and throughout the region to leverage marketing efforts.

The Tourism Marketing Incentive Program is a collaborative effort to utilize the one percent transient room tax funds, dedicated for the sole purpose of marketing and promoting tourism in the Commonwealth, efficiently and effectively.

The Division of Marketing and Administration staffs eight Welcome Centers throughout the state. The travel hosts at the Centers, located in Florence, Franklin, Grayson, Hopkinsville, Paducah, Simpsonville, Shepherdsville and Williamsburg offer helpful travel information and a positive image of Kentucky to tourists seeking assistance when they visit the state.

Communications and Promotions - The Division of Communications and Promotions works to complement the activities of the Department's advertising programs by engaging media and employing other strategies that publicize Kentucky's attractions and events as tourism destinations. These efforts primarily focus on generating earned broadcast and print media to support the marketing efforts of the department. This Division serves as the liaison with media sources, maintaining constant contact through e-newsletters, and a web-based media resource site. Assistance is provided to individual media representatives and travel writers in a variety of ways including, but not limited to, creating story ideas, making travel arrangements, providing photographs, video and fact verification. Regular press releases are prepared for the Department of Travel and Tourism and the Department of Parks to keep the public abreast of attractions and events in Kentucky. The goal of the division is to provide comprehensive support for projects and promotions developed through the department on behalf of the tourism industry in Kentucky.

**Tourism, Arts and Heritage
Parks**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	29,971,700	29,626,400	29,330,100	28,079,400	28,883,000
State Salary and Compensation Allocation	170,300	318,100	511,200		
Special Appropriation	4,943,200				
Mandated Expenditure Reductions		-231,900	-68,600		
Total General Fund	35,085,200	29,712,600	29,772,700	28,079,400	28,883,000
Restricted Funds					
Balance Forward	20,452	689,398	35,000	1,246,400	1,950,100
Current Receipts	52,101,661	49,911,036	52,553,800	52,553,800	52,553,800
Non-Revenue Receipts	672,765	-631,052	100,000	277,800	281,000
Fund Transfers		-764,400	-1,557,700		
Total Restricted Funds	52,794,878	49,204,982	51,131,100	54,078,000	54,784,900
TOTAL SOURCE OF FUNDS	87,880,078	78,917,582	80,903,800	82,157,400	83,667,900
EXPENDITURES BY CLASS					
Personnel Cost	55,779,176	50,716,529	50,162,600	53,381,900	54,195,600
Operating Expenses	31,396,749	28,106,935	28,877,600	26,420,000	25,914,600
Debt Service		14,456		161,000	569,000
Capital Outlay	14,570	32,883	244,400	244,400	244,400
Construction	186	11,762			
TOTAL EXPENDITURES	87,190,679	78,882,565	79,284,600	80,207,300	80,923,600
EXPENDITURES BY FUND SOURCE					
General Fund	35,085,200	29,712,600	29,399,900	28,079,400	28,883,000
Restricted Funds	52,105,479	49,169,965	49,884,700	52,127,900	52,040,600
TOTAL EXPENDITURES	87,190,679	78,882,565	79,284,600	80,207,300	80,923,600
EXPENDITURES BY UNIT					
General Administration and Support	11,116,640	9,881,529	11,064,200	9,545,000	9,616,800
Resort Parks	56,438,453	51,386,579	50,553,200	52,438,900	52,905,700
Recreation Parks and Historic Sites	17,624,507	15,678,492	15,825,300	16,332,700	16,499,500
Cafeterias	1,820,080	1,775,524	1,681,400	1,730,200	1,741,100
Breaks Interstate Park	191,000	160,440	160,500	160,500	160,500
TOTAL EXPENDITURES	87,190,679	78,882,565	79,284,600	80,207,300	80,923,600

The Department of Parks administers and operates the Kentucky State Park System under the authority of KRS Chapter 148. The Department strives to provide quality recreational facilities and to preserve and protect historically significant sites and natural phenomena in the Commonwealth of Kentucky.

The Vision for Kentucky State Parks is to provide quality recreation and hospitality experiences for people of all ages that enhance their appreciation for adventure, fun, education, and beauty through responsible stewardship of our Commonwealth's natural, historic and cultural resources, and with a professional staff committed to excellent service for our guests.

The Mission of Kentucky State Parks is to provide a sustainable system of parks that delivers quality programs, amenities, and services which create memorable experiences and a sense of place, contributes to the economic growth of the Commonwealth, and preserves the historic and natural integrity and traditions of our parks for existing and future generations.

The activities of the Department include the operation and maintenance of 17 resort parks, 22 recreational parks, 11 historic sites, three cafeterias in Frankfort, and other miscellaneous facilities, including one interstate park. The Park System provides overnight lodging to 425,000 guests, food service for 1,175,000 meals for dining patrons, camping for 470,000 guests, golf for 210,000 players, along with other park amenities and activities.

**Tourism, Arts and Heritage
Parks
General Administration and Support**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	10,383,900	9,800,000	11,325,600	9,377,500	9,683,900
State Salary and Compensation Allocation	170,300	318,100			
Special Appropriation	2,109,000				
Mandated Expenditure Reductions		-231,900	-68,600		
Other	-1,670,000	-185,400			
Total General Fund	10,993,200	9,700,800	11,257,000	9,377,500	9,683,900
Restricted Funds					
Balance Forward	11,970	223,916	31,800	31,800	22,300
Current Receipts	87,531	367,570	80,000	80,000	80,000
Non-Revenue Receipts	182,461	-234,554	100,000	100,000	100,000
Fund Transfers		-144,400			
Total Restricted Funds	281,962	212,532	211,800	211,800	202,300
TOTAL SOURCE OF FUNDS	11,275,162	9,913,332	11,468,800	9,589,300	9,886,200
EXPENDITURES BY CLASS					
Personnel Cost	8,685,669	7,681,273	8,966,500	9,743,900	9,908,100
Operating Expenses	2,357,703	2,189,256	1,997,700	-459,900	-960,300
Debt Service				161,000	569,000
Capital Outlay	7,874		100,000	100,000	100,000
Construction		11,000			
TOTAL EXPENDITURES	11,051,246	9,881,529	11,064,200	9,545,000	9,616,800
EXPENDITURES BY FUND SOURCE					
General Fund	10,993,200	9,700,800	10,884,200	9,355,500	9,434,900
Restricted Funds	123,440	180,729	180,000	189,500	181,900
TOTAL EXPENDITURES	11,116,640	9,881,529	11,064,200	9,545,000	9,616,800

The General Administration and Support program provides an organizational and administrative system to maintain and operate the 51 park system entities. Central administrative functions, such as accounting, purchasing, budgeting, and personnel, along with program operations support and central maintenance and minor construction support, are included in this program.

Policy

The Budget of the Commonwealth provides General Fund of \$161,000 in fiscal year 2013 and \$569,000 in fiscal year 2014 for debt service on \$2,000,000 in new bonds to Upgrade the Wastewater System at Fort Boonesborough and \$6,000,000 in new bonds for a Maintenance Pool.

**Tourism, Arts and Heritage
Parks
Resort Parks**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	12,115,200	11,791,000	9,096,600	10,043,700	10,439,300
State Salary and Compensation Allocation			511,200		
Special Appropriation	725,800				
Other	2,120,000	555,960			
Total General Fund	14,961,000	12,346,960	9,607,800	10,043,700	10,439,300
Restricted Funds					
Balance Forward	4,289	286,349		657,300	1,189,900
Current Receipts	41,548,485	39,850,325	42,750,000	42,750,000	42,750,000
Non-Revenue Receipts	256,415	-477,055		177,800	181,000
Fund Transfers		-620,000	-1,147,300		
Total Restricted Funds	41,809,189	39,039,619	41,602,700	43,585,100	44,120,900
TOTAL SOURCE OF FUNDS	56,770,189	51,386,579	51,210,500	53,628,800	54,560,200
EXPENDITURES BY CLASS					
Personnel Cost	34,359,224	31,642,854	30,044,200	31,929,900	32,396,700
Operating Expenses	22,117,736	19,720,694	20,464,000	20,464,000	20,464,000
Debt Service		1,816			
Capital Outlay	6,695	20,979	45,000	45,000	45,000
Construction	186	237			
TOTAL EXPENDITURES	56,483,841	51,386,579	50,553,200	52,438,900	52,905,700
EXPENDITURES BY FUND SOURCE					
General Fund	14,961,000	12,346,960	9,607,800	10,043,700	10,439,300
Restricted Funds	41,477,453	39,039,619	40,945,400	42,395,200	42,466,400
TOTAL EXPENDITURES	56,438,453	51,386,579	50,553,200	52,438,900	52,905,700

The Resort Parks program encourages tourism and economic development in Kentucky by providing excellent overnight accommodations, quality food service, and recreational activities for visitors at the 17 resort parks. The resort parks and their locations are:

Barren River Resort Park - Barren County
 Blue Licks Battlefield State Park - Robertson County
 Buckhorn Lake Resort Park - Perry County
 Carter Caves Resort Park - Carter County
 Cumberland Falls Resort Park - Whitley County
 Dale Hollow Resort Park - Cumberland and Clinton Counties
 General Butler Resort Park - Carroll County
 Greenbo Lake Resort Park - Greenup County
 Jenny Wiley Resort Park - Floyd County

Kenlake Resort Park - Marshall County
 Kentucky Dam Village Resort Park - Marshall County
 Lake Barkley Resort Park - Trigg County
 Lake Cumberland Resort Park - Russell County
 Natural Bridge Resort Park - Powell County
 Pennyrile Forest Resort Park - Christian County
 Pine Mountain Resort Park - Bell County
 Rough River Resort Park - Grayson County

**Tourism, Arts and Heritage
Parks
Recreation Parks and Historic Sites**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,067,300	7,660,000	8,465,800	8,238,100	8,566,700
Special Appropriation	2,032,700				
Other	-350,000	-437,500			
Total General Fund	8,750,000	7,222,500	8,465,800	8,238,100	8,566,700
Restricted Funds					
Balance Forward	4,103	179,133	200	543,000	725,300
Current Receipts	8,844,069	8,172,494	8,276,900	8,276,900	8,276,900
Non-Revenue Receipts	228,379	104,550			
Fund Transfers			-374,600		
Total Restricted Funds	9,076,551	8,456,177	7,902,500	8,819,900	9,002,200
TOTAL SOURCE OF FUNDS	17,826,551	15,678,677	16,368,300	17,058,000	17,568,900
EXPENDITURES BY CLASS					
Personnel Cost	11,654,326	10,375,797	10,181,500	10,688,900	10,855,700
Operating Expenses	5,993,092	5,277,626	5,544,400	5,544,400	5,544,400
Debt Service		12,640			
Capital Outlay		11,904	99,400	99,400	99,400
Construction		526			
TOTAL EXPENDITURES	17,647,418	15,678,492	15,825,300	16,332,700	16,499,500
EXPENDITURES BY FUND SOURCE					
General Fund	8,750,000	7,222,500	8,465,800	8,238,100	8,566,700
Restricted Funds	8,874,507	8,455,992	7,359,500	8,094,600	7,932,800
TOTAL EXPENDITURES	17,624,507	15,678,492	15,825,300	16,332,700	16,499,500

The Recreation Parks and Historic Sites program encourages tourism and economic development in Kentucky by providing modern recreational and camping facilities and preserving significant scenic and historic landmarks, as well as operating museums and shrines.

Big Bone Lick State Park - Boone County
 Carr Creek State Park - Knott County
 Columbus-Belmont Battlefield State Park - Hickman County
 E. P. "Tom" Sawyer State Park - Jefferson County
 Fort Boonesborough State Park - Madison County
 General Burnside State Park - Pulaski County
 Grayson Lake State Park - Elliott and Carter Counties
 Green River Lake State Park - Taylor County
 John James Audubon State Park - Henderson County
 Kincaid Lake State Park - Pendleton County
 Kingdom Come State Park - Harlan County

Lake Malone State Park - Muhlenberg County
 Levi Jackson Wilderness Road State Park - Laurel County
 Lincoln Homestead State Park - Washington County
 Mineral Mound State Park - Lyon County
 My Old Kentucky Home State Park - Nelson County
 Nolin Lake State Park - Edmonson County
 Old Fort Harrod State Park - Mercer County
 Paintsville Lake State Park - Johnson County
 Pine Mountain Trail State Park - Harlan & Bell Counties
 Taylorsville Lake State Park - Spencer County
 Yatesville Lake State Park - Lawrence County

Historic Sites

Boone Station - Fayette County
 Constitution Square State Shrine - Boyle County
 Dr. Thomas Walker State Shrine - Knox County
 Isaac Shelby State Shrine - Lincoln County
 Jefferson Davis Monument State Shrine - Todd County

Old Mulkey Meeting House State Shrine - Monroe County
 Perryville Battlefield State Shrine - Boyle County
 Waveland State Shrine - Fayette County
 White Hall State Shrine - Madison County
 Wickliffe Mounds State Historic Site - Ballard County
 William Whitley House State Shrine - Lincoln County

**Tourism, Arts and Heritage
Parks
Cafeterias**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	214,300	184,400	281,600	281,600	281,600
Special Appropriation	75,700				
Other	-100,000	97,500			
Total General Fund	190,000	281,900	281,600	281,600	281,600
Restricted Funds					
Balance Forward	90		3,000	14,300	12,600
Current Receipts	1,621,576	1,520,647	1,446,900	1,446,900	1,446,900
Non-Revenue Receipts	5,509	-23,993			
Fund Transfers			-35,800		
Total Restricted Funds	1,627,175	1,496,654	1,414,100	1,461,200	1,459,500
TOTAL SOURCE OF FUNDS	1,817,175	1,778,554	1,695,700	1,742,800	1,741,100
EXPENDITURES BY CLASS					
Personnel Cost	888,957	856,165	809,900	858,700	874,600
Operating Expenses	928,218	919,359	871,500	871,500	866,500
TOTAL EXPENDITURES	1,817,175	1,775,524	1,681,400	1,730,200	1,741,100
EXPENDITURES BY FUND SOURCE					
General Fund	190,000	281,900	281,600	281,600	281,600
Restricted Funds	1,630,080	1,493,624	1,399,800	1,448,600	1,459,500
TOTAL EXPENDITURES	1,820,080	1,775,524	1,681,400	1,730,200	1,741,100

The Cafeteria program provides food service in the Capitol Annex, Transportation Building, and the Health and Family Services Building for members of the General Assembly, state employees, and visitors to the state offices in Frankfort. The cafeterias also provide catering service for special local events.

**Tourism, Arts and Heritage
Parks
Breaks Interstate Park**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	191,000	191,000	160,500	160,500	160,500
Other		-30,560			
Total General Fund	191,000	160,440	160,500	160,500	160,500
TOTAL SOURCE OF FUNDS	191,000	160,440	160,500	160,500	160,500
EXPENDITURES BY CLASS					
Personnel Cost	191,000	160,440	160,500	160,500	160,500
TOTAL EXPENDITURES	191,000	160,440	160,500	160,500	160,500
EXPENDITURES BY FUND SOURCE					
General Fund	191,000	160,440	160,500	160,500	160,500
TOTAL EXPENDITURES	191,000	160,440	160,500	160,500	160,500

Breaks Interstate Park, created by KRS 148.220 in 1954 by joint action of the Kentucky and Virginia legislatures, is governed by the Breaks Interstate Park Commission. The Commission is composed of three members from each state appointed by their respective governors. Kentucky provides financial support for the park in the form of a grant to the Commission.

The park, which contains 4,500 acres of woodlands, mountains, and the largest canyon east of the Mississippi River, attracts approximately 380,000 visitors each year. Breaks Interstate Park provides recreation for the people of Kentucky and Virginia in an area where recreational opportunities are limited.

**Tourism, Arts and Heritage
Horse Park Commission**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,448,200	3,328,200	2,344,600	2,372,100	2,390,800
State Salary and Compensation Allocation		6,700	7,400		
Current Year Appropriation			3,500,000		
Budget Reduction-General Fund	-5,300				
Mandated Expenditure Reductions	-65,200				
Total General Fund	1,377,700	3,334,900	5,852,000	2,372,100	2,390,800
Restricted Funds					
Balance Forward				191,400	385,800
Current Receipts	6,315,804	7,997,142	7,800,000	7,950,000	8,080,000
Non-Revenue Receipts	1,580,263	-505,149			
Fund Transfers		-99,100			
Total Restricted Funds	7,896,067	7,392,893	7,800,000	8,141,400	8,465,800
TOTAL SOURCE OF FUNDS	9,273,767	10,727,793	13,652,000	10,513,500	10,856,600
EXPENDITURES BY CLASS					
Personnel Cost	5,314,095	5,754,038	5,979,000	6,293,500	6,393,200
Operating Expenses	3,932,835	4,908,846	7,319,800	3,772,700	3,776,400
Capital Outlay	26,838	64,909	161,800	61,500	61,500
TOTAL EXPENDITURES	9,273,767	10,727,793	13,460,600	10,127,700	10,231,100
EXPENDITURES BY FUND SOURCE					
General Fund	1,377,700	3,334,900	5,852,000	2,372,100	2,390,800
Restricted Funds	7,896,067	7,392,893	7,608,600	7,755,600	7,840,300
TOTAL EXPENDITURES	9,273,767	10,727,793	13,460,600	10,127,700	10,231,100
EXPENDITURES BY UNIT					
Kentucky Horse Park	9,273,767	10,727,793	13,460,600	10,127,700	10,231,100
TOTAL EXPENDITURES	9,273,767	10,727,793	13,460,600	10,127,700	10,231,100

The Kentucky Horse Park (KRS 148.260) is comprised of 1,224 acres on which are situated over 110 structures, 34 miles of fencing and 260 campsites. Horse Park programs consist primarily of four main functions:

Equine Theme Park-The central area of the park contains tourist activities that include the Visitor Information Center, International Museum of the Horse, gift shop, restaurant, Parade of Breeds and Hall of Champions shows, horseback riding, horse drawn tours, and other activities. The expansion of the new indoor arena and outdoor stadium was completed in 2009.

Events-The Horse Park is the host venue for both equine and non-equine special events. Horse shows are central to the mission of the park and comprise the majority of special event activities. Sixty annual equine events utilize 21 pole barns (1,086 stalls), a 1,200 seat covered arena, show office complex, six hunter-jumper rings, five dressage rings, a 7,800-yard cross country course, steeplechase course, and other ancillary structures. The park also hosts non-equine events that include soccer, high school cross country, dog shows, "Old Kentucky Nights" evening programs, "Southern Lights" holiday lights show, and many other events.

Campground-The popular campground is made up of 260 campsites with water/electric hookups, grocery store, two bathhouses, pool, tennis courts, playground, primitive camping, and covered pavilion. Each year more than 102,000 people camp at the Horse Park, generating more than \$1.3 million in direct annual income.

National Horse Center-Another area of remarkable growth has been the National Horse Center (NHC), a collection of the nation's and the state's leading equestrian organizations. The NHC now includes 33 distinct organizations contained in 11 office buildings. The NHC has solidified the key role of the Horse Park in making Kentucky the "Horse Capital of the World."

The Alltech World Equestrian Games were held September 25, 2010 through October 10, 2010 at the Kentucky Horse Park. It is estimated the Games had a total economic impact of \$201.5 million.

Policy

The Budget of the Commonwealth includes General Fund resources in the amount of \$3,500,000 in fiscal year 2012 to cover the

shortfall from prior fiscal years created by the increase in utility rates and the increase of 264,469 additional square feet of facilities.

The Budget of the Commonwealth requires the Horse Park to submit a business plan to the Interim Joint Committee on Appropriations and Revenue by June 30, 2010 that outlines how the agency will become financially self sufficient.

**Tourism, Arts and Heritage
State Fair Board**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation				88,000	176,000
Current Year Appropriation			5,500,000		
Total General Fund			5,500,000	88,000	176,000
Restricted Funds					
Balance Forward	897,768	295,552	829,500	4,237,600	4,266,700
Current Receipts	42,372,868	40,248,031	48,659,600	44,636,300	46,160,500
Non-Revenue Receipts	-1,151,939	5,177,231			
Fund Transfers		-283,700			
Total Restricted Funds	42,118,698	45,437,114	49,489,100	48,873,900	50,427,200
TOTAL SOURCE OF FUNDS	42,118,698	45,437,114	54,989,100	48,961,900	50,603,200
EXPENDITURES BY CLASS					
Personnel Cost	22,403,670	24,483,216	25,136,900	25,267,100	25,953,200
Operating Expenses	12,614,251	13,295,879	18,812,000	12,423,600	13,314,700
Grants Loans Benefits	1,478,547	1,573,132	1,573,100	1,573,100	1,573,100
Debt Service	4,431,741	4,421,406	4,422,300	4,624,200	4,717,400
Capital Outlay	884,069	813,242	807,200	807,200	807,200
Construction	10,868	20,746			
TOTAL EXPENDITURES	41,823,146	44,607,621	50,751,500	44,695,200	46,365,600
EXPENDITURES BY FUND SOURCE					
General Fund			5,500,000	88,000	176,000
Restricted Funds	41,823,146	44,607,621	45,251,500	44,607,200	46,189,600
TOTAL EXPENDITURES	41,823,146	44,607,621	50,751,500	44,695,200	46,365,600
EXPENDITURES BY UNIT					
Kentucky Fair and Exposition Center	31,780,165	33,349,915	38,684,500	32,197,500	33,868,700
Kentucky International Convention Center	5,520,580	5,276,200	5,154,000	5,302,900	5,269,800
Debt Service	4,431,741	4,421,406	4,422,300	4,536,200	4,541,400
Louisville Arena	90,659	1,560,100	2,490,700	2,658,600	2,685,700
TOTAL EXPENDITURES	41,823,146	44,607,621	50,751,500	44,695,200	46,365,600

The Kentucky State Fair Board authorized in KRS 247 is composed of 15 members: the Governor, the Commissioner of Agriculture, the Dean of the College of Agriculture at the University of Kentucky, and 12 members appointed by the Governor. The Board manages and administers the funds, buildings, grounds, and equipment of both the Kentucky Exposition Center and the Kentucky International Convention Center in Louisville as well as managing the Louisville Downtown Arena. A president is appointed by the Board to manage these centers and Fair Board properties.

Kentucky Exposition Center - The Kentucky Exposition Center provides facilities and services for conventions, trade shows, agricultural activities, athletic events, concerts, and cultural and commercial productions year-round. At this site, the State Fair Board produces its three major expositions during the year: the Kentucky State Fair, the National Farm Machinery Show, and the North American International Livestock Exposition.

The Kentucky Exposition Center is a completely air-conditioned complex that includes 1.2 million square feet of exhibit and meeting space at ground level. It includes the 19,000-seat Freedom Hall Coliseum, identical East and West Exhibit Halls, East and West Exposition Wings, the South and North Wing Exposition facilities and Conference Centers, a smaller exposition pavilion, a 600-seat amphitheater, a 5,000-seat Livestock and Horse Show Arena, and a 37,000-seat stadium. Also serving the Kentucky Exposition Center are the adjacent Crowne Plaza, Hilton Gardens Inn, Cracker Barrel restaurant, Thorton's gas station and Executive Bowl, all of which are long-term lessees of the State Fair Board.

Kentucky International Convention Center - The Kentucky International Convention Center provides facilities and services for intermediate-sized conventions, trade shows, association events, concerts, and cultural and commercial productions year-round. This facility is an integral and interdependent part of the overall redevelopment of downtown Louisville by both government and private enterprises.

The Center includes approximately 200,000 square feet of exhibit space, a 30,000 square foot ballroom, and nearly 70,000

square feet of meeting space along both sides of Third Street. The exhibit and meeting areas are linked by public concourses spanning Third Street.

The Center is served by the Hyatt and Cowger Parking Garages, which provide 1,300 enclosed parking spaces, and by the Hyatt Regency Hotel, which is a long-term lessee of the Board. The Cowger Garage also includes commercial space which is leased on a long-term basis.

Debt Service - The Debt Service program is responsible for the annual debt service payments on Fair Board bonds issued by the State Property and Buildings Commission.

Restricted Funds in the amount of \$ 4.2 million each fiscal year are included for State Property and Building Commission Projects 81 and 86 debt service payments. Projects 81 and 86 provided funding for construction of South Wing C and the North Wing, respectively.

Louisville Arena – The Louisville Arena opened in October 2010. This multi-purpose arena seats 22,000 people and is the home of the University of Louisville men’s and women’s basketball teams. The Kentucky State Fair Board has entered into an operations management agreement with the Louisville Arena Authority to manage day to day operations of the Arena and employ staff to carry out the management and operations of this facility.

Policy

The Budget of the Commonwealth includes General Fund resources in the amount of \$5,500,000 in fiscal year 2012 to cover the cumulative shortfall due to the loss of major events to the KFC YUM Center, the loss of University of Louisville Basketball and the loss of Kentucky Kingdom.

The Budget of the Commonwealth provides General Fund of \$88,000 in fiscal year 2013 and \$176,000 in fiscal year 2014 for debt service on new bonds for Parking Garage Maintenance.

The Budget of the Commonwealth requires the State Fair Board to submit a business plan to the Interim Joint Committee on Appropriations and Revenue that outlines how the agency will become financially self sufficient.

**Tourism, Arts and Heritage
Fish and Wildlife Resources**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	62,593,498	62,101,549	58,043,900	51,443,900	51,669,200
Current Receipts	42,096,602	36,785,701	42,551,600	52,951,600	55,951,600
Non-Revenue Receipts	-9,896,294	-7,575,848	-17,600,000	-23,600,000	-23,600,000
Fund Transfers		-108,700	-258,500		
Total Restricted Funds	94,793,806	91,202,703	82,737,000	80,795,500	84,020,800
Federal Funds					
Balance Forward	10,551,174	11,151,925	5,806,600	5,806,600	6,898,400
Current Receipts	16,037,262	18,993,707	19,079,100	17,579,000	17,579,000
Non-Revenue Receipts	-758,337	-9,388,396			
ARRA Receipts		136,492			
Total Federal Funds	25,830,099	20,893,728	24,885,700	23,385,600	24,477,400
TOTAL SOURCE OF FUNDS	120,623,905	112,096,431	107,622,700	104,181,100	108,498,200
EXPENDITURES BY CLASS					
Personnel Cost	32,329,694	33,304,679	35,054,500	34,606,800	35,307,400
Operating Expenses	10,436,929	10,540,569	11,027,200	9,274,300	10,452,800
Grants Loans Benefits	1,560,827	1,434,185	2,469,200	1,689,900	1,689,900
Capital Outlay	3,030,723	2,966,429	1,821,300	42,500	253,200
Construction	12,259				
TOTAL EXPENDITURES	47,370,431	48,245,861	50,372,200	45,613,500	47,703,300
EXPENDITURES BY FUND SOURCE					
Restricted Funds	32,692,257	33,158,765	31,293,100	29,126,300	31,943,800
Federal Funds	14,678,174	15,087,096	19,079,100	16,487,200	15,759,500
TOTAL EXPENDITURES	47,370,431	48,245,861	50,372,200	45,613,500	47,703,300
EXPENDITURES BY UNIT					
Administration and Support	5,810,146	6,053,264	5,853,600	5,772,700	6,058,100
Wildlife Management	13,377,997	14,599,667	16,129,800	12,956,000	13,926,100
Fisheries Management	8,364,465	8,479,596	9,330,400	9,690,800	10,238,800
Information and Education	6,388,677	6,519,925	6,273,500	6,261,600	6,401,300
Law Enforcement	13,429,145	12,593,410	12,784,900	10,932,400	11,079,000
TOTAL EXPENDITURES	47,370,431	48,245,861	50,372,200	45,613,500	47,703,300

The Department of Fish and Wildlife Resources, established by KRS Chapter 150, is responsible for the conservation and management of fish and wildlife resources in Kentucky. A Departmental Commissioner is appointed by the Fish and Wildlife Commission. The Commission, which is responsible for Department policy, is a nine member bipartisan body appointed by the Governor from a list of candidates provided by sportsmen and women in each of nine districts.

Financial support of the Department is derived from the sale of hunting and fishing licenses, federal grants, interest income, fines and penalties assessed by the courts for violation of game and fish laws, and numerous other miscellaneous receipts.

The Department owns approximately 130,000 acres of land in Kentucky which are used to further its program activities. The acreage includes the State Game Farm, approximately 80 major wildlife management areas, two warm water hatcheries, and three summer camps. An additional 700,000 plus acres of land and water are under lease or license by the Department for wildlife management activities. The Daniel Boone National Forest provides an additional 600,000 acres of land for public use.

The Department consists of five program areas: Administration and Support, Wildlife Management, Fisheries Management, Information and Education, and Law Enforcement.

Wildlife Management - The Wildlife Management program manages, develops, and maintains statewide game and non-game populations consistent with habitat availability on state owned lands, licensed wildlife management areas, and privately owned lands. Additionally, Wildlife Management conducts statewide surveys to determine the relative abundance of game and non-game wildlife, formulates hunting regulations based upon biological data and recreational demands, restores viable native wildlife species by restocking in suitable habitat, and evaluates the impact of land, water resource, and other construction projects on wildlife resources. Technical guidance is provided to private landowners for improvement of wildlife habitat. A fish and wildlife electronic information system is being maintained for use by state agencies that includes geographic information such as land types, vegetation conditions,

and wildlife populations.

Fisheries Management - The Fisheries Management program manages Kentucky fishery resources to provide optimum fishing opportunities for anglers through research, surveys, fish stocking, regulation, and technical biological guidance. Fishery biologists manage and develop fish populations and their associated habitats in major impoundments, streams, rivers, and 100,000 acres of small lakes and ponds. In addition, technical guidance is provided to private pond owners. Research biologists provide support to management through evaluation of stocking and regulatory practices. The Environmental Section of the Fisheries Division manages the Kentucky Wetland Stream Mitigation Fund (referred to as the fees in-lieu of program) authorized by KRS 150.255 and by agreement with the U.S. Army Corps of Engineers. Corps 404 permits require mitigation when projects fill stream or wetland habitat. Funds are derived when 404 permit applicants can elect to pay a fee to satisfy mitigation requirements. These fees are used for identifying and restoring degraded streams with eroding banks and impacted habitat to stable conditions or restoring wetlands that have been drained.

Information and Education - The Information and Education program is responsible for educating and informing the public about our wildlife resources and the importance of conservation, and the recreational opportunities the fish and wildlife resources provide. The information and education program is essential to provide the general and sporting public timely and accurate information directly and through the media. Additionally, the dissemination of regulatory information is necessary for the sporting public to comply with applicable laws and regulations. The program also provides classroom instruction on wildlife conservation, hunter education, aquatic education; operates the Salato Wildlife Education Center; and administers three summer camps for children.

Law Enforcement - The Law Enforcement program enforces fish, wildlife, and boating laws. Officers assist other federal, state, and local agencies in enforcement of all criminal laws in the Commonwealth. Officers also provide assistance to the public during times of natural disasters such as floods, forest fires, and severe winter weather.

Administration and Support - Three separate divisions are included in the Administration and Support program area. The Division of Administrative Services manages the day-to-day operations of the Department including maintaining accounting records, ensuring proper purchasing and inventory procedures, and administering hunting and fishing license sales and revenue collections. The Public Affairs Division facilitates public involvement in departmental policy and regulations. The Engineering Division provides the labor and technical engineering services required for small construction projects, such as building small bridges, buildings, boat ramps, and roads. In addition, Engineering is responsible for surveying all property owned or being purchased by the Department.

Policy

The Budget of the Commonwealth includes Restricted Funds of \$547,100 in fiscal year 2013 and \$556,900, in fiscal year 2014 for a \$3,100 training incentive stipend for Conservation Officers. These funds are provided from the Fish and Game Fund.

**Tourism, Arts and Heritage
Historical Society**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,154,200	6,099,600	6,038,600	5,624,100	5,696,700
State Salary and Compensation Allocation	82,900	162,100	232,600		
Budget Reduction-General Fund	-614,300				
Mandated Expenditure Reductions	-321,900	-163,000	-213,700		
Total General Fund	6,300,900	6,098,700	6,057,500	5,624,100	5,696,700
Restricted Funds					
Balance Forward	6,723	13,259	135,400	118,000	68,700
Current Receipts	685,408	400,501	500,600	444,100	434,100
Fund Transfers		-15,400	-34,600		
Total Restricted Funds	692,131	398,360	601,400	562,100	502,800
Federal Funds					
Current Receipts	213,855	152,114	45,200	41,200	41,200
Non-Revenue Receipts	78,227	21,426			
Total Federal Funds	292,082	173,539	45,200	41,200	41,200
TOTAL SOURCE OF FUNDS	7,285,113	6,670,599	6,704,100	6,227,400	6,240,700
EXPENDITURES BY CLASS					
Personnel Cost	4,373,222	3,688,659	3,353,300	3,557,200	3,617,800
Operating Expenses	2,803,379	2,797,004	3,051,800	2,568,200	2,544,600
Grants Loans Benefits	95,253	49,509	37,300	33,300	33,300
TOTAL EXPENDITURES	7,271,854	6,535,172	6,442,400	6,158,700	6,195,700
EXPENDITURES BY FUND SOURCE					
General Fund	6,300,900	6,098,700	5,913,800	5,624,100	5,696,700
Restricted Funds	678,872	262,932	483,400	493,400	457,800
Federal Funds	292,082	173,539	45,200	41,200	41,200
TOTAL EXPENDITURES	7,271,854	6,535,172	6,442,400	6,158,700	6,195,700
EXPENDITURES BY UNIT					
Oral History and Educational Outreach	649,053	382,597	101,700	99,700	99,700
Research and Publications	187,346	119,407	146,400	167,100	167,100
Museums	109,166	65,867	75,300	110,400	110,400
Administration	6,326,289	5,967,301	6,119,000	5,781,500	5,818,500
TOTAL EXPENDITURES	7,271,854	6,535,172	6,442,400	6,158,700	6,195,700

The Kentucky Historical Society (KHS) engages people in the exploration of the Commonwealth's diverse heritage. Through comprehensive and innovative services, interpretive programs, and stewardship, it provides connections to the past, perspective on the present, and inspiration for the future.

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

The Administration Division provides overall agency direction, planning, and management. It is comprised of the following functional teams: development, director's office, finance and human resources, and communications (which includes visitor services.)

The Research and Publications Division includes the following functional teams: research and interpretation, museum collections and exhibitions, and the design studio. The research and interpretation team publishes the Society's two journals-*The Register of the Kentucky Historical Society* and *Kentucky Ancestors*-and assists with the publication of the quarterly newsletter, *The Chronicle*. The team also administers the historical marker program and the research fellows program. The museum collections and exhibitions team is responsible for the operation of the Historical Society's three museum facilities-the galleries located in the Thomas D. Clark Center for Kentucky History, the Kentucky Military History Museum, and the Old State Capitol. Since 1999, these facilities have hosted more than 1,000,000 visitors. The team is also responsible for the 200,000+

artifact collection. The design studio is responsible for museum exhibition design and production, along with the design and production of other KHS interpretive and promotional tools.

The Museum Division is responsible for special collections and reference services. The Museum division operates the Martin F. Schmidt Research Library housed in the History Center, which effectively serves genealogists and other researchers. It also cares for an array of manuscripts, maps, 200,000-plus photographs, 8,000 oral history recordings, and rare books.

The Oral History and Educational Outreach Division includes the following units: interpretive education, teacher/student outreach, community services and the folklife program. Community Services consists of the local history program and the Cemetery Preservation program. The folklife program's mission is to document the living cultural traditions of Kentuckians and to encourage their perpetuation through education and presentation. Interpretive Education includes school tours, museum theatre, and other educational activities for adults and children. Since 1999, the KHS "history campus" has hosted more than 1,000,000 visitors. The primary outreach programs for students include the Kentucky Junior Historical Society and National History Day. Much of the KHS professional development for teachers is presented through Teaching American History grants awarded by the U.S. Department of Education.

**Tourism, Arts and Heritage
Arts Council**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,831,400	3,075,800	3,045,100	2,771,900	2,797,700
State Salary and Compensation Allocation		40,300	58,200		
Budget Reduction-General Fund	-477,600				
Mandated Expenditure Reductions	-167,400	-69,700	-106,500		
Total General Fund	3,186,400	3,046,400	2,996,800	2,771,900	2,797,700
Restricted Funds					
Balance Forward	174,255	212,266	289,800	262,900	238,300
Current Receipts	155,416	144,916	127,000	127,000	127,000
Fund Transfers		-2,300	-5,300		
Total Restricted Funds	329,670	354,882	411,500	389,900	365,300
Federal Funds					
Balance Forward			342,200	342,200	342,200
Current Receipts	832,528	1,175,605	734,800	759,800	759,800
Non-Revenue Receipts	119,594	-136,689			
ARRA Receipts	310,500				
Total Federal Funds	1,262,622	1,038,916	1,077,000	1,102,000	1,102,000
TOTAL SOURCE OF FUNDS	4,778,693	4,440,197	4,485,300	4,263,800	4,265,000
EXPENDITURES BY CLASS					
Personnel Cost	1,155,952	1,210,601	1,185,400	1,263,900	1,289,800
Operating Expenses	580,438	625,825	734,200	693,600	741,900
Grants Loans Benefits	2,830,038	1,971,729	1,906,600	1,725,800	1,677,400
TOTAL EXPENDITURES	4,566,427	3,808,154	3,826,200	3,683,300	3,709,100
EXPENDITURES BY FUND SOURCE					
General Fund	3,186,400	3,046,400	2,942,800	2,771,900	2,797,700
Restricted Funds	117,404	64,995	148,600	151,600	151,600
Federal Funds	1,262,622	696,760	734,800	759,800	759,800
TOTAL EXPENDITURES	4,566,427	3,808,154	3,826,200	3,683,300	3,709,100
EXPENDITURES BY UNIT					
Arts Council	1,552,554	1,542,068	1,559,000	1,667,300	1,693,100
Support Grants	2,693,907	1,978,518	1,946,600	1,692,400	1,692,400
Programs and Education	145,419	50,949	7,000	7,000	7,000
Arts Marketing	174,546	236,619	313,600	316,600	316,600
TOTAL EXPENDITURES	4,566,427	3,808,154	3,826,200	3,683,300	3,709,100

The Kentucky Arts Council's legislated purpose is to develop and promote a broadly conceived state policy of support for the arts in Kentucky, pursuant to KRS 153.210 to 153.235. As the official state arts agency, the Kentucky Arts Council (KAC) is the sole Kentucky state agency designated to receive partnership funding from the National Endowment for the Arts for any programs related to the arts. All of the KAC's programs, services, initiatives, events and activities support its mission to "create opportunities for the people of Kentucky to value, participate in, and benefit from the arts".

The Kentucky Arts Council manages a multitude of programs, activities and services for the Commonwealth by working in partnership with arts organizations, educational facilities, communities, local government, and individual artists. The work of the KAC encourages the growth and stability of the arts across the state, the promotion of cultural tourism and economic development, the enhancement of quality of life in Kentucky, and the provision of strong arts education programs.

Major program areas include community arts development, arts infrastructure capacity building, individual artists, folk arts, arts education, and arts marketing. The KAC offers an extensive array of technical assistance and training programs, public events, information services and resources, business development services, sales and performance venues, and grant programs to help ensure that the arts community in Kentucky is strong and viable. The grant funds invested by the KAC across the Commonwealth serves as an important catalyst in community building, and leverages significant funding from other sources.

**Tourism, Arts and Heritage
Heritage Council**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	952,100	768,600	761,000	717,300	729,200
State Salary and Compensation Allocation	12,400	24,700	35,500		
Budget Reduction-General Fund	-130,900				
Mandated Expenditure Reductions	-40,900	-24,400	-26,900		
Total General Fund	792,700	768,900	769,600	717,300	729,200
Restricted Funds					
Balance Forward	611,121	258,820	406,000	150,900	127,500
Current Receipts	230,763	394,959		252,600	248,300
Fund Transfers			-5,900		
Total Restricted Funds	841,884	653,780	400,100	403,500	375,800
Federal Funds					
Current Receipts	851,851	910,568	781,900	735,600	736,900
Total Federal Funds	851,851	910,568	781,900	735,600	736,900
TOTAL SOURCE OF FUNDS	2,486,434	2,333,248	1,951,600	1,856,400	1,841,900
EXPENDITURES BY CLASS					
Personnel Cost	1,357,934	1,439,511	1,364,500	1,569,200	1,604,900
Operating Expenses	410,619	349,863	176,200	63,300	36,900
Grants Loans Benefits	459,061	137,859	236,500	96,400	73,400
TOTAL EXPENDITURES	2,227,614	1,927,233	1,777,200	1,728,900	1,715,200
EXPENDITURES BY FUND SOURCE					
General Fund	792,700	768,900	746,100	717,300	729,200
Restricted Funds	583,063	247,765	249,200	276,000	249,100
Federal Funds	851,851	910,568	781,900	735,600	736,900
TOTAL EXPENDITURES	2,227,614	1,927,233	1,777,200	1,728,900	1,715,200
EXPENDITURES BY UNIT					
Kentucky Heritage Council	2,227,614	1,927,233	1,777,200	1,728,900	1,715,200
TOTAL EXPENDITURES	2,227,614	1,927,233	1,777,200	1,728,900	1,715,200

The Kentucky Heritage Council (the State Historic Preservation Office) administers a comprehensive state historic preservation program with structure in three areas; The Site Protection Program, The Site Identification and Evaluation Program and The Site Development Program.

The Council administers national historic preservation activities in Kentucky, monitors projects and distributes grants involving federal funds, offers programs and services involving all aspects of historic preservation, and provides technical assistance to local governments, the public, and other agencies.

Major program activities include surveying historic sites, nominating sites to the National Register of Historic Places, administering the Kentucky Main Street program in partnership with Renaissance on Main, overseeing federal and state historic preservation tax credit programs and restoration grants programs, conducting archaeological investigations, and reviewing all federally funded, licensed, and permitted projects.

Attached to the Heritage Council for administration and programmatic services are the African American Heritage Commission, Native American Heritage Commission, Military Heritage Commission, and the Kentucky Historic Preservation Review Board. The Kentucky Heritage Council is administered in accordance with KRS 171.3801.

**Tourism, Arts and Heritage
Kentucky Center for the Arts**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,112,700	916,900	907,700	802,400	802,400
Budget Reduction-General Fund	-112,700				
Mandated Expenditure Reductions	-50,100	-13,800	-31,700		
Total General Fund	949,900	903,100	876,000	802,400	802,400
TOTAL SOURCE OF FUNDS	949,900	903,100	876,000	802,400	802,400
EXPENDITURES BY CLASS					
Personnel Cost	86,729	47,833	49,800	138,800	138,800
Operating Expenses	370,170	376,999	361,800	236,000	236,000
Grants Loans Benefits	493,000	478,200	464,400	427,600	427,600
TOTAL EXPENDITURES	949,899	903,032	876,000	802,400	802,400
EXPENDITURES BY FUND SOURCE					
General Fund	949,899	903,032	876,000	802,400	802,400
TOTAL EXPENDITURES	949,899	903,032	876,000	802,400	802,400
EXPENDITURES BY UNIT					
Kentucky Center for the Arts	456,899	424,832	411,600	374,800	374,800
Governor's School for the Arts	493,000	478,200	464,400	427,600	427,600
TOTAL EXPENDITURES	949,899	903,032	876,000	802,400	802,400

Kentucky Center for the Arts ("The Kentucky Center") is the Commonwealth's premier performing arts center. The Kentucky Center serves over 400,000 people each year. It is the performance home of the state's largest orchestra, opera, ballet, Broadway and children's theatre productions. In addition, The Kentucky Center presents a variety of national and international artists.

The Kentucky Center houses three theaters: the 2,406-seat Robert S. Whitney Hall, the 619-seat Moritz von Bomhard Theater, and the 139-seat Boyd Martin Experimental Theater. The facility features a multi-tiered lobby, rehearsal halls, and spaces for social and business events.

The Kentucky Center provides a wide range of nationally recognized educational programs, including professional development for teachers, partnerships with schools and community centers, and opportunities for artists to work in classrooms. The Center is also a leader in providing award-winning access services that make the theater experience possible for patrons with disabilities. The Kentucky Center, in partnership with the Kentucky Arts Council, provides access and technical consulting services for arts and cultural organizations across Kentucky. The Kentucky Center's management also provides theatrical consulting services throughout the state.

The Governor's School for the Arts (GSA) is a model program, recognized nationally by the President's Committee on the Arts and Humanities and the National Endowment of the Arts. GSA was established in 1987 to address the needs of an underserved Kentucky population: Kentucky's artistically gifted and talented young people. Whereas opportunities for advanced academic work has been widely available to Kentucky's academically gifted students, opportunities to pursue advanced work in the arts have been considerably more limited, particularly for geographically and/or economically marginalized students. GSA not only plays a vital role in preparing students for their pursuit of careers in the arts, but also prepares them for all facets of professional life requiring leadership, critical thinking, exceptional communication skills and understanding of the multi-cultural world. GSA is a model program, recognized nationally by the President's Committee on the Arts & Humanities and the National Endowment for the Arts.

Transportation

Transportation

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,178,200	4,574,600	4,528,800	5,678,200	5,678,200
Continuing Approp.-General Fund	131,541	255,166	305,600		
Budget Reduction-General Fund	-538,500				
Mandated Expenditure Reductions	-100,300	-68,700	-157,900		
Total General Fund	4,670,941	4,761,066	4,676,500	5,678,200	5,678,200
Restricted Funds					
Balance Forward	234,212,451	427,694,316	326,516,700	225,653,000	129,952,700
Current Receipts	101,777,120	100,207,879	112,991,600	113,639,900	114,916,100
Non-Revenue Receipts	349,088,007	59,020,247	585,866,900	130,925,000	104,925,000
Fund Transfers	-15,922,927	-10,925,200	-11,227,800	-13,964,700	-7,664,800
Total Restricted Funds	669,154,651	575,997,242	1,014,147,400	456,253,200	342,129,000
Federal Funds					
Balance Forward		15,488	553,400		
Current Receipts	566,300,413	539,090,925	632,060,600	605,332,200	606,670,700
Non-Revenue Receipts	-12,339,628	-10,297,901			
ARRA Receipts	205,491,947	161,513,299	94,109,200		
Total Federal Funds	759,452,732	690,321,811	726,723,200	605,332,200	606,670,700
Road Fund					
Regular Appropriation	1,327,346,900	1,191,610,300	1,259,954,500	1,441,323,700	1,461,496,100
Surplus Expenditure Plan		41,869,646	67,517,600		
Continuing Approp.-Road Fund	284,237,794	313,871,582			
Budget Reduction-Road Fund	-172,841,800				
Other	-30,269,186	27,922,615	34,065,400		
Total Road Fund	1,408,473,708	1,575,274,143	1,361,537,500	1,441,323,700	1,461,496,100
TOTAL SOURCE OF FUNDS	2,841,752,032	2,846,354,263	3,107,084,600	2,508,587,300	2,415,974,000
EXPENDITURES BY CLASS					
Personnel Cost	397,430,277	391,174,341	424,095,500	337,616,600	345,321,400
Operating Expenses	312,798,629	293,681,864	306,393,500	317,995,000	316,077,500
Grants Loans Benefits	248,485,660	218,894,323	286,997,000	261,277,400	274,569,900
Debt Service	84,791,197	156,137,807	233,484,200	238,800,100	285,023,700
Capital Outlay	9,088,126	11,359,106	17,163,900	1,206,900	1,304,100
Construction	1,008,735,836	983,122,345	1,612,240,400	1,218,133,000	1,174,482,000
TOTAL EXPENDITURES	2,061,329,726	2,054,369,786	2,880,374,500	2,375,029,000	2,396,778,600
EXPENDITURES BY FUND SOURCE					
General Fund	4,415,774	4,455,489	4,676,500	5,678,200	5,678,200
Restricted Funds	241,460,335	249,480,470	788,494,400	326,300,500	326,539,200
Federal Funds	759,437,245	689,768,462	726,723,200	605,332,200	606,670,700
Road Fund	1,056,016,372	1,110,665,365	1,360,480,400	1,437,718,100	1,457,890,500
TOTAL EXPENDITURES	2,061,329,726	2,054,369,786	2,880,374,500	2,375,029,000	2,396,778,600
EXPENDITURES BY UNIT					
General Administration and Support	63,526,085	61,945,990	68,202,000	65,450,400	68,260,100
Aviation	13,965,011	8,943,495	9,335,800	13,639,500	13,684,500
Debt Service	31,005,917	97,069,493	116,904,800	147,359,700	164,556,000
Highways	1,590,850,413	1,525,343,442	2,237,998,900	1,690,527,200	1,666,137,500
Public Transportation	50,607,422	25,366,718	54,453,900	38,301,100	38,478,200
Revenue Sharing	274,772,102	297,802,054	352,235,300	380,661,800	405,482,300
Vehicle Regulation	30,712,776	32,101,594	41,243,800	39,089,300	40,180,000
TOTAL EXPENDITURES	2,055,439,726	2,048,572,786	2,880,374,500	2,375,029,000	2,396,778,600

The Transportation Cabinet is responsible for maintaining and improving transportation services in the Commonwealth. All modes of

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

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

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

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

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

Policy

The 2009 General Assembly amended KRS Chapter 48 to require the General Assembly to pass a separate bill for the Transportation Cabinet budget. In addition, the General Assembly is required to pass the Biennial Highway Construction Plan as a separate bill and the last four years of the six-year road plan as a joint resolution. House Bill 2 as enacted by the 2012 Extraordinary Session of the General Assembly is the Transportation Cabinet budget bill for the 2012-2014 fiscal biennium. House Bill 267 as enacted by the 2012 Regular Session of the General Assembly is the Biennial Highway Construction Plan for the 2012-2014 fiscal biennium. House Joint Resolution 77 from the 2012 Regular Session of the General Assembly is the last four years of the 2012-2018 six-year road plan.

**Transportation
General Administration and Support**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation				500,000	500,000
Total General Fund				500,000	500,000
Restricted Funds					
Balance Forward	26,932	65,812	69,200	69,200	69,200
Current Receipts	45,000	10,402	20,000	19,700	19,700
Fund Transfers		-300	-700		
Total Restricted Funds	71,932	75,914	88,500	88,900	88,900
Road Fund					
Regular Appropriation	70,214,400	68,791,100	69,188,100	64,930,700	67,740,400
Budget Reduction-Road Fund	-436,500				
Total Road Fund	69,777,900	68,791,100	69,188,100	64,930,700	67,740,400
TOTAL SOURCE OF FUNDS	69,849,832	68,867,014	69,276,600	65,519,600	68,329,300
EXPENDITURES BY CLASS					
Personnel Cost	25,507,710	26,648,704	27,560,900	28,949,300	29,618,900
Operating Expenses	30,103,640	27,734,997	32,581,800	29,094,700	30,180,100
Grants Loans Benefits	1,147	991		500,000	500,000
Debt Service	7,203,107	6,779,384	7,220,000	6,112,200	7,066,900
Capital Outlay	652,704	727,306	788,000	769,200	834,200
Construction	57,778	54,609	51,300	25,000	60,000
TOTAL EXPENDITURES	63,526,085	61,945,990	68,202,000	65,450,400	68,260,100
EXPENDITURES BY FUND SOURCE					
General Fund				500,000	500,000
Restricted Funds	6,120	6,720	19,300	19,700	19,700
Road Fund	63,519,965	61,939,270	68,182,700	64,930,700	67,740,400
TOTAL EXPENDITURES	63,526,085	61,945,990	68,202,000	65,450,400	68,260,100
EXPENDITURES BY UNIT					
Office of the Secretary	-81,768	77,682	158,100	634,900	663,700
Office of Public Affairs	581,206	581,603	614,600	614,600	630,200
Inspector General	673,871	674,890	772,100	722,100	736,600
Budget & Fiscal Management	2,770,204	2,893,542	3,319,600	3,188,200	3,260,200
Legal Services	7,449,470	7,124,738	8,666,600	8,863,200	8,928,300
Office of Human Resource Management	2,974,509	3,032,977	3,580,000	3,431,500	3,514,800
Office of Support Services	18,460,620	18,467,202	19,845,600	18,743,000	19,890,900
Technology	26,801,479	25,114,897	26,750,700	25,053,100	26,304,100
Office of Civil Rights & Small Business Devlpmnt	495,114	483,784	731,100	512,600	528,100
Office of Audits	3,401,381	3,494,677	3,763,600	3,687,200	3,803,200
TOTAL EXPENDITURES	63,526,085	61,945,990	68,202,000	65,450,400	68,260,100

The General Administration and Support appropriation unit provides management and administrative services and ensures efficient day-to-day operations. This unit includes the Office of Secretary and nine other offices.

The Office of Budget and Fiscal Management, the Office for Civil Rights and Small Business Development, the Office of Legal Services, the Office of Public Affairs, the Office of Inspector General, the Office of Human Resource Management, the Office of Support Services, the Office of Audits, and the Office of Information Technology provide leadership, management, and staff support to the Transportation Cabinet and provide the Secretary with the managerial tools necessary to operate the Cabinet.

The Office of the Secretary is the central point of contact with the general public and external organizations and serves as main the policymaking arm of the Cabinet. The Office of Budget and Fiscal Management and the Office of Audits manage the planning and use of the Cabinet's financial resources. The Office for Civil Rights and Small Business Development conducts programs to provide women and minorities an equal opportunity for employment and to compete for highway construction contracts. The Office of Legal

Services provides the agency with the required legal representation before administrative boards and all levels of the court system. The Office of Public Affairs is responsible for the Cabinet's communications with employees, the news media, and the general public. The Office of Inspector General exists to provide the Cabinet a mechanism for both employees and Kentuckians to report incidences of wrongdoing regarding the Cabinet's service. The Office of Human Resource Management is responsible for the Cabinet's human resources policies and personnel utilization and development programs. The Office of Support Services provides oversight and management of the Cabinet's statewide facilities, including all ongoing capital projects not associated with highway construction. The Office of Information Technology is responsible for the technological application development and system support functions for the Cabinet.

Policy

The Budget of the Commonwealth provides funding in fiscal year 2014 to support the operation and maintenance of the new Kentucky Automated Vehicle Information System.

The Budget of the Commonwealth provides General Fund in the amount of \$500,000 each year to improve public riverports.

	Transportation Aviation				
	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	9,670,588	63,448	8,192,400	8,339,700	1,681,400
Current Receipts	6,361,083	18,864,894	11,722,900	11,723,200	11,748,100
Non-Revenue Receipts	45,558	-994,800			
Fund Transfers	-6,053,794	-5,803,300	-6,894,000	-8,464,700	-3,464,800
Total Restricted Funds	10,023,435	12,130,241	13,021,300	11,598,200	9,964,700
Federal Funds					
Balance Forward		15,487	19,000		
Current Receipts	94,707	85,857	1,802,000	1,221,700	1,011,700
Non-Revenue Receipts	-63,381				
Total Federal Funds	31,326	101,344	1,821,000	1,221,700	1,011,700
Road Fund					
Regular Appropriation	11,313,300	2,280,100	2,865,900	2,501,000	2,771,100
Continuing Approp.-Road Fund	7,585,918	10,120,487			
Budget Reduction-Road Fund	-4,699,000				
Total Road Fund	14,200,218	12,400,587	2,865,900	2,501,000	2,771,100
TOTAL SOURCE OF FUNDS	24,254,979	24,632,173	17,708,200	15,320,900	13,747,500
EXPENDITURES BY CLASS					
Personnel Cost	2,291,358	2,343,388	2,585,400	2,422,300	2,508,300
Operating Expenses	1,112,538	1,228,244	1,363,400	1,449,000	1,419,400
Grants Loans Benefits	9,640,564	3,836,316	3,380,800	7,899,300	7,689,300
Debt Service	602,521	994,772	1,844,500	1,677,700	1,904,800
Capital Outlay	164,134	273,012		50,000	
Construction	153,896	267,763	161,700	141,200	162,700
TOTAL EXPENDITURES	13,965,011	8,943,495	9,335,800	13,639,500	13,684,500
EXPENDITURES BY FUND SOURCE					
Restricted Funds	9,959,988	3,937,849	4,681,600	9,916,800	9,901,700
Federal Funds	15,838	82,390	1,821,000	1,221,700	1,011,700
Road Fund	3,989,185	4,923,256	2,833,200	2,501,000	2,771,100
TOTAL EXPENDITURES	13,965,011	8,943,495	9,335,800	13,639,500	13,684,500
EXPENDITURES BY UNIT					
Commonwealth Aviation	11,156,496	5,511,794	4,873,300	9,466,600	9,235,900
Capital City Airport	2,205,994	2,436,929	2,618,000	2,495,200	2,543,800
Aviation Administration	602,521	994,772	1,844,500	1,677,700	1,904,800
TOTAL EXPENDITURES	13,965,011	8,943,495	9,335,800	13,639,500	13,684,500

In accordance with KRS Chapter 183, the Transportation Cabinet supports the Commonwealth's Aviation program. There are two divisions within the Department of Aviation: Commonwealth Aviation and Capital City Airport. The Commonwealth Aviation division is charged with the Air Regulatory program and the Airport Development program. The Air Regulatory program is responsible for inspecting and determining the safety and efficiency of all of the Commonwealth's public use airport and heliport facilities. Pursuant to KRS 183.861, the Kentucky Airport Zoning Commission protects the navigable airspace within the state by evaluating applications for construction, issuing permits, and maintaining updated airport zoning maps. The Commission is attached to the Air Regulatory program for administrative purposes. The Airport Development program provides for administration, planning and management of airport construction, and maintenance of local airports. Airport Development also provides technical and financial assistance to the state's 59 public use airports, including updating and distributing the state aeronautical charts and airport directories.

The Capital City Airport is a public use airport located in Frankfort, Kentucky. Capital City Airport is home to 81 aircraft, including the fleet owned and operated by state government and the National Guard located in Frankfort.

Policy

The Budget of the Commonwealth suspends the provisions of KRS 183.525(5) during the 2012-2014 biennium so that funds accruing to the Kentucky Aviation Economic Development Fund may be used to support the administrative and operating costs

of the Commonwealth Aviation Division.

The Budget of the Commonwealth suspends the provisions of KRS 183.525 and transfers \$468,000 in fiscal year 2013 and \$468,000 in fiscal year 2014 from the Kentucky Aviation Economic Development Fund to the General Fund to support General Fund supported aviation bonds authorized by the 2005 General Assembly.

The Budget of the Commonwealth suspends the provisions of KRS 183.525 and transfers \$996,700 in fiscal year 2013 and \$996,800 in fiscal year 2014 from the Kentucky Aviation Economic Development Fund to the Road Fund to support Road Fund supported aviation bonds authorized by the 2008 General Assembly.

**Transportation
Debt Service**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
Road Fund					
Regular Appropriation	136,599,000	74,747,000	116,904,800	150,965,300	168,161,600
Special Appropriation	17,679,000	32,500,000			
Budget Reduction-Road Fund	-100,000,000				
Total Road Fund	54,278,000	107,247,000	116,904,800	150,965,300	168,161,600
TOTAL SOURCE OF FUNDS	54,278,000	107,247,000	116,904,800	150,965,300	168,161,600
EXPENDITURES BY CLASS					
Debt Service	31,005,917	97,069,493	116,904,800	147,359,700	164,556,000
TOTAL EXPENDITURES	31,005,917	97,069,493	116,904,800	147,359,700	164,556,000
EXPENDITURES BY FUND SOURCE					
Road Fund	31,005,917	97,069,493	116,904,800	147,359,700	164,556,000
TOTAL EXPENDITURES	31,005,917	97,069,493	116,904,800	147,359,700	164,556,000
EXPENDITURES BY UNIT					
Economic Development Lease Rental	31,005,917	97,069,493	116,904,800	147,359,700	164,556,000
TOTAL EXPENDITURES	31,005,917	97,069,493	116,904,800	147,359,700	164,556,000

The Debt Service program is the budget entity through which lease rental payments are made on the revenue bonds the Commonwealth has issued to finance major highway construction projects.

KRS Chapter 175 authorizes the Turnpike Authority of Kentucky to issue revenue bonds to construct, maintain, repair, and operate designated roads of the Toll Road System, the Resource Recovery Road System, and the Economic Development Road System.

The first of these systems, the Toll Road System, was constructed during the mid-1960s and early 1970s. All of the Toll Road bonds are now retired.

The Resource Recovery Road System began in the late 1970s, and most of the system's roads were built during the 1980s. The most significant project was KY 80. The final lease rental payment for the Resource Recovery Road bonds was made in fiscal year 2008-2009.

The Economic Development Road System was established and funded through a series of bond issues. The first was a \$300 million issue sold in 1984. The second was a relatively small sale of \$36.6 million in 1987. The third and largest was a \$600 million program which was implemented in bond sales during 1990, 1993, and 1995. The projects constructed with the \$600 million series were designated as "Revitalization Projects" and are now complete. The fourth issue was authorized by the 1998 General Assembly in the amount of \$200 million. The bonds were sold in 1999 and projects funded with those proceeds are now complete. The 2005 General Assembly authorized the fifth series of Economic Development Road bonds in the amount of \$450 million. The bond projects associated with the 2005 series were split to support three initiatives: \$300 million for projects in the adopted Six-Year Highway Plan; \$100 million to fund County Road Aid projects; and \$50 million to support Municipal Road Aid projects. The 2006 General Assembly authorized an additional \$350 million in Economic Development Road Bonds. The entire 2006 series was authorized to support projects in the adopted Six-Year Highway Plan. The seventh issue was authorized by the 2008 General Assembly in the amount of \$50 million for projects associated with Base Re-alignment and Closure (BRAC) activities in and around Fort Knox. The 2009 General Assembly authorized bonds in the amount of \$400 million to support projects in the adopted Six-Year Highway Plan. Most recently, the 2010 Special Session of the General Assembly authorized \$112 million in BRAC bonds to complete the projects in Fort Knox and \$400 million in bonds for projects included in the Biennial Highway Construction Plan.

Through lease agreements with the Turnpike Authority of Kentucky and the Asset and Liability Commission, the Transportation Cabinet provides funds to pay the Toll Road, Resource Recovery Road, and the Economic Development Road revenue bonds. In the Debt Service program, funds are reserved exclusively for semi-annual lease rental payments to meet the principal and interest requirements of these outstanding bonds, along with any administrative costs of the Turnpike Authority.

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 Road Fund. The amount of the Road Fund lapse is \$3,605,600 in each fiscal year.

	Transportation Highways				
	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	208,402,552	416,321,369	304,982,600	212,330,700	123,775,100
Current Receipts	77,914,234	63,921,621	84,128,600	84,563,900	85,814,300
Non-Revenue Receipts	349,042,449	60,069,272	586,000,000	131,000,000	105,000,000
Fund Transfers			-513,500		
Total Restricted Funds	635,359,235	540,312,262	974,597,700	427,894,600	314,589,400
Federal Funds					
Balance Forward			534,400		
Current Receipts	538,531,771	516,787,313	577,888,100	568,697,600	570,069,000
Non-Revenue Receipts	-11,671,226	-10,004,604			
ARRA Receipts	184,811,036	160,915,219	94,109,200		
Total Federal Funds	711,671,581	667,697,928	672,531,700	568,697,600	570,069,000
Road Fund					
Regular Appropriation	759,723,000	715,944,200	735,682,600	817,710,100	791,578,000
Surplus Expenditure Plan		41,869,646	67,517,600		
Special Appropriation	-17,679,000	-32,500,000			
Continuing Approp.-Road Fund	200,023,604	212,818,474			
Budget Reduction-Road Fund	-63,184,300				
Total Road Fund	878,883,304	938,132,320	803,200,200	817,710,100	791,578,000
TOTAL SOURCE OF FUNDS	2,225,914,120	2,146,142,510	2,450,329,600	1,814,302,300	1,676,236,400
EXPENDITURES BY CLASS					
Personnel Cost	351,143,459	342,271,499	373,692,000	284,778,100	291,320,200
Operating Expenses	263,099,394	250,019,315	250,708,900	269,029,300	265,682,100
Grants Loans Benefits	28,146,175	23,433,083	34,520,300	6,812,500	6,762,400
Debt Service	43,901,409	48,149,316	104,369,500	79,687,100	106,711,500
Capital Outlay	2,280,788	4,561,788	16,375,900	387,700	469,900
Construction	902,279,188	856,908,442	1,458,332,300	1,049,832,500	995,191,400
TOTAL EXPENDITURES	1,590,850,413	1,525,343,442	2,237,998,900	1,690,527,200	1,666,137,500
EXPENDITURES BY FUND SOURCE					
Restricted Funds	219,037,866	235,329,590	762,267,000	304,119,500	304,490,500
Federal Funds	711,671,581	667,163,534	672,531,700	568,697,600	570,069,000
Road Fund	660,140,966	622,850,318	803,200,200	817,710,100	791,578,000
TOTAL EXPENDITURES	1,590,850,413	1,525,343,442	2,237,998,900	1,690,527,200	1,666,137,500
EXPENDITURES BY UNIT					
Research	3,642,812	648,043	5,396,000	4,817,400	4,817,400
Construction	1,146,089,894	1,074,921,718	1,781,650,300	1,238,126,500	1,210,069,500
Maintenance	332,918,155	341,875,985	326,905,400	326,905,400	326,905,400
Engineering Administration	11,584,089	12,163,765	13,245,700	13,112,600	13,785,800
Planning	10,223,423	11,693,409	15,789,100	15,516,800	16,271,000
Highway Operations	23,350,811	22,791,208	25,623,500	25,191,600	26,861,300
Equipment Services	55,300,601	52,825,705	58,892,900	56,869,000	57,320,500
Highway Safety	7,740,629	8,423,610	10,496,000	9,987,900	10,106,600
TOTAL EXPENDITURES	1,590,850,413	1,525,343,442	2,237,998,900	1,690,527,200	1,666,137,500

The Highways appropriation unit is the largest program in the Transportation Cabinet. There are eight programs in the Department of Highways: Research, Construction, Maintenance, Engineering Administration, Highway Planning, Highway Operations, Highway Safety and Equipment Services. The Construction program is divided into three subprograms: Bond Funded Construction, State Funded Construction, and Federal Funded Construction.

The Department of Highways is responsible for the construction, reconstruction, and maintenance of the State Primary Road System through authority granted by KRS 177.020. The Department is headed by a commissioner who is appointed by the Governor on recommendation of the Secretary of Transportation. This agency administers all of the programs within the Highways appropriation

unit.

Combined travel by all motor vehicles over Kentucky's 78,000 miles of roads and streets equals over 47.6 billion vehicle-miles. The State Primary Road System carries about 85 percent of all traffic. This network consists of approximately 27,500 miles of interstate highways, resource recovery roads, parkways, economic development roads, primary, secondary, rural, and unclassified roads, and approximately 9,000 state maintained bridges. Kentucky's interstate system, consisting of 762 miles, carries 27 percent of all travel.

	Transportation Highways Research				
	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
Federal Funds					
Balance Forward			244,000		
Current Receipts	3,347,049	602,043	3,718,000	3,383,400	3,383,400
Total Federal Funds	3,347,049	602,043	3,962,000	3,383,400	3,383,400
Road Fund					
Regular Appropriation	1,434,000	1,434,000	1,434,000	1,434,000	1,434,000
Continuing Approp.-Road Fund		1,138,237			
Total Road Fund	1,434,000	2,572,237	1,434,000	1,434,000	1,434,000
TOTAL SOURCE OF FUNDS	4,781,049	3,174,280	5,396,000	4,817,400	4,817,400
EXPENDITURES BY CLASS					
Personnel Cost	3,346,768	358,043	4,862,000	4,527,400	4,527,400
Operating Expenses	296,044	290,000	534,000	290,000	290,000
TOTAL EXPENDITURES	3,642,812	648,043	5,396,000	4,817,400	4,817,400
EXPENDITURES BY FUND SOURCE					
Federal Funds	3,347,049	358,043	3,962,000	3,383,400	3,383,400
Road Fund	295,763	290,000	1,434,000	1,434,000	1,434,000
TOTAL EXPENDITURES	3,642,812	648,043	5,396,000	4,817,400	4,817,400

The Research program is primarily a problem-solving service available to the Department of Highways. The program provides studies of traffic safety and operations, pavement mechanics and performance, materials characteristics and behavior, and transportation policies. The Research function is mandated by the Commonwealth's use of federal highway funds in accordance with Title 23 of the Federal Code which requires the use of 25 percent of funds for highway research and development. The Transportation Cabinet partners with the University of Kentucky Transportation Center to carry out research functions. The partnership conducts workshops on highway maintenance and management; traffic engineering, computerized signalization, signal technician certification, incident management/traffic mitigation, and provides on-demand technical assistance. The program maintains a lending library, including both written and audio-visual materials. The program also publishes a quarterly newsletter.

The Research program funds the Kentucky Transportation Center at one-tenth of one percent of the motor fuels tax collections, not to exceed \$190,000 per year from the State Road Fund pursuant to KRS 177.320(4). An additional \$100,000 per year from the Revenue Sharing appropriation unit is transferred to the Kentucky Transportation Center.

	Transportation Highways Construction				
	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	199,416,929	409,683,930	296,233,800	207,537,900	118,982,300
Current Receipts	22,478,714	6,659,347	24,983,300	24,000,000	24,798,900
Non-Revenue Receipts	348,364,195	59,587,713	586,000,000	131,000,000	105,000,000
Total Restricted Funds	570,259,838	475,930,990	907,217,100	362,537,900	248,781,200
Federal Funds					
Balance Forward			290,400		
Current Receipts	521,931,648	501,265,012	555,927,200	547,761,600	548,652,900
Non-Revenue Receipts	-11,445,966	-9,869,028			
ARRA Receipts	184,811,036	160,915,219	94,109,200		
Total Federal Funds	695,296,718	652,311,203	650,326,800	547,761,600	548,652,900
Road Fund					
Regular Appropriation	374,540,000	344,927,300	364,126,700	446,809,300	417,941,500
Surplus Expenditure Plan		41,869,646	67,517,600		
Special Appropriation	-17,679,000	-32,500,000			
Continuing Approp.-Road Fund	124,962,001	143,162,932			
Budget Reduction-Road Fund	-48,442,800				
Total Road Fund	433,380,201	497,459,878	431,644,300	446,809,300	417,941,500
TOTAL SOURCE OF FUNDS	1,698,936,756	1,625,702,071	1,989,188,200	1,357,108,800	1,215,375,600
EXPENDITURES BY CLASS					
Personnel Cost	157,886,853	146,903,160	167,748,700	72,898,200	74,222,800
Operating Expenses	44,176,348	24,151,229	57,930,200	55,524,100	53,972,500
Grants Loans Benefits	25,922,275	20,567,941	34,520,300	3,500,000	3,500,000
Debt Service	43,901,409	48,149,316	104,369,500	79,687,100	106,711,500
Capital Outlay	501,500	214,084	15,888,400		
Construction	873,701,509	834,935,989	1,401,193,200	1,026,517,100	971,662,700
TOTAL EXPENDITURES	1,146,089,894	1,074,921,718	1,781,650,300	1,238,126,500	1,210,069,500
EXPENDITURES BY FUND SOURCE					
Restricted Funds	160,575,908	179,697,189	699,679,200	243,555,600	243,475,100
Federal Funds	695,296,718	652,020,809	650,326,800	547,761,600	548,652,900
Road Fund	290,217,268	243,203,720	431,644,300	446,809,300	417,941,500
TOTAL EXPENDITURES	1,146,089,894	1,074,921,718	1,781,650,300	1,238,126,500	1,210,069,500
EXPENDITURES BY UNIT					
Bond Funded Construction	133,698,500	171,079,167	675,264,800	219,555,600	219,475,100
State Funded Construction	273,635,503	239,102,650	395,317,400	410,454,700	381,562,000
Federal Funded Construction	738,755,890	664,739,902	711,068,100	608,116,200	609,032,400
TOTAL EXPENDITURES	1,146,089,894	1,074,921,718	1,781,650,300	1,238,126,500	1,210,069,500

The Construction program is the largest single funding component within the Highways appropriation unit. It encompasses all construction and major reconstruction of roadways in the State Primary Road System. The Construction Program is divided into three sub-programs: Bond Funded Construction, State Funded Construction, and Federal Funded Construction. KRS 45.750(3) exempts road projects, including associated equipment and land acquisition purchases, from the capital construction statutes outlined in KRS Chapter 45.760 - 45.810.

Several different road systems constructed in the Commonwealth over the last 40 years have used Bond Funded Construction. General obligation bonds were sold to finance the original construction of the Interstate System. The Turnpike Authority of Kentucky sold revenue bonds to fund construction of the toll road system that crisscrosses the state. Tolls on these parkways were removed once the bonds were paid. Currently no tolls exist on Kentucky parkways. Resource recovery bonds were sold in the late 1970s for construction of the Resource Recovery Road System, a network of highways over which coal resources could be efficiently hauled. The Turnpike Authority received authorization to sell bonds in 1984, 1987, 1990, 1993, 1995, 1999, 2005, 2006, 2008, 2009, and 2010 for projects identified as part of the Economic Development Road System. The Authority received authorization in 2008 and

2010 to issue bonds to support road projects specifically related to the Base Re-alignment and Closure (BRAC) activities in and

around Fort Knox. All of the roads constructed using proceeds from Turnpike Authority bonds are built by the Cabinet on behalf of the Authority, and then are leased to the Cabinet until the bonds are retired. At that time they are transferred to the Cabinet and become a part of the state highway system.

The State-Funded Construction program provides for many highway improvement needs, emergency needs, industrial access roads, parkway and primary road pavement rehabilitation, and other projects for which federal funding is not available. The state resurfacing program is a part of this sub-program area and provides for resurfacing of roads in the state maintained highway system. The Highway Construction Contingency account, authorized in KRS 45.247, is also included in the State-Funded Construction program.

The Federal Construction program addresses the major construction, reconstruction, and rehabilitation needs for nearly 12,000 miles of interstate, primary, secondary, urban systems, and Appalachian routes across the state. This funding is provided under Titles 23 and 40 of the US Code. From fiscal year 2005 to fiscal year 2008, \$440 million in Grant Anticipation Revenue Vehicle (GARVEE) bonds were appropriated to support interstate projects along I-64, I-75, and I-65. In addition, GARVEE bonds totaling \$336 million were authorized in 2008 and 2010 for the Louisville Bridges project which is estimated to cost over \$2.6 billion. The 2010 Special Session of the General Assembly authorized \$330 million in GARVEE bonds for the US-68/KY-80 Lake Barkley and Kentucky Lake Bridges Project. For display purposes, the GARVEE bonds are now located in the Bond Funded Construction program. However, the debt service to support the GARVEE bonds is located in the Federal Fund Construction program.

The American Recovery and Reinvestment Act of 2009 provided \$421.1 million in additional federal funds for use on federal-aid eligible highways. Unlike traditional federal highway funds, which the Commonwealth matches with toll credits, these funds required no state match and were programmed to support "shovel-ready" projects. Of the total award amount, \$380.4 million flowed through the Transportation Cabinet, with the balance flowing directly to four local Metropolitan Planning Organizations: Northern Kentucky, Henderson, Lexington and Louisville. The funds available to the Cabinet were split between transportation enhancement projects (\$12.6 million) and infrastructure investment projects (\$367.8 million). These additional funds were made available in the spring of 2009 and must be spent by September 30, 2015.

House Bill 4 during the 2009 Special Session of the General Assembly created the Kentucky Public Transportation Infrastructure Authority to facilitate the construction, financing, operation, and oversight of mega-projects. According to the Federal Highway Administration, mega-projects are projects that have a total cost of \$500 million or more. The Authority has the power to finance mega-projects through the use of tolls, funds from any GARVEE, funds appropriated by the state or federal government, and any other funds pledged for their purpose.

Policy

The Budget of the Commonwealth authorizes the Secretary of Transportation to continue the Cash Management program, formerly known as the Pre-financing Road Projects program, authorized by the Appropriations Act since the 2000-2002 biennium. The Cash Management program allows the Cabinet to expedite projects in the Biennial Highway Construction Plan by managing Road Fund cash, while ensuring that expenditures remain within enacted appropriations.

	Transportation Highways Maintenance				
	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	-658,857				
Current Receipts	3,141,960	2,325,003	3,692,900	3,692,900	3,692,900
Non-Revenue Receipts	678,255	481,559			
Total Restricted Funds	3,161,357	2,806,562	3,692,900	3,692,900	3,692,900
Road Fund					
Regular Appropriation	333,212,500	323,212,500	323,212,500	323,212,500	323,212,500
Continuing Approp.-Road Fund	75,061,603	68,517,305			
Budget Reduction-Road Fund	-10,000,000				
Total Road Fund	398,274,103	391,729,805	323,212,500	323,212,500	323,212,500
TOTAL SOURCE OF FUNDS	401,435,460	394,536,367	326,905,400	326,905,400	326,905,400
EXPENDITURES BY CLASS					
Personnel Cost	134,222,005	138,151,779	137,033,600	141,381,000	144,648,800
Operating Expenses	195,127,549	198,652,298	158,685,800	185,373,800	182,068,700
Grants Loans Benefits	2,218	729			
Capital Outlay	1,542,406	3,870,909			
Construction	2,023,976	1,200,271	31,186,000	150,600	187,900
TOTAL EXPENDITURES	332,918,155	341,875,985	326,905,400	326,905,400	326,905,400
EXPENDITURES BY FUND SOURCE					
Restricted Funds	3,161,357	2,806,562	3,692,900	3,692,900	3,692,900
Road Fund	329,756,797	339,069,423	323,212,500	323,212,500	323,212,500
TOTAL EXPENDITURES	332,918,155	341,875,985	326,905,400	326,905,400	326,905,400

Kentucky has invested approximately \$19 billion in its highway infrastructure which is comprised of right-of-way, roadways, and bridges. KRS 176.050 assigns the responsibility for operating and maintaining this highway infrastructure to the Department of Highways. The Maintenance program's role is to operate and maintain the roadways, bridges, rest areas, and traffic control devices on all state-maintained highways. Two organizational units under the Office of Project Delivery and Preservation administer the Maintenance program: the Division of Maintenance and the Division of Traffic Operations. The duties of this unit are explained in Kentucky Revised Statutes 175.580, 175.610, 176.050, 176.051, 177.020, 177.410, 177.530, 177.550, 177.830-890, 177.905-990, and 180.290.

The Division of Maintenance responsibilities are broken down into the following categories:

The Roadway Preservation program maintains 14,783 miles of state primary highways and 12,799 miles of rural secondary highways. The Pavement and Operations Management personnel inspect and evaluate pavement conditions on 27,582 miles of state-maintained roads, determine strategies for improvement, estimate funding needs, and recommend annual priorities.

The Bridge Preservation program is responsible for all state-maintained bridges, except those on the Rural Secondary system. Kentucky has 6,142 bridges of which 27 are Ohio River crossings and 74 are in-state bridges over major lakes and rivers.

Revolving Maintenance serves as a materials revolving mechanism for refurbishing damaged guardrail. Damaged guardrail is shipped to Frankfort, straightened and re-galvanized, and is placed back into service as needs arise.

Capital Improvements is a subset of the Division of Maintenance for coordinating with the Kentucky State Police vehicle accident data in order to establish priorities for installing new guardrail in locations it does not currently exist.

The Rest Area Operations/Maintenance program provides sanitary and accessible restroom facilities and other convenient services for motorists traveling through the state. There are 26 rest area and welcome center locations and two truck rest haven locations.

The Division of Traffic Operations is responsible for the installation and maintenance of traffic control devices on over 27,000 miles of highways. This division uses a multitude of Intelligent Transportation Systems to communicate, control, detect and process data to effectively move traffic through the state in the safest manner possible.

**Transportation
Highways
Engineering Administration**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
Road Fund					
Regular Appropriation	15,287,100	13,257,600	13,245,700	13,112,600	13,785,800
Budget Reduction-Road Fund	-2,126,000				
Total Road Fund	13,161,100	13,257,600	13,245,700	13,112,600	13,785,800
TOTAL SOURCE OF FUNDS	13,161,100	13,257,600	13,245,700	13,112,600	13,785,800
EXPENDITURES BY CLASS					
Personnel Cost	9,960,961	10,363,962	10,459,600	10,903,200	11,171,600
Operating Expenses	1,356,270	1,311,917	2,298,600	1,821,700	2,144,300
Grants Loans Benefits	172				
Capital Outlay	236,852	476,794	487,500	387,700	469,900
Construction	29,833	11,092			
TOTAL EXPENDITURES	11,584,089	12,163,765	13,245,700	13,112,600	13,785,800
EXPENDITURES BY FUND SOURCE					
Road Fund	11,584,089	12,163,765	13,245,700	13,112,600	13,785,800
TOTAL EXPENDITURES	11,584,089	12,163,765	13,245,700	13,112,600	13,785,800

There are nine divisions organized under the State Highway Engineer's Office.

The Division of Construction supervises highway construction projects, providing administrative support for central office and district construction projects. It also assists the Division of Materials staff in sampling and testing materials used in construction projects.

The Division of Materials establishes standards and controls relating to the quality of materials for the construction, maintenance, and operation of highways and bridges. The Division also develops, coordinates, and controls testing procedures that are conducted in the field.

The Division of Structural Design develops and prepares contract plans for all highway structures, as well as any special structures that the Transportation Cabinet builds as part of Kentucky's system of roads. The Division also designs and prepares plans for structural repair and rehabilitation of existing bridges, as well as the design of all overhead sign structures.

The Division of Highway Design, in conjunction with the district design offices, is responsible for the required design activities of the Cabinet's Six-Year Road Plan projects, including the preparation, assembly, and reproduction of construction plans for a project's award.

The Division of Environmental Analysis provides all environmental studies and documents required by federal agencies for federal-aid transportation projects and for state funded projects that require federal permits. The division ensures compliance with all federal laws and regulations.

The Division of Right-of-Way and Utilities acquires property required for the construction and reconstruction of highways. This function involves obtaining title reports, performing appraisals and appraisal reviews, conducting negotiations, providing relocation assistance, facilitating property management, and initiating condemnation procedures on properties affected by proposed projects.

The Division of Program Management is responsible for developing Kentucky's Biennial Six-Year Road Plan.

The Division of Planning provides the day-to-day administration and support for personnel involved in the Highway Planning program activities, including management, clerical support, training, and other overhead expenditures.

The Division of Professional Services is responsible for procuring the Cabinet's professional services relating to road contracts. This division advertises for engineering services, administers the pre-qualification process for consulting services, provides assistance to selection committees for contract awards, negotiates fees for consulting work sought by the Cabinet, and routinely confers with the Finance and Administration Cabinet and the Legislative Research Commission with respect to contract awards.

	Transportation Highways Planning				
	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
Federal Funds					
Current Receipts	9,088,150	10,273,837	12,276,400	12,082,900	12,498,000
Total Federal Funds	9,088,150	10,273,837	12,276,400	12,082,900	12,498,000
Road Fund					
Regular Appropriation	3,504,000	3,494,300	3,512,700	3,433,900	3,773,000
Total Road Fund	3,504,000	3,494,300	3,512,700	3,433,900	3,773,000
TOTAL SOURCE OF FUNDS	12,592,150	13,768,137	15,789,100	15,516,800	16,271,000
EXPENDITURES BY CLASS					
Personnel Cost	9,626,924	10,112,399	14,142,300	13,859,800	14,607,300
Operating Expenses	550,689	1,175,564	1,646,800	1,657,000	1,663,700
Grants Loans Benefits		19,952			
Construction	45,810	385,495			
TOTAL EXPENDITURES	10,223,423	11,693,409	15,789,100	15,516,800	16,271,000
EXPENDITURES BY FUND SOURCE					
Federal Funds	9,088,150	10,273,837	12,276,400	12,082,900	12,498,000
Road Fund	1,135,273	1,419,572	3,512,700	3,433,900	3,773,000
TOTAL EXPENDITURES	10,223,423	11,693,409	15,789,100	15,516,800	16,271,000

The Planning program is responsible for administrative and technical support and implements transportation planning activities statewide. The program is charged with a variety of statewide planning initiatives including: rail planning, carpooling, alternative fuel, bikeway, pedway, and ferry operations. In addition, it coordinates the Kentucky Scenic Highway and Byway System, manages the traffic data collection and processing equipment, maintains the Highway Information System, and coordinates air quality conformity with several state and federal agencies.

Highway Planning evaluates state-maintained streets and highways to ensure that available federal and state funds are utilized to maximum efficiency. The Planning unit maintains an inventory of all roadway classifications and prepares city, county, and state road maps for sale and distribution. The program also furnishes statistics required by the Federal Highway Administration and state and local government decision-makers.

Metropolitan Planning maintains and distributes federal funding to nine metropolitan planning organizations (MPOs) to implement the continuing, comprehensive, and cooperative planning process, which is mandated by federal law. The MPOs study the impact of transportation operations in urbanized areas concerning congestion management, air quality, environmental issues, public involvement, land use and development, and public transportation.

Area Development Districts (ADDs) Assistance administers a regional planning and public participation process in the state's 15 ADDs as part of the Cabinet's overall statewide transportation planning process, as required by 23 USC and 23 CFR 450. The Cabinet contracts with each ADD for activities in support of the regional and statewide planning process, including public involvement, data collection, analysis, identification of needs, project recommendations, regional prioritization of projects, and technical assistance and review.

**Transportation
Highways
Highway Operations**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
Road Fund					
Regular Appropriation	27,267,000	25,798,000	25,623,500	25,191,600	26,861,300
Budget Reduction-Road Fund	-2,495,500				
Other		-150,000			
Total Road Fund	24,771,500	25,648,000	25,623,500	25,191,600	26,861,300
TOTAL SOURCE OF FUNDS	24,771,500	25,648,000	25,623,500	25,191,600	26,861,300
EXPENDITURES BY CLASS					
Personnel Cost	22,035,748	21,746,075	24,167,700	25,511,600	26,094,700
Operating Expenses	1,314,323	1,044,353	1,455,800	-320,000	766,600
Construction	740	780			
TOTAL EXPENDITURES	23,350,811	22,791,208	25,623,500	25,191,600	26,861,300
EXPENDITURES BY FUND SOURCE					
Road Fund	23,350,811	22,791,208	25,623,500	25,191,600	26,861,300
TOTAL EXPENDITURES	23,350,811	22,791,208	25,623,500	25,191,600	26,861,300

In accordance with KRS Chapter 176, the Highway Operations program provides leadership, management, and central administrative support and funding for central office and district operations for the Transportation Cabinet's Department of Highways. The Commissioner of Highways oversees the Department, which includes the State Highway Engineer's Office, three offices which include 14 divisions, and 12 district offices across the state. In the 12 district offices, the Chief District Engineer manages the road project functions and reports to the State Highway Engineer.

The State Highway Engineer's Office manages and coordinates the engineering functions of the Cabinet, reviews management, engineering, and personnel reports and recommendations from the engineering and professional divisions, staff and Deputy State Highway Engineers. In addition, the Office administers the Cabinet's Engineering Scholarship program and the Engineering Graduate Training program, coordinates the Research program, and manages special projects, such as the Louisville Bridges project.

Contract procurement activities are also a part of the Highway Operations program and include prequalifying road contractors, advertising bids for road construction projects, awarding contracts, and issuing work orders and monitoring required contract provisions.

**Transportation
Highways
Equipment Services**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	9,636,676	6,629,635	8,736,100	4,780,100	4,780,100
Current Receipts	52,293,560	54,932,270	55,450,400	56,869,000	57,320,500
Fund Transfers			-513,500		
Total Restricted Funds	61,930,235	61,561,905	63,673,000	61,649,100	62,100,600
TOTAL SOURCE OF FUNDS	61,930,235	61,561,905	63,673,000	61,649,100	62,100,600
EXPENDITURES BY CLASS					
Personnel Cost	10,483,235	11,145,986	11,291,900	11,592,800	11,867,600
Operating Expenses	18,481,157	21,305,673	21,647,900	22,111,400	22,112,100
Grants Loans Benefits	1,843	1,353			
Construction	26,334,366	20,372,693	25,953,100	23,164,800	23,340,800
TOTAL EXPENDITURES	55,300,601	52,825,705	58,892,900	56,869,000	57,320,500
EXPENDITURES BY FUND SOURCE					
Restricted Funds	55,300,601	52,825,705	58,892,900	56,869,000	57,320,500
TOTAL EXPENDITURES	55,300,601	52,825,705	58,892,900	56,869,000	57,320,500

The mission of the Equipment Services program is to provide highway construction and maintenance equipment for use by the Department of Highways. The unit purchases and maintains all the Cabinet's trucks, heavy equipment, and various pieces of support machinery. This program provides its services through the central office garage in Frankfort and a network of 14 repair garages located throughout the state.

	Transportation Highways Highway Safety				
	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	7,804	7,804	12,700	12,700	12,700
Current Receipts		5,000	2,000	2,000	2,000
Total Restricted Funds	7,804	12,804	14,700	14,700	14,700
Federal Funds					
Current Receipts	4,164,924	4,646,423	5,966,500	5,469,700	5,534,700
Non-Revenue Receipts	-225,259	-135,576			
Total Federal Funds	3,939,665	4,510,847	5,966,500	5,469,700	5,534,700
Road Fund					
Regular Appropriation	4,478,400	3,820,500	4,527,500	4,516,200	4,569,900
Budget Reduction-Road Fund	-120,000				
Other		150,000			
Total Road Fund	4,358,400	3,970,500	4,527,500	4,516,200	4,569,900
TOTAL SOURCE OF FUNDS	8,305,869	8,494,151	10,508,700	10,000,600	10,119,300
EXPENDITURES BY CLASS					
Personnel Cost	3,580,965	3,490,097	3,986,200	4,104,100	4,180,000
Operating Expenses	1,797,013	2,088,281	6,509,800	2,571,300	2,664,200
Grants Loans Benefits	2,219,666	2,843,108		3,312,500	3,262,400
Capital Outlay	30				
Construction	142,955	2,124			
TOTAL EXPENDITURES	7,740,629	8,423,610	10,496,000	9,987,900	10,106,600
EXPENDITURES BY FUND SOURCE					
Restricted Funds		134	2,000	2,000	2,000
Federal Funds	3,939,665	4,510,847	5,966,500	5,469,700	5,534,700
Road Fund	3,800,965	3,912,630	4,527,500	4,516,200	4,569,900
TOTAL EXPENDITURES	7,740,629	8,423,610	10,496,000	9,987,900	10,106,600

The Office of Transportation Safety is headed by an Executive Director who reports directly to the State Highway Engineer. The Office includes the Division of Incident Management and the Division of Highway Safety Programs. The Motorcycle Advisory Commission for Highway Safety is attached for administrative purposes.

The Division of Incident Management manages the Transportation Operations Center and coordinates highway incident management including providing information to travelers and providing assistance to stranded motorists and law enforcement agencies at the scene of highway incidents.

The Division of Highway Safety Programs is charged with coordinating efforts to reduce fatalities, injuries, and crashes on Kentucky's highway systems.

**Transportation
Public Transportation**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,178,200	4,574,600	4,528,800	5,178,200	5,178,200
Continuing Approp.-General Fund	131,541	255,166	305,600		
Budget Reduction-General Fund	-538,500				
Mandated Expenditure Reductions	-100,300	-68,700	-157,900		
Total General Fund	4,670,941	4,761,066	4,676,500	5,178,200	5,178,200
Restricted Funds					
Current Receipts	440,000	440,000	440,000	440,000	440,000
Fund Transfers			-33,100		
Total Restricted Funds	440,000	440,000	406,900	440,000	440,000
Federal Funds					
Balance Forward					
Current Receipts	25,070,737	19,873,149	49,370,500	32,682,900	32,860,000
ARRA Receipts	20,680,911	598,080			
Total Federal Funds	45,751,648	20,471,229	49,370,500	32,682,900	32,860,000
TOTAL SOURCE OF FUNDS	50,862,589	25,672,295	54,453,900	38,301,100	38,478,200
EXPENDITURES BY CLASS					
Personnel Cost	1,306,712	1,496,140	1,508,000	1,567,900	1,598,700
Operating Expenses	85,623	84,466	97,700	119,700	96,800
Grants Loans Benefits	49,215,087	23,786,112	52,848,200	36,613,500	36,782,700
TOTAL EXPENDITURES	50,607,422	25,366,718	54,453,900	38,301,100	38,478,200
EXPENDITURES BY FUND SOURCE					
General Fund	4,415,774	4,455,489	4,676,500	5,178,200	5,178,200
Restricted Funds	440,000	440,000	406,900	440,000	440,000
Federal Funds	45,751,648	20,471,229	49,370,500	32,682,900	32,860,000
TOTAL EXPENDITURES	50,607,422	25,366,718	54,453,900	38,301,100	38,478,200
EXPENDITURES BY UNIT					
Public Transportation	49,774,998	24,549,022	53,680,800	37,525,700	37,702,800
Multi-Modal Transportation	392,424	377,696	366,200	335,400	335,400
Human Services Delivery	440,000	440,000	406,900	440,000	440,000
TOTAL EXPENDITURES	50,607,422	25,366,718	54,453,900	38,301,100	38,478,200

The Public Transportation appropriation unit is comprised of three programs: Public Transportation, Multi-Modal, and Human Services Transportation Delivery. The Public Transportation program offers technical and financial assistance to public transportation providers and the metropolitan planning organizations throughout the state through the following federal programs: Sections 5303, 5307, 5309, 5310, 5311, 5316, and 5317. Federal Funds, combined with General Fund and local matching funds, allow public transit authorities to acquire buses and vans.

The American Recovery and Reinvestment Act of 2009 provided \$51.5 million in additional federal funds for the Section 5307 Urban Transit and Section 5311 Rural Transit programs. Unlike traditional federal transit funds, these funds required no state match. Of that amount, \$21.4 million flowed through the Transportation Cabinet, with the balance flowing directly to local transit agencies. These additional funds were made available in the spring of 2009 and have been fully expended by the Cabinet.

Also included in the Public Transportation program is funding for Non-public School Transportation, a program that provides grants to non-public schools so that they may offer bus service to their students.

The Multi-Modal program partners with the 15 area development districts with respect to regional and statewide transportation planning processes. This partnership generates public involvement with respect to identifying and prioritizing needs and assists in the project recommendation process, including the coordination of the Statewide Transportation Plan, the State Transportation Improvement program, and the Six-Year Highway Plan.

The Human Service Transportation Delivery program is a partnership between the Transportation Cabinet, the Medicaid program, the Office for Vocational Rehabilitation, and the Office for the Blind. This partnership provides non-emergency medical transportation, jobs access transportation, and transportation to day care facilities.

Policy

The Budget of the Commonwealth provides for the use of Toll Credits to be used by the Office of Transportation Delivery and public transit authorities as the match for federal funds.

**Transportation
Revenue Sharing**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	9,622,248	6,440,727	5,765,000		
Total Restricted Funds	9,622,248	6,440,727	5,765,000		
Road Fund					
Regular Appropriation	318,070,100	297,074,700	312,423,900	380,661,800	405,482,300
Continuing Approp.-Road Fund	72,563,272	88,607,621			
Other	-30,283,006	27,922,615	34,065,400		
Total Road Fund	360,350,366	413,604,936	346,489,300	380,661,800	405,482,300
TOTAL SOURCE OF FUNDS	369,972,614	420,045,663	352,254,300	380,661,800	405,482,300
EXPENDITURES BY CLASS					
Personnel Cost	2,681,647	2,738,661	2,312,700	2,477,800	2,534,300
Operating Expenses	8,506,395	5,439,979	4,079,800	4,697,600	5,144,600
Grants Loans Benefits	157,339,085	163,731,882	192,147,700	205,352,100	218,735,500
Construction	106,244,974	125,891,531	153,695,100	168,134,300	179,067,900
TOTAL EXPENDITURES	274,772,102	297,802,054	352,235,300	380,661,800	405,482,300
EXPENDITURES BY FUND SOURCE					
Restricted Funds	3,181,521	675,817	5,765,000		
Road Fund	271,590,580	297,126,237	346,470,300	380,661,800	405,482,300
TOTAL EXPENDITURES	274,772,102	297,802,054	352,235,300	380,661,800	405,482,300
EXPENDITURES BY UNIT					
County Road Aid	108,626,560	113,058,780	132,733,500	143,900,700	153,320,600
Rural Secondary	116,872,482	133,073,745	158,833,900	174,568,100	185,995,600
Municipal Aid	48,381,756	50,392,589	59,053,000	60,548,400	64,511,900
Energy Recovery	353,968	872,589	903,000	903,000	903,000
Rural and Municipal Aid	537,337	404,350	711,900	741,600	751,200
TOTAL EXPENDITURES	274,772,102	297,802,054	352,235,300	380,661,800	405,482,300

There are five components of the Revenue Sharing program: the County Road Aid program, authorized by KRS 179.410 - 179.440; the Rural Secondary Aid program, authorized by KRS 177.320; the Municipal Road Aid program, authorized by KRS 177.365 - 177.366; the Energy Recovery Road program, authorized by KRS 177.977-177.978; and other Special Programs.

The County Road Aid, Rural Secondary Aid, and Municipal Aid programs receive a portion of the state's motor fuels tax collections. The County Road Aid program receives 18.3 percent of motor fuels tax collections which is distributed to counties for the construction, reconstruction and maintenance of county roads and bridges. The Rural Secondary Aid program receives 22.2 percent of motor fuels tax collections, and funds are used to repair and maintain rural and secondary roads. Funds for both programs are allocated through a formula known as the "formula of fifths," as stated in KRS 177.360. Each county receives a portion of the statewide total as follows: one-fifth is divided evenly among all counties, one-fifth is divided proportionately based on the amount of rural population in each county, one-fifth is distributed on the basis of rural road mileage in each county, and two-fifths is apportioned according to each county's share of the total land area in the state.

The Municipal Road Aid program is funded by 7.7 percent of motor fuels tax collections. Distribution is made through a formula based upon the population contained in each city or unincorporated urban area.

Forty percent of the revenues collected from extended vehicle weight fees support the Energy Recovery Road System. Funds are distributed to the counties for the county-maintained portion of that system. The fund distribution is based on (1) the ratio of miles of roads in each county within this system to the total system miles, and (2) the ratio of the total tons of coal transported over the roads in each county to the total tons reported for the entire state. The Transportation Cabinet has the authority to expend the remaining 60 percent on the roads in the system.

The Special Programs budget unit includes the Commissioner's Office, the Office of Local Programs, the Kentucky Bicycle and Bikeway Commission, and the Bicycle and Pedestrian Program.

Policy

Pursuant to KRS 183.220(3), effective July 1, 2005, one cent (\$0.01) and effective July 1, 2006, two and one-tenth cents (\$0.021), of the tax collected under the motor fuel tax are excluded from the calculations of revenue sharing distributions as prescribed in

KRS 177.320(1) (the Rural Secondary program), KRS 177.320(2) (the County Road Aid program), and KRS 177.365 (the Municipal Road Aid program).

KRS 138.210, amended by the 2009 General Assembly, provided that the average wholesale price, upon which the motor fuels tax rate is calculated, shall not drop below one dollar and seventy-eight and six-tenths cents (\$1.786).

On December 21, 2011, the Consensus Forecasting Group established the Motor Fuels revenue estimate for the fiscal biennium 2012-2014. The Motor Fuels revenue estimate is \$850,400,000 for fiscal year 2013 and \$901,900,000 for fiscal year 2014.

**Transportation
Vehicle Regulation**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	6,490,131	4,802,961	7,507,500	4,913,400	4,427,000
Current Receipts	17,016,804	16,970,963	16,680,100	16,893,100	16,894,000
Non-Revenue Receipts		-54,225	-133,100	-75,000	-75,000
Fund Transfers	-9,869,134	-5,121,600	-3,786,500	-5,500,000	-4,200,000
Total Restricted Funds	13,637,801	16,598,098	20,268,000	16,231,500	17,046,000
Federal Funds					
Current Receipts	2,603,198	2,344,606	3,000,000	2,730,000	2,730,000
Non-Revenue Receipts	-605,021	-293,296			
Total Federal Funds	1,998,177	2,051,309	3,000,000	2,730,000	2,730,000
Road Fund					
Regular Appropriation	27,277,100	22,648,200	22,889,200	24,554,800	25,762,700
Budget Reduction-Road Fund	-4,522,000				
Other	13,820				
Total Road Fund	22,768,920	22,648,200	22,889,200	24,554,800	25,762,700
TOTAL SOURCE OF FUNDS	38,404,898	41,297,608	46,157,200	43,516,300	45,538,700
EXPENDITURES BY CLASS					
Personnel Cost	14,499,391	15,675,949	16,436,500	17,421,200	17,741,000
Operating Expenses	9,891,040	9,174,864	17,561,900	13,604,700	13,554,500
Grants Loans Benefits	4,143,602	4,105,939	4,100,000	4,100,000	4,100,000
Debt Service	2,078,244	3,144,843	3,145,400	3,963,400	4,784,500
Capital Outlay	100,500				
TOTAL EXPENDITURES	30,712,776	32,101,594	41,243,800	39,089,300	40,180,000
EXPENDITURES BY FUND SOURCE					
Restricted Funds	8,834,840	9,090,494	15,354,600	11,804,500	11,687,300
Federal Funds	1,998,177	2,051,309	3,000,000	2,730,000	2,730,000
Road Fund	19,879,759	20,959,791	22,889,200	24,554,800	25,762,700
TOTAL EXPENDITURES	30,712,776	32,101,594	41,243,800	39,089,300	40,180,000
EXPENDITURES BY UNIT					
Commissioner	1,278,267	1,372,514	1,257,600	1,382,400	1,358,700
Drivers Licensing	10,529,164	11,106,765	14,440,600	14,472,900	15,568,700
Motor Carriers	2,824,212	2,863,278	3,099,200	3,317,300	3,382,900
Motor Vehicle Licensing	15,168,355	15,943,310	21,462,000	18,998,600	18,960,100
Motor Vehicle Commission	912,778	815,727	984,400	918,100	909,600
TOTAL EXPENDITURES	30,712,776	32,101,594	41,243,800	39,089,300	40,180,000

The Department of Vehicle Regulation includes the Commissioner's Office and the following divisions: Driver Licensing, Motor Carriers, and Motor Vehicle Licensing. The Motor Vehicle Commission is also attached to the Department for administrative purposes.

Under KRS Chapters 186, 187, 189A, 218A, 281A, and KRS 159.051, the Division of Driver Licensing maintains driver history records for approximately three million drivers. The Division issues licenses to commercial drivers who meet statutory requirements. The Division also enforces driver's license suspensions, revocations, and driver limitation programs. It operates State Traffic School programs, including the Graduated Licensing program.

The Division of Motor Vehicle Licensing provides for the titling and registration of motor vehicles and boats in accordance with KRS Chapters 186, 186A, 235, and 376. It maintains the Automated Vehicle Information System (AVIS) and controls title distribution functions. Registration and title applications are initiated through local county clerks' offices. KRS 186.240(3) requires the Cabinet to issue a new reflectorized license plate on a schedule to be determined by the Cabinet. A fifty-cent (\$.50) fee for each reflectorized plate issued is retained in a Restricted Fund to pay for the new plates. In 2007, KRS 186.040 was amended to add an additional \$3 to the registration fee which shall be distributed as follows: \$1 for AVIS replacement activities, \$1 for county clerk hardware and software improvement, and \$1 for a county clerk revenue supplement for collection and administration of Road Fund taxes.

Pursuant to KRS Chapter 190, the Kentucky Motor Vehicle Commission licenses and regulates motor vehicle manufacturers, dealers, and salespersons. It is funded through license fees that are deposited into a Restricted Fund account.

Policy

The Department's new motor vehicle registration system, KAVIS, will become operational in fiscal year 2014. Funds to support the ongoing operation and maintenance of the new system are included in the General Administration appropriation unit.

The Budget of the Commonwealth provides Road Fund of \$819,500 in fiscal year 2013 and \$1,639,000 in fiscal year 2014 for debt service on \$12.5 million in new bonds for the Kentucky Driver License Information System project.

The enacted budget increased the fund transfer from the Department by \$3,500,000 per fiscal year above the Governor's Recommendation with no associated reduction to the Restricted Funds appropriation. For that reason, the full amount of the budgeted fund transfer amount is not displayed above.

Statewide

**Statewide
Budget Reserve Trust Fund**

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Surplus Expenditure Plan			121,722,500		
Continuing Approp.-General Fund	7,125,158			121,722,500	121,722,500
Mandated Allotments	-7,125,158				
Total General Fund			121,722,500	121,722,500	121,722,500
TOTAL SOURCE OF FUNDS			121,722,500	121,722,500	121,722,500

The Budget Reserve Trust Fund is the Commonwealth's "Rainy Day Fund." KRS 48.705 provides for deposits to the Budget Reserve Trust Fund from direct appropriations, excess receipts, and unexpended appropriations, up to five percent of actual General Fund revenue receipts. These funds are appropriated and available in the event that actual General Fund revenue receipts during the biennium are not sufficient to meet the General Fund appropriation levels authorized in the budget. These funds are also available as a resource for Necessary Governmental Expenses when there is no General Fund surplus.

Policy

The current balance of the Budget Reserve Trust Fund is \$121,722,500. The entire balance resulted from a deposit from the fiscal year 2011 General Fund Surplus that was not needed to fund Necessary Government Expenses in fiscal year 2012. The Budget of the Commonwealth, to address a difficult fiscal condition, makes available for appropriation in fiscal year 2014 \$52,744,100 to prevent further reductions in priority areas such as education, public safety, human services, and economic development.

The Budget of the Commonwealth directs any General Fund surplus to the Budget Reserve Trust Fund through the General Fund Surplus Expenditure Plan, after allowing for sufficient resources for items authorized as necessary government expenses.

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Legislative Branch

Legislative Branch

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	55,452,600	50,883,800	53,800,100	50,883,800	53,800,100
Continuing Approp.-General Fund	9,658,662	10,183,523	13,193,700	13,193,700	10,519,900
Total General Fund	65,111,262	61,067,323	66,993,800	64,077,500	64,320,000
Restricted Funds					
Balance Forward	1,265,881	1,448,193			
Current Receipts	182,312	28,770	119,300	53,000	119,300
Total Restricted Funds	1,448,193	1,476,963	119,300	53,000	119,300
TOTAL SOURCE OF FUNDS	66,559,455	62,544,286	67,113,100	64,130,500	64,439,300
EXPENDITURES BY CLASS					
Personnel Cost	40,225,301	39,316,519	44,108,300	44,217,500	46,399,600
Operating Expenses	11,338,944	8,471,135	9,533,600	8,273,100	9,461,200
Capital Outlay	187,494	86,135	277,500	1,120,000	220,000
TOTAL EXPENDITURES	51,751,738	47,873,790	53,919,400	53,610,600	56,080,800
EXPENDITURES BY FUND SOURCE					
General Fund	51,751,738	47,873,586	49,770,600	50,876,900	55,961,500
Restricted Funds		204	119,300	53,000	119,300
TOTAL EXPENDITURES	51,751,738	47,873,790	49,889,900	50,929,900	56,080,800
EXPENDITURES BY UNIT					
Legislative Branch	51,751,738	47,873,790	49,889,900	50,929,900	56,080,800
TOTAL EXPENDITURES	51,751,738	47,873,790	49,889,900	50,929,900	56,080,800

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Judicial Branch

Judicial Branch

	Actual FY 2010	Actual FY2011	Revised FY2012	Enacted FY 2013	Enacted FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	295,885,800	290,849,100	316,338,800	316,211,100	315,602,000
Continuing Approp.-General Fund	13,350,900	18,637,800	1,455,900	236,600	236,600
Budget Reduction-General Fund	-1,630,800				
Total General Fund	307,605,900	309,486,900	317,794,700	316,447,700	315,838,600
Restricted Funds					
Balance Forward	34,548,800	12,157,000	20,401,400	13,574,000	4,079,000
Current Receipts	23,080,700	27,791,400	19,605,000	19,585,000	23,182,200
Non-Revenue Receipts	13,218,100	12,876,700	16,920,000	16,920,000	16,920,000
Total Restricted Funds	70,847,600	52,825,100	56,926,400	50,079,000	44,181,200
Federal Funds					
Current Receipts	2,549,500	3,230,400	3,922,000	2,956,300	2,955,900
ARRA Receipts		179,800	26,100		
Total Federal Funds	2,549,500	3,410,200	3,948,100	2,956,300	2,955,900
TOTAL SOURCE OF FUNDS	381,003,000	365,722,200	378,669,200	369,483,000	362,975,700
EXPENDITURES BY CLASS					
Personnel Cost	200,954,700	199,082,500	196,274,200	203,015,200	200,951,000
Operating Expenses	126,362,400	144,163,200	158,380,600	159,518,200	155,341,000
Capital Outlay	225,000	591,500	1,103,800	2,634,000	6,265,900
TOTAL EXPENDITURES	327,542,100	343,837,200	355,758,600	365,167,400	362,557,900
EXPENDITURES BY FUND SOURCE					
General Fund	266,302,000	308,003,300	308,458,100	316,211,100	315,602,000
Restricted Funds	58,690,600	32,423,700	43,352,400	46,000,000	44,000,000
Federal Funds	2,549,500	3,410,200	3,948,100	2,956,300	2,955,900
TOTAL EXPENDITURES	327,542,100	343,837,200	355,758,600	365,167,400	362,557,900
EXPENDITURES BY UNIT					
Court Operations & Administration	231,449,700	231,091,600	231,280,200	232,092,800	233,118,100
Local Facilities Fund	90,237,600	107,289,800	118,719,300	121,575,000	117,500,000
Local Facilities Use Allowance	11,500				
Contingency Fund					
Judicial Form Retirement System	5,843,300	5,455,800	5,759,100	11,499,600	11,939,800
TOTAL EXPENDITURES	327,542,100	343,837,200	355,758,600	365,167,400	362,557,900