

Energy and Environment

Energy and Environment

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	74,025,100	99,092,500	103,743,600	76,962,600	82,284,800
State Salary and Compensation Allocation	4,095,800				
Current Year Appropriation	952,000				
Continuing Approp.-General Fund	409,700				
Mandated Expenditure Reductions	-6,449,300				
Total General Fund	73,033,300	99,092,500	103,743,600	76,962,600	82,284,800
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	6,000,000	2,810,000	2,810,000	2,500,000	2,500,000
Continuing Approp.-Tobacco Settlement	7,463,500				
Total Tobacco Settlement - Phase I	13,463,500	2,810,000	2,810,000	2,500,000	2,500,000
Restricted Funds					
Balance Forward	17,575,200	9,573,500	12,592,600	9,573,500	6,189,100
Current Receipts	21,732,300	22,876,000	23,408,900	21,908,800	22,378,200
Non-Revenue Receipts	116,491,600	72,403,800	72,289,200	101,310,300	103,137,700
Fund Transfers	-55,591,200			-35,500,000	-35,500,000
Total Restricted Funds	100,207,900	104,853,300	108,290,700	97,292,600	96,205,000
Federal Funds					
Balance Forward	68,500				
Current Receipts	86,730,100	84,453,300	84,602,900	82,342,400	82,328,000
Non-Revenue Receipts	-2,647,000	-2,465,600	-2,184,500	-2,465,600	-2,184,500
ARRA Receipts	25,528,000	8,000,700	168,300	8,000,700	168,300
Total Federal Funds	109,679,600	89,988,400	82,586,700	87,877,500	80,311,800
Road Fund					
Regular Appropriation	300,000	300,000	300,000	400,000	400,000
Total Road Fund	300,000	300,000	300,000	400,000	400,000
TOTAL SOURCE OF FUNDS	296,684,300	297,044,200	297,731,000	265,032,700	261,701,600
EXPENDITURES BY CLASS					
Personnel Cost	136,486,000	153,686,500	157,995,500	132,820,800	135,022,100
Operating Expenses	45,301,100	51,666,900	51,334,200	46,635,900	48,676,300
Grants Loans Benefits	72,306,100	47,257,500	42,171,900	43,749,600	38,621,000
Debt Service	589,000	589,000	589,000	1,897,100	6,079,200
Capital Outlay	8,532,200	7,599,500	7,057,500	4,545,500	4,841,100
Construction	20,561,100	23,652,200	21,924,700	23,652,200	21,924,700
TOTAL EXPENDITURES	283,775,500	284,451,600	281,072,800	253,301,100	255,164,400
EXPENDITURES BY FUND SOURCE					
General Fund	69,700,600	99,092,500	103,743,600	71,420,100	76,969,400
Tobacco Settlement - Phase I	13,463,500	2,810,000	2,810,000	2,500,000	2,500,000
Restricted Funds	90,634,400	92,260,700	91,632,500	91,103,500	94,983,200
Federal Funds	109,679,600	89,988,400	82,586,700	87,877,500	80,311,800
Road Fund	297,400	300,000	300,000	400,000	400,000
TOTAL EXPENDITURES	283,775,500	284,451,600	281,072,800	253,301,100	255,164,400
EXPENDITURES BY UNIT					
Secretary	5,188,400	6,916,200	7,081,400	5,771,500	6,117,900
Environmental Protection	114,385,600	119,912,900	122,372,600	111,959,300	119,344,500
Natural Resources	122,153,600	125,570,900	127,111,500	108,729,900	110,150,500
Energy Development and Independence	29,062,700	15,666,600	8,310,500	15,237,400	7,804,400
Environmental Quality Commission	239,000	235,600	239,400	222,000	223,400
Kentucky Nature Preserves Commission	2,580,700	1,959,600	2,018,800	1,357,700	1,387,100

Public Service Commission	10,165,500	14,189,800	13,938,600	10,023,300	10,136,600
TOTAL EXPENDITURES	283,775,500	284,451,600	281,072,800	253,301,100	255,164,400

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

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

**Energy and Environment
Secretary**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,427,900	4,807,900	5,036,000	3,254,500	3,670,300
State Salary and Compensation Allocation	175,700				
Mandated Expenditure Reductions	-120,700				
Total General Fund	3,482,900	4,807,900	5,036,000	3,254,500	3,670,300
Restricted Funds					
Balance Forward	224,900	207,300	62,500	207,300	62,500
Current Receipts	75,300	75,300	75,300	75,300	75,300
Non-Revenue Receipts	15,747,100	664,200	669,400	1,164,200	1,169,800
Fund Transfers	-15,007,400				
Total Restricted Funds	1,039,900	946,800	807,200	1,446,800	1,307,600
Federal Funds					
Balance Forward	2,500				
Current Receipts	1,040,200	1,263,000	1,298,000	1,171,700	1,199,800
Non-Revenue Receipts	-36,800	-39,000	-37,700	-39,000	-37,700
Total Federal Funds	1,005,900	1,224,000	1,260,300	1,132,700	1,162,100
TOTAL SOURCE OF FUNDS	5,528,700	6,978,700	7,103,500	5,834,000	6,140,000
EXPENDITURES BY CLASS					
Personnel Cost	4,102,400	5,370,300	5,575,900	4,894,600	4,900,000
Operating Expenses	1,086,000	1,295,900	1,255,500	876,900	863,900
Grants Loans Benefits		250,000	250,000		
Debt Service					354,000
TOTAL EXPENDITURES	5,188,400	6,916,200	7,081,400	5,771,500	6,117,900
EXPENDITURES BY FUND SOURCE					
General Fund	3,349,900	4,807,900	5,036,000	3,254,500	3,670,300
Restricted Funds	832,600	884,300	785,100	1,384,300	1,285,500
Federal Funds	1,005,900	1,224,000	1,260,300	1,132,700	1,162,100
TOTAL EXPENDITURES	5,188,400	6,916,200	7,081,400	5,771,500	6,117,900
EXPENDITURES BY UNIT					
Administrative Hearings	654,800	820,700	845,800	674,100	675,000
Ofc of Sec - Leg & Interg Aff - Gen Coun	4,533,600	6,095,500	6,235,600	5,097,400	5,442,900
TOTAL EXPENDITURES	5,188,400	6,916,200	7,081,400	5,771,500	6,117,900

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

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

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

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

Policy

The Executive Budget includes General Fund debt service in the amount of \$354,000 in fiscal year 2014 to support a \$2,300,000 bond issue in each fiscal year of the biennium for the Heritage Land Conservation Fund.

**Energy and Environment
Environmental Protection**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	21,282,300	28,406,100	31,185,200	21,524,100	25,737,100
State Salary and Compensation Allocation	1,169,300				
Mandated Expenditure Reductions	-817,800				
Total General Fund	21,633,800	28,406,100	31,185,200	21,524,100	25,737,100
Restricted Funds					
Balance Forward	7,951,700	3,301,000	9,229,800	3,301,000	2,357,200
Current Receipts	16,061,900	17,459,800	18,029,300	16,492,600	16,998,600
Non-Revenue Receipts	86,629,900	56,457,200	56,485,800	84,880,200	86,853,400
Fund Transfers	-40,018,200			-35,500,000	-35,500,000
Total Restricted Funds	70,625,300	77,218,000	83,744,900	69,173,800	70,709,200
Federal Funds					
Current Receipts	25,131,100	24,393,700	24,419,100	24,393,700	24,419,100
Non-Revenue Receipts	-1,212,500	-1,175,100	-1,173,900	-1,175,100	-1,173,900
ARRA Receipts	2,169,700				
Total Federal Funds	26,088,300	23,218,600	23,245,200	23,218,600	23,245,200
Road Fund					
Regular Appropriation	300,000	300,000	300,000	400,000	400,000
Total Road Fund	300,000	300,000	300,000	400,000	400,000
TOTAL SOURCE OF FUNDS	118,647,400	129,142,700	138,475,300	114,316,500	120,091,500
EXPENDITURES BY CLASS					
Personnel Cost	56,944,800	63,967,200	66,361,900	57,271,900	58,655,900
Operating Expenses	32,662,100	37,388,900	37,406,800	34,962,500	36,948,500
Grants Loans Benefits	18,502,900	13,498,300	13,512,400	13,498,300	13,512,400
Debt Service				1,308,100	5,136,200
Capital Outlay	3,797,500	2,558,500	2,591,500	2,418,500	2,591,500
Construction	2,478,300	2,500,000	2,500,000	2,500,000	2,500,000
TOTAL EXPENDITURES	114,385,600	119,912,900	122,372,600	111,959,300	119,344,500
EXPENDITURES BY FUND SOURCE					
General Fund	20,675,600	28,406,100	31,185,200	21,524,100	25,737,100
Restricted Funds	67,324,300	67,988,200	67,642,200	66,816,600	69,962,200
Federal Funds	26,088,300	23,218,600	23,245,200	23,218,600	23,245,200
Road Fund	297,400	300,000	300,000	400,000	400,000
TOTAL EXPENDITURES	114,385,600	119,912,900	122,372,600	111,959,300	119,344,500
EXPENDITURES BY UNIT					
Commissioner	445,900	530,200	542,600	433,700	440,300
Water	27,585,100	30,747,400	31,455,200	27,448,800	28,296,800
Waste Management	36,337,800	31,737,000	32,335,100	30,347,000	31,447,800
Air Quality	14,410,800	15,743,700	16,416,900	14,543,500	15,041,600
Environmental Program Support	4,282,700	4,805,100	5,007,900	4,133,200	4,179,400
Enforcement	1,425,000	1,778,800	1,845,200	1,559,600	1,572,400
Compliance Assistance	1,446,200	1,509,300	1,554,200	1,359,400	1,385,100
Petroleum Storage Tank	28,452,100	33,061,400	33,215,500	32,134,100	36,981,100
Environmental Assur Fund					
TOTAL EXPENDITURES	114,385,600	119,912,900	122,372,600	111,959,300	119,344,500

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

**Energy and Environment
Environmental Protection
Commissioner**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	723,600	528,400	542,400	431,900	440,100
Mandated Expenditure Reductions	-167,200				
Other	-63,200				
Total General Fund	493,200	528,400	542,400	431,900	440,100
Restricted Funds					
Balance Forward	7,200	6,500	4,800	6,500	4,800
Current Receipts	100	100	100	100	100
Total Restricted Funds	7,300	6,600	4,900	6,600	4,900
TOTAL SOURCE OF FUNDS	500,500	535,000	547,300	438,500	445,000
EXPENDITURES BY CLASS					
Personnel Cost	377,100	454,700	469,900	371,100	380,500
Operating Expenses	68,200	75,400	72,500	62,500	59,600
Capital Outlay	600	100	200	100	200
TOTAL EXPENDITURES	445,900	530,200	542,600	433,700	440,300
EXPENDITURES BY FUND SOURCE					
General Fund	445,100	528,400	542,400	431,900	440,100
Restricted Funds	800	1,800	200	1,800	200
TOTAL EXPENDITURES	445,900	530,200	542,600	433,700	440,300

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

**Energy and Environment
Environmental Protection
Water**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	10,462,600	12,858,700	13,951,800	9,871,500	10,200,800
Mandated Expenditure Reductions	-650,600				
Total General Fund	9,812,000	12,858,700	13,951,800	9,871,500	10,200,800
Restricted Funds					
Balance Forward	1,684,700	1,640,000	622,600	1,640,000	1,034,000
Current Receipts	2,079,500	1,207,600	1,389,900	1,207,600	1,389,900
Non-Revenue Receipts	351,800	434,400	427,700	434,400	427,700
Fund Transfers	-30,500				
Total Restricted Funds	4,085,500	3,282,000	2,440,200	3,282,000	2,851,600
Federal Funds					
Current Receipts	15,859,700	15,510,500	15,510,500	15,510,500	15,510,500
Non-Revenue Receipts	-605,300	-581,200	-581,200	-581,200	-581,200
ARRA Receipts	191,800				
Total Federal Funds	15,446,200	14,929,300	14,929,300	14,929,300	14,929,300
Road Fund					
Regular Appropriation	300,000	300,000	300,000	400,000	400,000
Total Road Fund	300,000	300,000	300,000	400,000	400,000
TOTAL SOURCE OF FUNDS	29,643,700	31,370,000	31,621,300	28,482,800	28,381,700
EXPENDITURES BY CLASS					
Personnel Cost	21,274,900	24,434,800	25,378,600	21,509,500	22,176,500
Operating Expenses	2,820,100	3,079,300	3,059,800	2,846,000	2,847,500
Grants Loans Benefits	3,156,900	2,680,100	2,663,600	2,680,100	2,663,600
Debt Service					256,000
Capital Outlay	333,200	553,200	353,200	413,200	353,200
TOTAL EXPENDITURES	27,585,100	30,747,400	31,455,200	27,448,800	28,296,800
EXPENDITURES BY FUND SOURCE					
General Fund	9,396,000	12,858,700	13,951,800	9,871,500	10,200,800
Restricted Funds	2,445,500	2,659,400	2,274,100	2,248,000	2,766,700
Federal Funds	15,446,200	14,929,300	14,929,300	14,929,300	14,929,300
Road Fund	297,400	300,000	300,000	400,000	400,000
TOTAL EXPENDITURES	27,585,100	30,747,400	31,455,200	27,448,800	28,296,800

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

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

Policy

The Executive Budget includes General Fund debt service in the amount of \$256,000 in fiscal year 2014 to support a \$2,500,000 bond issue for the State-Owned Dam Repair program.

**Energy and Environment
Environmental Protection
Waste Management**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,711,000	8,390,900	9,359,800	4,608,800	5,560,800
State Salary and Compensation Allocation	547,600				
Total General Fund	5,258,600	8,390,900	9,359,800	4,608,800	5,560,800
Restricted Funds					
Balance Forward	3,590,900	586,300	138,300	586,300	375,900
Current Receipts	3,117,300	3,252,800	3,288,800	3,252,800	3,288,800
Non-Revenue Receipts	19,223,500	14,064,100	14,071,400	16,693,800	16,745,500
Fund Transfers	-1,176,200				
Total Restricted Funds	24,755,500	17,903,200	17,498,500	20,532,900	20,410,200
Federal Funds					
Current Receipts	5,694,300	5,989,600	6,017,200	5,989,600	6,017,200
Non-Revenue Receipts	-424,400	-408,400	-410,100	-408,400	-410,100
ARRA Receipts	1,943,700				
Total Federal Funds	7,213,600	5,581,200	5,607,100	5,581,200	5,607,100
TOTAL SOURCE OF FUNDS	37,227,700	31,875,300	32,465,400	30,722,900	31,578,100
EXPENDITURES BY CLASS					
Personnel Cost	15,449,800	14,860,600	15,412,800	13,582,800	13,782,200
Operating Expenses	2,733,100	2,576,600	2,570,600	2,464,400	2,458,400
Grants Loans Benefits	14,531,700	10,703,400	10,734,000	10,703,400	10,734,000
Debt Service					855,500
Capital Outlay	1,144,900	1,096,400	1,117,700	1,096,400	1,117,700
Construction	2,478,300	2,500,000	2,500,000	2,500,000	2,500,000
TOTAL EXPENDITURES	36,337,800	31,737,000	32,335,100	30,347,000	31,447,800
EXPENDITURES BY FUND SOURCE					
General Fund	4,955,000	8,390,900	9,359,800	4,608,800	5,560,800
Restricted Funds	24,169,200	17,764,900	17,368,200	20,157,000	20,279,900
Federal Funds	7,213,600	5,581,200	5,607,100	5,581,200	5,607,100
TOTAL EXPENDITURES	36,337,800	31,737,000	32,335,100	30,347,000	31,447,800

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

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

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

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

Policy

The Executive Budget includes General Fund debt service in the amount of \$855,500 in fiscal year 2014 to support a \$17,000,000 bond issue for the Maxey Flats Cap project.

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

**Energy and Environment
Environmental Protection
Air Quality**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,281,700	1,415,200	1,692,800	1,124,700	1,149,900
State Salary and Compensation Allocation	50,000				
Total General Fund	1,331,700	1,415,200	1,692,800	1,124,700	1,149,900
Restricted Funds					
Balance Forward	836,200	449,900	250,900	449,900	321,300
Current Receipts	10,205,000	12,271,400	12,673,000	11,432,100	11,770,200
Non-Revenue Receipts	3,900	116,400	115,500	116,400	115,500
Fund Transfers	-14,800				
Total Restricted Funds	11,030,300	12,837,700	13,039,400	11,998,400	12,207,000
Federal Funds					
Current Receipts	2,619,300	1,859,700	1,845,300	1,859,700	1,845,300
Non-Revenue Receipts	-122,800	-118,000	-114,300	-118,000	-114,300
ARRA Receipts	34,200				
Total Federal Funds	2,530,700	1,741,700	1,731,000	1,741,700	1,731,000
TOTAL SOURCE OF FUNDS	14,892,700	15,994,600	16,463,200	14,864,800	15,087,900
EXPENDITURES BY CLASS					
Personnel Cost	11,155,000	13,093,900	13,591,400	11,912,300	12,234,700
Operating Expenses	1,809,400	1,765,700	1,763,000	1,747,100	1,744,400
Grants Loans Benefits	745,000	113,800	113,800	113,800	113,800
Capital Outlay	701,400	770,300	948,700	770,300	948,700
TOTAL EXPENDITURES	14,410,800	15,743,700	16,416,900	14,543,500	15,041,600
EXPENDITURES BY FUND SOURCE					
General Fund	1,299,700	1,415,200	1,692,800	1,124,700	1,149,900
Restricted Funds	10,580,400	12,586,800	12,993,100	11,677,100	12,160,700
Federal Funds	2,530,700	1,741,700	1,731,000	1,741,700	1,731,000
TOTAL EXPENDITURES	14,410,800	15,743,700	16,416,900	14,543,500	15,041,600

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

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,090,500	3,897,000	4,102,200	3,225,100	3,273,700
State Salary and Compensation Allocation	496,800				
Other	63,200				
Total General Fund	3,650,500	3,897,000	4,102,200	3,225,100	3,273,700
Restricted Funds					
Balance Forward	96,300	241,800	105,800	241,800	105,800
Current Receipts	44,000				
Non-Revenue Receipts	727,700	565,300	591,600	565,300	591,600
Fund Transfers	-15,200				
Total Restricted Funds	852,800	807,100	697,400	807,100	697,400
Federal Funds					
Current Receipts	133,700	220,900	222,500	220,900	222,500
Non-Revenue Receipts	-1,600	-14,100	-14,200	-14,100	-14,200
Total Federal Funds	132,100	206,800	208,300	206,800	208,300
TOTAL SOURCE OF FUNDS	4,635,400	4,910,900	5,007,900	4,239,000	4,179,400
EXPENDITURES BY CLASS					
Personnel Cost	3,019,500	3,390,800	3,502,100	2,755,600	2,769,400
Operating Expenses	1,251,800	1,277,400	1,336,500	1,240,700	1,240,700
Grants Loans Benefits	5,900	1,000	1,000	1,000	1,000
Capital Outlay	5,500	135,900	168,300	135,900	168,300
TOTAL EXPENDITURES	4,282,700	4,805,100	5,007,900	4,133,200	4,179,400
EXPENDITURES BY FUND SOURCE					
General Fund	3,539,600	3,897,000	4,102,200	3,225,100	3,273,700
Restricted Funds	611,000	701,300	697,400	701,300	697,400
Federal Funds	132,100	206,800	208,300	206,800	208,300
TOTAL EXPENDITURES	4,282,700	4,805,100	5,007,900	4,133,200	4,179,400

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

**Energy and Environment
Environmental Protection
Enforcement**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	772,500	962,100	1,031,900	742,900	759,100
State Salary and Compensation Allocation	74,900				
Total General Fund	847,400	962,100	1,031,900	742,900	759,100
Restricted Funds					
Balance Forward	210,700	237,100	105,000	237,100	105,000
Non-Revenue Receipts	416,700	411,000	425,300	411,000	425,300
Fund Transfers	-10,400				
Total Restricted Funds	617,000	648,100	530,300	648,100	530,300
Federal Funds					
Current Receipts	256,600	294,200	304,300	294,200	304,300
Non-Revenue Receipts	-22,300	-20,600	-21,300	-20,600	-21,300
Total Federal Funds	234,300	273,600	283,000	273,600	283,000
TOTAL SOURCE OF FUNDS	1,698,700	1,883,800	1,845,200	1,664,600	1,572,400
EXPENDITURES BY CLASS					
Personnel Cost	1,266,000	1,608,900	1,680,100	1,399,800	1,411,300
Operating Expenses	156,200	169,300	164,300	159,200	160,300
Capital Outlay	2,800	600	800	600	800
TOTAL EXPENDITURES	1,425,000	1,778,800	1,845,200	1,559,600	1,572,400
EXPENDITURES BY FUND SOURCE					
General Fund	810,800	962,100	1,031,900	742,900	759,100
Restricted Funds	379,900	543,100	530,300	543,100	530,300
Federal Funds	234,300	273,600	283,000	273,600	283,000
TOTAL EXPENDITURES	1,425,000	1,778,800	1,845,200	1,559,600	1,572,400

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

**Energy and Environment
Environmental Protection
Compliance Assistance**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	240,400	353,800	504,300	211,100	328,000
Total General Fund	240,400	353,800	504,300	211,100	328,000
Restricted Funds					
Balance Forward	212,700	139,400	96,700	139,400	103,900
Current Receipts	394,200	412,200	361,800	412,200	361,800
Non-Revenue Receipts	233,700	214,600	220,800	214,600	220,800
Fund Transfers	-15,800				
Total Restricted Funds	824,800	766,200	679,300	766,200	686,500
Federal Funds					
Current Receipts	567,500	518,800	519,300	518,800	519,300
Non-Revenue Receipts	-36,100	-32,800	-32,800	-32,800	-32,800
Total Federal Funds	531,400	486,000	486,500	486,000	486,500
TOTAL SOURCE OF FUNDS	1,596,600	1,606,000	1,670,100	1,463,300	1,501,000
EXPENDITURES BY CLASS					
Personnel Cost	1,142,700	1,270,300	1,316,000	1,120,400	1,146,800
Operating Expenses	237,700	238,500	237,500	238,500	237,600
Grants Loans Benefits	63,400				
Capital Outlay	2,400	500	700	500	700
TOTAL EXPENDITURES	1,446,200	1,509,300	1,554,200	1,359,400	1,385,100
EXPENDITURES BY FUND SOURCE					
General Fund	229,400	353,800	504,300	211,100	328,000
Restricted Funds	685,400	669,500	563,400	662,300	570,600
Federal Funds	531,400	486,000	486,500	486,000	486,500
TOTAL EXPENDITURES	1,446,200	1,509,300	1,554,200	1,359,400	1,385,100

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation				1,308,100	4,024,700
Total General Fund				1,308,100	4,024,700
Restricted Funds					
Balance Forward	1,313,000		7,905,700		306,500
Current Receipts	221,800	315,700	315,700	187,800	187,800
Non-Revenue Receipts	65,672,600	40,651,400	40,633,500	66,444,700	68,327,000
Fund Transfers	-38,755,300			-35,500,000	-35,500,000
Total Restricted Funds	28,452,100	40,967,100	48,854,900	31,132,500	33,321,300
TOTAL SOURCE OF FUNDS	28,452,100	40,967,100	48,854,900	32,440,600	37,346,000
EXPENDITURES BY CLASS					
Personnel Cost	3,259,800	4,853,200	5,011,000	4,620,400	4,754,500
Operating Expenses	23,585,600	28,206,700	28,202,600	26,204,100	28,200,000
Debt Service				1,308,100	4,024,700
Capital Outlay	1,606,700	1,500	1,900	1,500	1,900
TOTAL EXPENDITURES	28,452,100	33,061,400	33,215,500	32,134,100	36,981,100
EXPENDITURES BY FUND SOURCE					
General Fund				1,308,100	4,024,700
Restricted Funds	28,452,100	33,061,400	33,215,500	30,826,000	32,956,400
TOTAL EXPENDITURES	28,452,100	33,061,400	33,215,500	32,134,100	36,981,100

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

Policy

The Executive Budget includes General Fund debt service in the amount of \$1,308,100 in fiscal year 2013 and \$4,024,700 in fiscal year 2014 to support a bond issue in the amount of \$26,000,000 in fiscal year 2013 and \$28,000,000 in fiscal year 2014 for this program. The Executive Budget includes these bond funds within the operating budget of PSTEAF in fiscal year 2013 and 2014 as Restricted Funds and the money will be used to make PSTEAF claim payments.

**Energy and Environment
Natural Resources**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	33,836,000	48,369,100	49,848,400	34,879,900	35,528,700
State Salary and Compensation Allocation	2,182,000				
Current Year Appropriation	952,000				
Mandated Expenditure Reductions	-1,197,900				
Total General Fund	35,772,100	48,369,100	49,848,400	34,879,900	35,528,700
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	6,000,000	2,810,000	2,810,000	2,500,000	2,500,000
Continuing Approp.-Tobacco Settlement	7,463,500				
Total Tobacco Settlement - Phase I	13,463,500	2,810,000	2,810,000	2,500,000	2,500,000
Restricted Funds					
Balance Forward	5,674,600	2,609,400	1,433,200	2,609,400	1,809,300
Current Receipts	5,347,600	5,140,400	5,140,400	5,140,400	5,140,400
Non-Revenue Receipts	9,796,800	11,030,600	11,137,200	11,027,700	11,133,700
Fund Transfers	-498,300				
Total Restricted Funds	20,320,700	18,780,400	17,710,800	18,777,500	18,083,400
Federal Funds					
Current Receipts	57,830,600	57,979,900	58,151,000	55,317,100	55,316,700
Non-Revenue Receipts	-935,700	-935,300	-915,500	-935,300	-915,500
ARRA Receipts	100,000				
Total Federal Funds	56,994,900	57,044,600	57,235,500	54,381,800	54,401,200
TOTAL SOURCE OF FUNDS	126,551,200	127,004,100	127,604,700	110,539,200	110,513,300
EXPENDITURES BY CLASS					
Personnel Cost	57,801,000	68,496,300	69,821,800	58,488,600	59,089,000
Operating Expenses	9,479,500	10,443,400	10,312,400	8,888,000	8,964,500
Grants Loans Benefits	32,080,600	20,788,100	23,136,700	18,074,100	20,422,700
Capital Outlay	4,709,700	4,690,900	4,415,900	2,127,000	2,249,600
Construction	18,082,800	21,152,200	19,424,700	21,152,200	19,424,700
TOTAL EXPENDITURES	122,153,600	125,570,900	127,111,500	108,729,900	110,150,500
EXPENDITURES BY FUND SOURCE					
General Fund	33,983,900	48,369,100	49,848,400	34,879,900	35,528,700
Tobacco Settlement - Phase I	13,463,500	2,810,000	2,810,000	2,500,000	2,500,000
Restricted Funds	17,711,300	17,347,200	17,217,600	16,968,200	17,720,600
Federal Funds	56,994,900	57,044,600	57,235,500	54,381,800	54,401,200
TOTAL EXPENDITURES	122,153,600	125,570,900	127,111,500	108,729,900	110,150,500
EXPENDITURES BY UNIT					
Commissioner	921,000	1,117,300	1,154,500	967,900	986,100
Forestry	17,986,000	19,555,600	19,150,700	14,718,600	14,922,200
Technical and Administrative Support	801,700	943,000	987,000	822,400	849,800
Conservation	18,896,500	10,814,100	10,870,000	7,758,200	7,787,100
Oil and Gas	1,926,800	2,474,300	2,482,800	1,893,200	1,910,000
Mine Permits	8,204,600	9,394,500	9,695,200	8,405,600	8,608,700
Mine Reclamation and Enforcement	12,457,300	16,159,900	16,509,300	12,586,900	12,891,500
DNR Bond Pool Fund	71,900	73,400	68,500	70,500	65,000
Abandoned Mine Lands	17,186,200	17,939,200	18,166,500	17,613,600	17,770,900
Bond Pool Reclamation Fund	310,900	310,900	310,900	310,900	310,900
Abandoned Mine Land Reclamation Projects	28,758,700	28,758,700	28,758,700	28,758,700	28,758,700

Mine Safety Review Commission	164,600	193,000	184,300	152,600	154,800
Mine Safety and Licensing	14,467,400	17,837,000	18,773,100	14,670,800	15,134,800
TOTAL EXPENDITURES	122,153,600	125,570,900	127,111,500	108,729,900	110,150,500

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

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

**Energy and Environment
Natural Resources
Commissioner**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	419,200	608,200	677,700	478,700	489,400
State Salary and Compensation Allocation	96,800				
Mandated Expenditure Reductions	-6,800				
Total General Fund	509,200	608,200	677,700	478,700	489,400
Restricted Funds					
Balance Forward	500				19,900
Non-Revenue Receipts	491,800	509,100	476,800	509,100	476,800
Fund Transfers	-45,100				
Total Restricted Funds	447,200	509,100	476,800	509,100	496,700
TOTAL SOURCE OF FUNDS	956,400	1,117,300	1,154,500	987,800	986,100
EXPENDITURES BY CLASS					
Personnel Cost	820,900	1,016,000	1,051,500	921,500	944,100
Operating Expenses	100,100	101,300	103,000	46,400	42,000
TOTAL EXPENDITURES	921,000	1,117,300	1,154,500	967,900	986,100
EXPENDITURES BY FUND SOURCE					
General Fund	473,800	608,200	677,700	478,700	489,400
Restricted Funds	447,200	509,100	476,800	489,200	496,700
TOTAL EXPENDITURES	921,000	1,117,300	1,154,500	967,900	986,100

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

**Energy and Environment
Natural Resources
Forestry**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	9,606,900	14,703,500	14,502,000	9,940,800	10,199,200
State Salary and Compensation Allocation	883,600				
Mandated Expenditure Reductions	-201,200				
Other	296,600				
Total General Fund	10,585,900	14,703,500	14,502,000	9,940,800	10,199,200
Restricted Funds					
Balance Forward	450,300	582,200	457,700	582,200	532,000
Current Receipts	1,152,200	911,000	911,000	911,000	911,000
Non-Revenue Receipts	36,300	50,800	50,700	50,800	50,700
Total Restricted Funds	1,638,800	1,544,000	1,419,400	1,544,000	1,493,700
Federal Funds					
Current Receipts	6,876,500	3,816,600	3,642,800	3,816,600	3,642,800
Non-Revenue Receipts	-55,300	-50,800	-50,700	-50,800	-50,700
Total Federal Funds	6,821,200	3,765,800	3,592,100	3,765,800	3,592,100
TOTAL SOURCE OF FUNDS	19,045,900	20,013,300	19,513,500	15,250,600	15,285,000
EXPENDITURES BY CLASS					
Personnel Cost	10,548,000	13,202,800	13,631,900	10,254,300	10,486,000
Operating Expenses	2,413,900	2,763,500	2,560,900	1,942,000	1,943,100
Grants Loans Benefits	1,307,600	1,284,300	1,149,900	1,200,300	1,065,900
Capital Outlay	3,716,500	2,305,000	1,808,000	1,322,000	1,427,200
TOTAL EXPENDITURES	17,986,000	19,555,600	19,150,700	14,718,600	14,922,200
EXPENDITURES BY FUND SOURCE					
General Fund	10,108,200	14,703,500	14,502,000	9,940,800	10,199,200
Restricted Funds	1,056,600	1,086,300	1,056,600	1,012,000	1,130,900
Federal Funds	6,821,200	3,765,800	3,592,100	3,765,800	3,592,100
TOTAL EXPENDITURES	17,986,000	19,555,600	19,150,700	14,718,600	14,922,200

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

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

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

Policy

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		111,400	146,400		
Total General Fund		111,400	146,400		
Restricted Funds					
Balance Forward	29,800				9,200
Non-Revenue Receipts	796,000	831,600	840,600	831,600	840,600
Fund Transfers	-24,100				
Total Restricted Funds	801,700	831,600	840,600	831,600	849,800
TOTAL SOURCE OF FUNDS	801,700	943,000	987,000	831,600	849,800
EXPENDITURES BY CLASS					
Personnel Cost	605,900	738,400	755,300	617,800	625,700
Operating Expenses	134,300	139,100	137,200	139,100	137,200
Grants Loans Benefits	61,500	65,500	69,500	65,500	69,500
Capital Outlay			25,000		17,400
TOTAL EXPENDITURES	801,700	943,000	987,000	822,400	849,800
EXPENDITURES BY FUND SOURCE					
General Fund		111,400	146,400		
Restricted Funds	801,700	831,600	840,600	822,400	849,800
TOTAL EXPENDITURES	801,700	943,000	987,000	822,400	849,800

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

**Energy and Environment
Natural Resources
Conservation**

	Revised FY 2012	Requested FY 2013	Requested FY 2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,117,900	4,490,700	4,545,800	2,244,800	2,272,900
State Salary and Compensation Allocation	328,200				
Mandated Expenditure Reductions	-33,900				
Total General Fund	2,412,200	4,490,700	4,545,800	2,244,800	2,272,900
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	6,000,000	2,810,000	2,810,000	2,500,000	2,500,000
Continuing Approp.-Tobacco Settlement	7,463,500				
Total Tobacco Settlement - Phase I	13,463,500	2,810,000	2,810,000	2,500,000	2,500,000
Restricted Funds					
Balance Forward	1,957,600	1,222,900	611,500	1,222,900	611,500
Current Receipts	42,200	42,300	42,300	42,300	42,300
Non-Revenue Receipts	571,100	574,000	574,700	574,000	574,700
Fund Transfers	-600				
Total Restricted Funds	2,570,300	1,839,200	1,228,500	1,839,200	1,228,500
Federal Funds					
Current Receipts	1,635,900	2,288,200	2,288,100	1,788,200	1,788,100
Non-Revenue Receipts	-2,400	-2,500	-2,400	-2,500	-2,400
ARRA Receipts	100,000				
Total Federal Funds	1,733,500	2,285,700	2,285,700	1,785,700	1,785,700
TOTAL SOURCE OF FUNDS	20,179,500	11,425,600	10,870,000	8,369,700	7,787,100
EXPENDITURES BY CLASS					
Personnel Cost	1,525,300	1,723,500	1,777,800	1,307,700	1,335,100
Operating Expenses	184,600	199,300	199,400	119,200	119,200
Grants Loans Benefits	17,186,600	8,891,300	8,892,800	6,331,300	6,332,800
TOTAL EXPENDITURES	18,896,500	10,814,100	10,870,000	7,758,200	7,787,100
EXPENDITURES BY FUND SOURCE					
General Fund	2,352,100	4,490,700	4,545,800	2,244,800	2,272,900
Tobacco Settlement - Phase I	13,463,500	2,810,000	2,810,000	2,500,000	2,500,000
Restricted Funds	1,347,400	1,227,700	1,228,500	1,227,700	1,228,500
Federal Funds	1,733,500	2,285,700	2,285,700	1,785,700	1,785,700
TOTAL EXPENDITURES	18,896,500	10,814,100	10,870,000	7,758,200	7,787,100

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

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

Policy

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	744,700	1,562,100	1,608,000	1,156,000	1,178,200
State Salary and Compensation Allocation	505,400				
Mandated Expenditure Reductions	-16,400				
Total General Fund	1,233,700	1,562,100	1,608,000	1,156,000	1,178,200
Restricted Funds					
Balance Forward	41,000	5,400		5,400	
Current Receipts	731,800	731,800	731,800	731,800	731,800
Fund Transfers	-20,800				
Total Restricted Funds	752,000	737,200	731,800	737,200	731,800
Federal Funds					
Current Receipts		175,000	143,000		
Total Federal Funds		175,000	143,000		
TOTAL SOURCE OF FUNDS	1,985,700	2,474,300	2,482,800	1,893,200	1,910,000
EXPENDITURES BY CLASS					
Personnel Cost	1,514,100	1,844,300	1,909,200	1,554,200	1,590,400
Operating Expenses	349,900	404,200	380,800	276,200	256,800
Grants Loans Benefits	62,800	132,800	132,800	62,800	62,800
Capital Outlay		93,000	60,000		
TOTAL EXPENDITURES	1,926,800	2,474,300	2,482,800	1,893,200	1,910,000
EXPENDITURES BY FUND SOURCE					
General Fund	1,180,200	1,562,100	1,608,000	1,156,000	1,178,200
Restricted Funds	746,600	737,200	731,800	737,200	731,800
Federal Funds		175,000	143,000		
TOTAL EXPENDITURES	1,926,800	2,474,300	2,482,800	1,893,200	1,910,000

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

**Energy and Environment
Natural Resources
Mine Permits**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,163,100	1,983,000	2,209,200	1,212,700	1,238,400
Mandated Expenditure Reductions	-189,200				
Total General Fund	973,900	1,983,000	2,209,200	1,212,700	1,238,400
Restricted Funds					
Balance Forward	517,500	124,800	97,800	124,800	110,300
Current Receipts	2,651,300	2,651,300	2,651,300	2,651,300	2,651,300
Non-Revenue Receipts	41,200	57,500	74,300	57,500	74,300
Fund Transfers	-97,300				
Total Restricted Funds	3,112,700	2,833,600	2,823,400	2,833,600	2,835,900
Federal Funds					
Current Receipts	4,493,700	4,891,900	5,009,200	4,685,800	4,750,600
Non-Revenue Receipts	-216,200	-216,200	-216,200	-216,200	-216,200
Total Federal Funds	4,277,500	4,675,700	4,793,000	4,469,600	4,534,400
TOTAL SOURCE OF FUNDS	8,364,100	9,492,300	9,825,600	8,515,900	8,608,700
EXPENDITURES BY CLASS					
Personnel Cost	6,768,900	7,980,000	8,221,600	6,991,100	7,135,100
Operating Expenses	758,800	737,600	796,700	737,600	796,700
Grants Loans Benefits	676,900	676,900	676,900	676,900	676,900
TOTAL EXPENDITURES	8,204,600	9,394,500	9,695,200	8,405,600	8,608,700
EXPENDITURES BY FUND SOURCE					
General Fund	939,200	1,983,000	2,209,200	1,212,700	1,238,400
Restricted Funds	2,987,900	2,735,800	2,693,000	2,723,300	2,835,900
Federal Funds	4,277,500	4,675,700	4,793,000	4,469,600	4,534,400
TOTAL EXPENDITURES	8,204,600	9,394,500	9,695,200	8,405,600	8,608,700

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,874,800	8,208,700	8,532,700	6,170,300	6,291,100
State Salary and Compensation Allocation	321,500				
Mandated Expenditure Reductions	-151,400				
Total General Fund	6,044,900	8,208,700	8,532,700	6,170,300	6,291,100
Restricted Funds					
Balance Forward	431,000				100,200
Current Receipts	111,500	124,500	124,500	124,500	124,500
Non-Revenue Receipts	-285,300	-3,100	-1,800	-3,100	-1,800
Total Restricted Funds	257,200	121,400	122,700	121,400	222,900
Federal Funds					
Current Receipts	6,707,200	8,142,300	8,152,300	6,707,900	6,675,900
Non-Revenue Receipts	-311,200	-312,500	-298,400	-312,500	-298,400
Total Federal Funds	6,396,000	7,829,800	7,853,900	6,395,400	6,377,500
TOTAL SOURCE OF FUNDS	12,698,100	16,159,900	16,509,300	12,687,100	12,891,500
EXPENDITURES BY CLASS					
Personnel Cost	10,036,000	12,009,400	12,365,200	10,138,500	10,443,100
Operating Expenses	2,241,300	2,707,000	2,700,600	2,254,900	2,254,900
Grants Loans Benefits	180,000	193,500	193,500	193,500	193,500
Capital Outlay		1,250,000	1,250,000		
TOTAL EXPENDITURES	12,457,300	16,159,900	16,509,300	12,586,900	12,891,500
EXPENDITURES BY FUND SOURCE					
General Fund	5,804,100	8,208,700	8,532,700	6,170,300	6,291,100
Restricted Funds	257,200	121,400	122,700	21,200	222,900
Federal Funds	6,396,000	7,829,800	7,853,900	6,395,400	6,377,500
TOTAL EXPENDITURES	12,457,300	16,159,900	16,509,300	12,586,900	12,891,500

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	18,100				
Non-Revenue Receipts	56,500	73,400	68,500	70,500	65,000
Fund Transfers	-2,700				
Total Restricted Funds	71,900	73,400	68,500	70,500	65,000
TOTAL SOURCE OF FUNDS	71,900	73,400	68,500	70,500	65,000
EXPENDITURES BY CLASS					
Personnel Cost	69,700	71,200	66,300	68,300	62,800
Operating Expenses	2,200	2,200	2,200	2,200	2,200
TOTAL EXPENDITURES	71,900	73,400	68,500	70,500	65,000
EXPENDITURES BY FUND SOURCE					
Restricted Funds	71,900	73,400	68,500	70,500	65,000
TOTAL EXPENDITURES	71,900	73,400	68,500	70,500	65,000

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	875,800	152,900	92,600	152,900	92,600
Current Receipts	22,600	21,400	21,400	21,400	21,400
Non-Revenue Receipts	8,056,400	8,907,300	8,886,100	8,907,300	8,886,100
Fund Transfers	-10,400				
Total Restricted Funds	8,944,400	9,081,600	9,000,100	9,081,600	9,000,100
Federal Funds					
Current Receipts	8,712,500	9,273,500	9,484,200	8,947,900	9,088,600
Non-Revenue Receipts	-317,800	-323,300	-317,800	-323,300	-317,800
Total Federal Funds	8,394,700	8,950,200	9,166,400	8,624,600	8,770,800
TOTAL SOURCE OF FUNDS	17,339,100	18,031,800	18,166,500	17,706,200	17,770,900
EXPENDITURES BY CLASS					
Personnel Cost	11,462,800	12,212,000	12,442,800	11,886,400	12,047,200
Operating Expenses	885,100	891,900	888,400	891,900	888,400
Grants Loans Benefits	629,200	629,200	629,200	629,200	629,200
Capital Outlay	808,000	805,000	805,000	805,000	805,000
Construction	3,401,100	3,401,100	3,401,100	3,401,100	3,401,100
TOTAL EXPENDITURES	17,186,200	17,939,200	18,166,500	17,613,600	17,770,900
EXPENDITURES BY FUND SOURCE					
Restricted Funds	8,791,500	8,989,000	9,000,100	8,989,000	9,000,100
Federal Funds	8,394,700	8,950,200	9,166,400	8,624,600	8,770,800
TOTAL EXPENDITURES	17,186,200	17,939,200	18,166,500	17,613,600	17,770,900

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

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

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	795,400	484,500	173,600	484,500	173,600
Non-Revenue Receipts			137,300		137,300
Total Restricted Funds	795,400	484,500	310,900	484,500	310,900
TOTAL SOURCE OF FUNDS	795,400	484,500	310,900	484,500	310,900
EXPENDITURES BY CLASS					
Personnel Cost	310,900	310,900	310,900	310,900	310,900
TOTAL EXPENDITURES	310,900	310,900	310,900	310,900	310,900
EXPENDITURES BY FUND SOURCE					
Restricted Funds	310,900	310,900	310,900	310,900	310,900
TOTAL EXPENDITURES	310,900	310,900	310,900	310,900	310,900

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
Federal Funds					
Current Receipts	28,758,700	28,758,700	28,758,700	28,758,700	28,758,700
Total Federal Funds	28,758,700	28,758,700	28,758,700	28,758,700	28,758,700
TOTAL SOURCE OF FUNDS	28,758,700	28,758,700	28,758,700	28,758,700	28,758,700
EXPENDITURES BY CLASS					
Personnel Cost	2,275,000	2,275,000	1,525,000	2,275,000	1,525,000
Grants Loans Benefits	11,802,000	8,732,600	11,210,100	8,732,600	11,210,100
Construction	14,681,700	17,751,100	16,023,600	17,751,100	16,023,600
TOTAL EXPENDITURES	28,758,700	28,758,700	28,758,700	28,758,700	28,758,700
EXPENDITURES BY FUND SOURCE					
Federal Funds	28,758,700	28,758,700	28,758,700	28,758,700	28,758,700
TOTAL EXPENDITURES	28,758,700	28,758,700	28,758,700	28,758,700	28,758,700

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	159,200	193,000	184,300	152,600	154,800
State Salary and Compensation Allocation	10,100				
Mandated Expenditure Reductions	-5,600				
Total General Fund	163,700	193,000	184,300	152,600	154,800
Restricted Funds					
Balance Forward	5,800				
Total Restricted Funds	5,800				
TOTAL SOURCE OF FUNDS	169,500	193,000	184,300	152,600	154,800
EXPENDITURES BY CLASS					
Personnel Cost	146,100	161,500	165,700	140,700	143,300
Operating Expenses	18,500	18,600	18,600	11,900	11,500
Capital Outlay		12,900			
TOTAL EXPENDITURES	164,600	193,000	184,300	152,600	154,800
EXPENDITURES BY FUND SOURCE					
General Fund	158,800	193,000	184,300	152,600	154,800
Restricted Funds	5,800				
TOTAL EXPENDITURES	164,600	193,000	184,300	152,600	154,800

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

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	13,750,200	16,508,500	17,442,300	13,524,000	13,704,700
State Salary and Compensation Allocation	36,400				
Current Year Appropriation	952,000				
Mandated Expenditure Reductions	-593,400				
Other	-296,600				
Total General Fund	13,848,600	16,508,500	17,442,300	13,524,000	13,704,700
Restricted Funds					
Balance Forward	551,800	36,700		36,700	160,000
Current Receipts	636,000	658,100	658,100	658,100	658,100
Non-Revenue Receipts	32,800	30,000	30,000	30,000	30,000
Fund Transfers	-297,300				
Total Restricted Funds	923,300	724,800	688,100	724,800	848,100
Federal Funds					
Current Receipts	646,100	633,700	672,700	612,000	612,000
Non-Revenue Receipts	-32,800	-30,000	-30,000	-30,000	-30,000
Total Federal Funds	613,300	603,700	642,700	582,000	582,000
TOTAL SOURCE OF FUNDS	15,385,200	17,837,000	18,773,100	14,830,800	15,134,800
EXPENDITURES BY CLASS					
Personnel Cost	11,717,400	14,951,300	15,598,600	12,022,200	12,440,300
Operating Expenses	2,390,800	2,478,700	2,524,600	2,466,600	2,512,500
Grants Loans Benefits	174,000	182,000	182,000	182,000	182,000
Capital Outlay	185,200	225,000	467,900		
TOTAL EXPENDITURES	14,467,400	17,837,000	18,773,100	14,670,800	15,134,800
EXPENDITURES BY FUND SOURCE					
General Fund	12,967,500	16,508,500	17,442,300	13,524,000	13,704,700
Restricted Funds	886,600	724,800	688,100	564,800	848,100
Federal Funds	613,300	603,700	642,700	582,000	582,000
TOTAL EXPENDITURES	14,467,400	17,837,000	18,773,100	14,670,800	15,134,800
EXPENDITURES BY UNIT					
Mine Safety and Licensing- Administrative Support	1,020,800	1,149,000	1,182,500	1,035,000	1,015,800
Safety Inspection and Licensing	8,118,700	10,871,600	11,167,500	8,491,100	8,640,700
Safety Analysis, Training and Certification	5,327,900	5,816,400	6,423,100	5,144,700	5,478,300
TOTAL EXPENDITURES	14,467,400	17,837,000	18,773,100	14,670,800	15,134,800

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

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

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

The Office develops and maintains a database to track information about each mining operation. The database includes the number of miners employed by the mine, type of operations, type of worker's compensation insurance, and the number and type of mining law violations, closures, and abatements for each mine and mine operator. A second database provides information on

all individuals certified as surface mine foremen, surface mine safety analysts, underground mine foremen, underground mine instructors, underground mine inspectors, and electrical inspectors.

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

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

Policy

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

Energy and Environment
Energy Development and Independence

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,448,000	2,382,300	2,482,600	1,324,400	1,347,800
State Salary and Compensation Allocation	57,500				
Mandated Expenditure Reductions	-86,200				
Total General Fund	1,419,300	2,382,300	2,482,600	1,324,400	1,347,800
Restricted Funds					
Balance Forward	3,301,500	3,231,500	1,748,300	3,231,500	1,748,300
Current Receipts	10,100	10,100	10,100	10,100	10,100
Non-Revenue Receipts	3,878,700	3,732,800	3,474,000	3,732,800	3,474,000
Fund Transfers	-39,900				
Total Restricted Funds	7,150,400	6,974,400	5,232,400	6,974,400	5,232,400
Federal Funds					
Current Receipts	1,381,000	563,100	481,200	1,191,800	1,109,900
Non-Revenue Receipts	-458,700	-312,800	-54,000	-312,800	-54,000
ARRA Receipts	22,873,900	7,807,900	168,300	7,807,900	168,300
Total Federal Funds	23,796,200	8,058,200	595,500	8,686,900	1,224,200
TOTAL SOURCE OF FUNDS	32,365,900	17,414,900	8,310,500	16,985,700	7,804,400
EXPENDITURES BY CLASS					
Personnel Cost	8,192,800	2,683,400	2,775,500	2,841,400	2,899,600
Operating Expenses	341,800	340,100	340,200	296,800	296,900
Grants Loans Benefits	20,528,100	12,643,100	5,194,800	12,099,200	4,607,900
TOTAL EXPENDITURES	29,062,700	15,666,600	8,310,500	15,237,400	7,804,400
EXPENDITURES BY FUND SOURCE					
General Fund	1,347,600	2,382,300	2,482,600	1,324,400	1,347,800
Restricted Funds	3,918,900	5,226,100	5,232,400	5,226,100	5,232,400
Federal Funds	23,796,200	8,058,200	595,500	8,686,900	1,224,200
TOTAL EXPENDITURES	29,062,700	15,666,600	8,310,500	15,237,400	7,804,400
EXPENDITURES BY UNIT					
Energy Development and Independence	29,062,700	15,666,600	8,310,500	15,237,400	7,804,400
TOTAL EXPENDITURES	29,062,700	15,666,600	8,310,500	15,237,400	7,804,400

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

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

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

The Department enters into agreements, administers grant programs and serves as a liaison with the federal government and other states in matters relating to energy; and participates in the review of applications and, upon request of the Kentucky Economic Development Finance Authority, assists in monitoring tax incentive agreements as provided in Subchapter 27 of KRS 154.

Policy

Included in the Executive Budget is \$3,500,000 in Restricted Funds in fiscal year 2013 and fiscal year 2014 for research grants. These funds will originate from the Local Government Economic Development Fund Multi-county Fund (coal severance tax).

Included in the Executive Budget is \$400,000 for fiscal year 2013 and fiscal year 2014 to be paid to the State Treasury and credited to the Department for Energy Development and Independence for the purpose of public education of coal-related issues pursuant to KRS 132.020(5).

**Energy and Environment
Environmental Quality Commission**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	54,900				
Non-Revenue Receipts	200,800	235,600	239,400	222,000	223,400
Fund Transfers	-16,700				
Total Restricted Funds	239,000	235,600	239,400	222,000	223,400
TOTAL SOURCE OF FUNDS	239,000	235,600	239,400	222,000	223,400
EXPENDITURES BY CLASS					
Personnel Cost	211,000	202,700	209,500	189,100	193,500
Operating Expenses	28,000	32,900	29,900	32,900	29,900
TOTAL EXPENDITURES	239,000	235,600	239,400	222,000	223,400
EXPENDITURES BY FUND SOURCE					
Restricted Funds	239,000	235,600	239,400	222,000	223,400
TOTAL EXPENDITURES	239,000	235,600	239,400	222,000	223,400
EXPENDITURES BY UNIT					
Environmental Quality Commission	239,000	235,600	239,400	222,000	223,400
TOTAL EXPENDITURES	239,000	235,600	239,400	222,000	223,400

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

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

**Energy and Environment
Kentucky Nature Preserves Commission**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,030,900	1,550,400	1,663,800	979,700	1,000,900
State Salary and Compensation Allocation	51,200				
Mandated Expenditure Reductions	-36,600				
Total General Fund	1,045,500	1,550,400	1,663,800	979,700	1,000,900
Restricted Funds					
Balance Forward	358,300	215,000	118,800	215,000	150,000
Current Receipts	226,400	179,400	142,800	179,400	142,800
Non-Revenue Receipts	38,300	83,400	83,400	83,400	83,400
Fund Transfers	-10,700				
Total Restricted Funds	612,300	477,800	345,000	477,800	376,200
Federal Funds					
Current Receipts	1,180,200	53,600	53,600	53,600	53,600
Non-Revenue Receipts	-3,300	-3,400	-3,400	-3,400	-3,400
Total Federal Funds	1,176,900	50,200	50,200	50,200	50,200
TOTAL SOURCE OF FUNDS	2,834,700	2,078,400	2,059,000	1,507,700	1,427,300
EXPENDITURES BY CLASS					
Personnel Cost	1,164,200	1,616,800	1,677,500	1,195,900	1,226,700
Operating Expenses	197,000	214,700	213,200	83,800	82,400
Grants Loans Benefits	1,194,500	78,000	78,000	78,000	78,000
Capital Outlay	25,000	50,100	50,100		
TOTAL EXPENDITURES	2,580,700	1,959,600	2,018,800	1,357,700	1,387,100
EXPENDITURES BY FUND SOURCE					
General Fund	1,006,500	1,550,400	1,663,800	979,700	1,000,900
Restricted Funds	397,300	359,000	304,800	327,800	336,000
Federal Funds	1,176,900	50,200	50,200	50,200	50,200
TOTAL EXPENDITURES	2,580,700	1,959,600	2,018,800	1,357,700	1,387,100
EXPENDITURES BY UNIT					
Kentucky Nature Preserves Commission	2,580,700	1,959,600	2,018,800	1,357,700	1,387,100
TOTAL EXPENDITURES	2,580,700	1,959,600	2,018,800	1,357,700	1,387,100

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

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

**Energy and Environment
Public Service Commission**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	13,000,000	13,576,700	13,527,600	15,000,000	15,000,000
State Salary and Compensation Allocation	460,100				
Continuing Approp.-General Fund	409,700				
Mandated Expenditure Reductions	-4,190,100				
Total General Fund	9,679,700	13,576,700	13,527,600	15,000,000	15,000,000
Restricted Funds					
Balance Forward	9,300	9,300		9,300	61,800
Current Receipts	11,000	11,000	11,000	11,000	11,000
Non-Revenue Receipts	200,000	200,000	200,000	200,000	200,000
Total Restricted Funds	220,300	220,300	211,000	220,300	272,800
Federal Funds					
Balance Forward	66,000				
Current Receipts	167,000	200,000	200,000	214,500	228,900
ARRA Receipts	384,400	192,800		192,800	
Total Federal Funds	617,400	392,800	200,000	407,300	228,900
TOTAL SOURCE OF FUNDS	10,517,400	14,189,800	13,938,600	15,627,600	15,501,700
EXPENDITURES BY CLASS					
Personnel Cost	8,069,800	11,349,800	11,573,400	7,939,300	8,057,400
Operating Expenses	1,506,700	1,951,000	1,776,200	1,495,000	1,490,200
Debt Service	589,000	589,000	589,000	589,000	589,000
Capital Outlay		300,000			
TOTAL EXPENDITURES	10,165,500	14,189,800	13,938,600	10,023,300	10,136,600
EXPENDITURES BY FUND SOURCE					
General Fund	9,337,100	13,576,700	13,527,600	9,457,500	9,684,600
Restricted Funds	211,000	220,300	211,000	158,500	223,100
Federal Funds	617,400	392,800	200,000	407,300	228,900
TOTAL EXPENDITURES	10,165,500	14,189,800	13,938,600	10,023,300	10,136,600
EXPENDITURES BY UNIT					
Commission Operations	4,976,400	7,002,900	6,992,600	4,671,000	4,659,500
Financial Analysis	1,471,500	1,945,900	2,020,200	1,390,400	1,420,400
Engineering	1,365,300	2,421,800	2,038,400	1,457,000	1,487,000
Division of Filings	1,501,200	1,895,600	1,936,100	1,614,500	1,645,400
Consumer Services	346,500	423,400	436,800	403,400	411,500
Gas Pipeline Safety	504,600	500,200	514,500	487,000	512,800
TOTAL EXPENDITURES	10,165,500	14,189,800	13,938,600	10,023,300	10,136,600

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

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

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

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

Policy

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

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Finance and Administration

Finance and Administration

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	444,934,300	606,122,300	655,933,600	579,247,200	596,900,300
State Salary and Compensation Allocation	6,258,400				
Mandated Expenditure Reductions	-59,322,100				
Total General Fund	391,870,600	606,122,300	655,933,600	579,247,200	596,900,300
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	30,550,700	29,436,900	31,556,200	28,566,900	30,935,800
Continuing Approp.-Tobacco Settlement	100				
Budget Reduction-General Fund Tobacco	-2,717,200				
Total Tobacco Settlement - Phase I	27,833,600	29,436,900	31,556,200	28,566,900	30,935,800
Restricted Funds					
Balance Forward	56,773,300	43,572,800	29,743,800	45,518,000	34,266,100
Current Receipts	147,523,500	147,230,200	147,230,200	147,230,200	147,230,200
Non-Revenue Receipts	6,253,400	6,968,900	6,390,100	8,325,700	8,358,800
Fund Transfers	-19,292,400			-3,000,000	-3,000,000
Total Restricted Funds	191,257,800	197,771,900	183,364,100	198,073,900	186,855,100
Federal Funds					
Current Receipts	2,438,900	3,550,000	3,550,000	3,550,000	3,550,000
Non-Revenue Receipts	1,200				
ARRA Receipts	31,808,000	471,700	291,000	471,700	291,000
Total Federal Funds	34,248,100	4,021,700	3,841,000	4,021,700	3,841,000
Road Fund					
Regular Appropriation	2,725,000	3,198,000	3,198,000	3,857,200	3,910,200
Current Year Appropriation	395,400				
Total Road Fund	3,120,400	3,198,000	3,198,000	3,857,200	3,910,200
TOTAL SOURCE OF FUNDS	648,330,500	840,550,800	877,892,900	813,766,900	822,442,400
EXPENDITURES BY CLASS					
Personnel Cost	171,366,600	210,472,700	216,760,500	194,728,900	199,334,300
Operating Expenses	107,867,300	128,811,100	132,519,900	113,104,300	114,158,100
Grants Loans Benefits	34,761,400	5,217,200	5,036,500	5,717,200	5,036,500
Debt Service	252,965,400	449,919,200	494,754,600	434,311,300	454,755,800
Capital Outlay	9,393,400	16,386,800	14,759,400	16,450,300	16,316,700
TOTAL EXPENDITURES	576,354,100	810,807,000	863,830,900	764,312,000	789,601,400
EXPENDITURES BY FUND SOURCE					
General Fund	369,442,100	606,122,300	655,933,600	566,352,000	584,005,100
Tobacco Settlement - Phase I	23,901,500	29,436,900	31,556,200	26,273,300	28,642,200
Restricted Funds	145,739,800	168,028,100	169,302,100	163,807,800	169,202,900
Federal Funds	34,248,100	4,021,700	3,841,000	4,021,700	3,841,000
Road Fund	3,022,600	3,198,000	3,198,000	3,857,200	3,910,200
TOTAL EXPENDITURES	576,354,100	810,807,000	863,830,900	764,312,000	789,601,400
EXPENDITURES BY UNIT					
General Administration	64,797,200	42,240,100	42,857,200	38,249,900	38,227,300
Controller	15,372,300	15,623,100	16,087,400	16,773,500	16,911,700
Debt Service	252,935,300	449,889,100	469,018,500	433,844,200	453,226,700
Facilities and Support Services	41,455,700	55,725,000	80,609,300	43,941,800	46,460,300
County Costs	18,442,300	19,546,300	19,546,300	17,036,200	17,036,200
Commonwealth Office of Technology	64,639,400	77,471,900	80,394,500	75,719,100	79,174,700
Revenue	80,273,300	99,570,800	105,242,700	98,639,400	97,699,800
Property Valuation Administrators	38,438,600	50,740,700	50,075,000	40,107,900	40,864,700
TOTAL EXPENDITURES	576,354,100	810,807,000	863,830,900	764,312,000	789,601,400

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

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

**Finance and Administration
General Administration**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,055,600	7,536,700	7,848,000	7,222,500	7,040,300
State Salary and Compensation Allocation	434,000				
Mandated Expenditure Reductions	-503,400				
Total General Fund	6,986,200	7,536,700	7,848,000	7,222,500	7,040,300
Restricted Funds					
Balance Forward	21,469,100	7,653,400	5,612,100	9,753,200	8,487,900
Current Receipts	28,156,900	28,075,000	28,075,000	28,075,000	28,075,000
Non-Revenue Receipts	500,000	687,100	700,000	687,100	700,000
Fund Transfers	-13,158,200			-3,000,000	-3,000,000
Total Restricted Funds	36,967,800	36,415,500	34,387,100	35,515,300	34,262,900
Federal Funds					
Current Receipts	2,438,900	3,500,000	3,500,000	3,500,000	3,500,000
ARRA Receipts	28,095,600				
Total Federal Funds	30,534,500	3,500,000	3,500,000	3,500,000	3,500,000
Road Fund					
Regular Appropriation	400,000	400,000	400,000	500,000	500,000
Total Road Fund	400,000	400,000	400,000	500,000	500,000
TOTAL SOURCE OF FUNDS	74,888,500	47,852,200	46,135,100	46,737,800	45,303,200
EXPENDITURES BY CLASS					
Personnel Cost	9,955,400	11,078,100	11,547,400	9,762,000	10,064,100
Operating Expenses	20,207,300	20,114,500	20,262,300	20,052,200	20,049,500
Grants Loans Benefits	30,534,500	3,500,000	3,500,000	4,000,000	3,500,000
Debt Service				178,000	356,000
Capital Outlay	4,100,000	7,547,500	7,547,500	4,257,700	4,257,700
TOTAL EXPENDITURES	64,797,200	42,240,100	42,857,200	38,249,900	38,227,300
EXPENDITURES BY FUND SOURCE					
General Fund	6,655,500	7,536,700	7,848,000	7,222,500	7,040,300
Restricted Funds	27,214,600	30,803,400	31,109,200	27,027,400	27,187,000
Federal Funds	30,534,500	3,500,000	3,500,000	3,500,000	3,500,000
Road Fund	392,600	400,000	400,000	500,000	500,000
TOTAL EXPENDITURES	64,797,200	42,240,100	42,857,200	38,249,900	38,227,300
EXPENDITURES BY UNIT					
Secretary	1,797,100	1,946,700	2,070,500	2,374,600	2,092,000
Office of General Counsel	2,127,400	2,233,900	2,367,000	1,951,300	1,989,300
Office of Administrative Services	2,826,100	3,046,100	3,158,700	2,753,900	2,779,000
Fleet Management	23,967,800	27,485,100	27,544,000	24,097,500	24,137,900
Postal Services	2,714,300	2,966,200	3,100,500	2,741,500	2,883,800
Policy and Audit	830,000	1,062,100	1,116,500	831,100	845,300
Weatherization	30,534,500	3,500,000	3,500,000	3,500,000	3,500,000
TOTAL EXPENDITURES	64,797,200	42,240,100	42,857,200	38,249,900	38,227,300

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

The Office of the Secretary, including the Office of Public Information, develops executive policy and directs the overall management of the Commonwealth's property and financial assets. Office staff coordinates fiscal and personnel administration for the Cabinet, reviews all internal reorganizations, prepares the Cabinet legislative package, and handles inquiries and issues that arise from the General Assembly, the news media, and the general public. The Secretary of Finance serves on numerous boards and commissions including the Kentucky Economic Development Partnership Board, the Kentucky Economic Development Finance Authority, the Kentucky Infrastructure Authority, the Kentucky Higher Education Assistance Authority, and

the Kentucky Housing Corporation.

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

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

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

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

Policy

The Executive Budget provides General Fund of \$178,000 in fiscal year 2013 and \$356,000 in fiscal year 2014 for debt service on \$3.5 million in new bonds for the Lexington Downtown Redevelopment Project – Planning and Design capital project.

The Executive Budget includes \$500,000 in fiscal year 2013 to support the Kentucky Home Performance program. The program leverages federal funds to provide better-than-market rate loans to families across the Commonwealth to make their homes more energy efficient, reducing overall energy demand.

**Finance and Administration
Controller**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,869,900	7,399,500	8,429,700	5,577,800	5,643,800
State Salary and Compensation Allocation	234,200				
Mandated Expenditure Reductions	-89,500				
Total General Fund	6,014,600	7,399,500	8,429,700	5,577,800	5,643,800
Restricted Funds					
Balance Forward	4,441,600	3,494,600	3,100,700	3,341,500	2,239,300
Current Receipts	2,393,500	2,175,000	2,175,000	2,175,000	2,175,000
Non-Revenue Receipts	6,420,300	5,654,700	5,030,700	7,418,500	7,438,700
Fund Transfers	-374,300				
Total Restricted Funds	12,881,100	11,324,300	10,306,400	12,935,000	11,853,000
Road Fund					
Regular Appropriation				500,000	500,000
Total Road Fund				500,000	500,000
TOTAL SOURCE OF FUNDS	18,895,700	18,723,800	18,736,100	19,012,800	17,996,800
EXPENDITURES BY CLASS					
Personnel Cost	8,117,400	8,502,000	8,819,400	10,705,700	10,840,200
Operating Expenses	7,254,900	7,121,100	7,268,000	6,067,800	6,071,500
TOTAL EXPENDITURES	15,372,300	15,623,100	16,087,400	16,773,500	16,911,700
EXPENDITURES BY FUND SOURCE					
General Fund	5,832,700	7,399,500	8,429,700	5,577,800	5,643,800
Restricted Funds	9,539,600	8,223,600	7,657,700	10,695,700	10,767,900
Road Fund				500,000	500,000
TOTAL EXPENDITURES	15,372,300	15,623,100	16,087,400	16,773,500	16,911,700
EXPENDITURES BY UNIT					
Controller	2,619,700	2,752,700	2,852,600	2,517,100	2,543,900
Local Government Services	735,400	779,000	803,500	594,600	605,300
Financial Management	4,045,200	4,073,000	4,131,100	4,788,100	4,824,300
Procurement Services	1,414,100	1,545,900	1,647,500	1,458,900	1,487,400
Customer Resource Center	5,229,600	5,052,400	5,205,100	6,117,200	6,117,200
State Risk and Insurance Services	1,328,300	1,420,100	1,447,600	1,297,600	1,333,600
TOTAL EXPENDITURES	15,372,300	15,623,100	16,087,400	16,773,500	16,911,700

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

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

The Division of Statewide Accounting Services is responsible for maintenance and operation of the central statewide accounting system and provides centralized accounting of all receipts and disbursements of the Commonwealth. In addition, this division prepares daily, monthly, and annual financial reports, which constitute a complete report of the financial activities and condition of the Commonwealth.

The Office of Financial Management manages the state's investments and debt. This includes managing cash flow to maximize the return on state investments, making debt service payments, managing the sale of bonds, and reporting to the General Assembly on all investment and debt matters. The Office is responsible for developing a long-term debt plan for the Commonwealth, including the

development of criteria for the issuance of debt, providing an evaluation of how much total state debt is justified, and evaluating revenue projections relative to proposed revenue bond issues. The Office handles all investments on behalf of the General Fund, the Capital Construction Fund, the Road Fund, and approximately 50 other accounts.

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

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

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

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

**Finance and Administration
Debt Service**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	302,232,500	420,712,700	437,722,800	420,712,700	437,722,800
Mandated Expenditure Reductions	-55,420,600				
Total General Fund	246,811,900	420,712,700	437,722,800	420,712,700	437,722,800
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	30,275,700	29,176,400	31,295,700	28,320,300	30,692,700
Continuing Approp.-Tobacco Settlement	100				
Budget Reduction-General Fund Tobacco	-2,702,700				
Total Tobacco Settlement - Phase I	27,573,100	29,176,400	31,295,700	28,320,300	30,692,700
TOTAL SOURCE OF FUNDS	274,385,000	449,889,100	469,018,500	449,033,000	468,415,500
EXPENDITURES BY CLASS					
Debt Service	252,935,300	449,889,100	469,018,500	433,844,200	453,226,700
TOTAL EXPENDITURES	252,935,300	449,889,100	469,018,500	433,844,200	453,226,700
EXPENDITURES BY FUND SOURCE					
General Fund	229,294,300	420,712,700	437,722,800	407,817,500	424,827,600
Tobacco Settlement - Phase I	23,641,000	29,176,400	31,295,700	26,026,700	28,399,100
TOTAL EXPENDITURES	252,935,300	449,889,100	469,018,500	433,844,200	453,226,700
EXPENDITURES BY UNIT					
Debt Service	252,935,300	449,889,100	469,018,500	433,844,200	453,226,700
TOTAL EXPENDITURES	252,935,300	449,889,100	469,018,500	433,844,200	453,226,700

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

Policy

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

**Finance and Administration
Facilities and Support Services**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,326,900	16,623,000	40,675,800	5,388,700	6,374,300
State Salary and Compensation Allocation	346,000				
Mandated Expenditure Reductions	-188,000				
Total General Fund	5,484,900	16,623,000	40,675,800	5,388,700	6,374,300
Restricted Funds					
Balance Forward	8,959,900	8,912,400	7,181,600	8,912,400	7,730,500
Current Receipts	37,371,200	37,371,200	37,371,200	37,371,200	37,371,200
Fund Transfers	-1,834,900				
Total Restricted Funds	44,496,200	46,283,600	44,552,800	46,283,600	45,101,700
Federal Funds					
ARRA Receipts	681,000				
Total Federal Funds	681,000				
TOTAL SOURCE OF FUNDS	50,662,100	62,906,600	85,228,600	51,672,300	51,476,000
EXPENDITURES BY CLASS					
Personnel Cost	21,964,800	25,045,700	26,217,100	22,217,100	23,223,700
Operating Expenses	17,596,600	26,411,200	28,837,400	17,706,800	18,280,800
Debt Service	30,100	30,100	21,772,100	289,100	1,173,100
Capital Outlay	1,864,200	4,238,000	3,782,700	3,728,800	3,782,700
TOTAL EXPENDITURES	41,455,700	55,725,000	80,609,300	43,941,800	46,460,300
EXPENDITURES BY FUND SOURCE					
General Fund	5,190,900	16,623,000	40,675,800	5,388,700	6,374,300
Restricted Funds	35,583,800	39,102,000	39,933,500	38,553,100	40,086,000
Federal Funds	681,000				
TOTAL EXPENDITURES	41,455,700	55,725,000	80,609,300	43,941,800	46,460,300
EXPENDITURES BY UNIT					
Commissioner's Office	538,500	602,700	22,382,400	836,900	1,746,800
Facility Development and Efficiency	4,369,400	15,692,000	17,846,400	4,621,100	4,680,600
Real Property	1,449,400	1,643,700	1,745,100	1,364,900	1,392,600
Historic Properties	386,500	389,100	403,500	315,700	319,200
Building and Mechanical Services	33,746,400	36,325,000	37,099,500	35,805,900	37,297,500
State Surplus Property	424,300	471,800	497,200	457,000	468,500
Federal Surplus Property	541,200	600,700	635,200	540,300	555,100
TOTAL EXPENDITURES	41,455,700	55,725,000	80,609,300	43,941,800	46,460,300

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

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

The Division of Engineering and Contract Administration provides professional and technical engineering and architectural services to state agencies, reviews capital construction design documents, acts as a liaison between the Department and state agencies on new construction and major maintenance projects, and monitors construction and maintenance contracts for compliance with plans and specifications. The Division is also responsible for administering the procurement process for construction projects of the Commonwealth of Kentucky, excluding roads and bridges, as prescribed by the Kentucky Model Procurement Code (KRS 45A) and the related administrative regulations. The Division prepares invitations to bid, opens and evaluates those bids, and awards contracts. The General Contracting Branch provides general construction procurement, administers the advertising and awarding of state general construction projects and related support systems, provides procurement information to state agencies, and administers procurement programs for new building construction, renovation, and mechanical, electrical, and HVAC systems. The Specialized Contracting Branch administers the advertising and awarding of state specialized construction projects and related

support systems; provides procurement information to state agencies; and administers programs such as reclamation under the Abandoned Mines Lands program, the procurement of state-owned telephone switching systems, asbestos abatement projects, and master agreements for maintenance of elevators, escalators, and similar services. The Administrative Services Branch and the Pre-Audit Branch provide support services to the Division and Department.

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

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

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

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

Policy

The Executive Budget provides General Fund in the amount of \$259,000 in fiscal year 2013 and \$1,143,000 in fiscal year 2014 for debt service on new bonds included in the capital budget.

**Finance and Administration
County Costs**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	16,739,800	17,843,800	17,843,800	15,333,700	15,333,700
Total General Fund	16,739,800	17,843,800	17,843,800	15,333,700	15,333,700
Restricted Funds					
Balance Forward	7,100				
Current Receipts	1,695,400	1,702,500	1,702,500	1,702,500	1,702,500
Total Restricted Funds	1,702,500	1,702,500	1,702,500	1,702,500	1,702,500
TOTAL SOURCE OF FUNDS	18,442,300	19,546,300	19,546,300	17,036,200	17,036,200
EXPENDITURES BY CLASS					
Personnel Cost	2,274,600	2,274,600	2,274,600	2,129,700	2,129,700
Operating Expenses	14,972,200	16,076,200	16,076,200	13,711,000	13,711,000
Grants Loans Benefits	1,195,500	1,195,500	1,195,500	1,195,500	1,195,500
TOTAL EXPENDITURES	18,442,300	19,546,300	19,546,300	17,036,200	17,036,200
EXPENDITURES BY FUND SOURCE					
General Fund	16,739,800	17,843,800	17,843,800	15,333,700	15,333,700
Restricted Funds	1,702,500	1,702,500	1,702,500	1,702,500	1,702,500
TOTAL EXPENDITURES	18,442,300	19,546,300	19,546,300	17,036,200	17,036,200
EXPENDITURES BY UNIT					
Public Defender Program	2,231,600	2,231,600	2,231,600	2,086,700	2,086,700
Witnesses	100,000	100,000	100,000	91,600	91,600
DUI Service Fees	1,195,500	1,195,500	1,195,500	1,195,500	1,195,500
Sheriffs Fees'	9,900,000	11,004,000	11,004,000	9,068,400	9,068,400
County Clerks (Make Tax Bills)	250,000	250,000	250,000	229,000	229,000
Board Of Assessment Appeals	60,000	60,000	60,000	55,000	55,000
Fugitive From Justice	1,225,000	1,225,000	1,225,000	1,122,100	1,122,100
Jury Fund	3,000,000	3,000,000	3,000,000	2,748,000	2,748,000
Sheriffs Expense Allowance	466,600	466,600	466,600	427,400	427,400
Premium On Sheriffs' Bonds	13,600	13,600	13,600	12,500	12,500
TOTAL EXPENDITURES	18,442,300	19,546,300	19,546,300	17,036,200	17,036,200

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

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

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

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

Policy

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

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

**Finance and Administration
Commonwealth Office of Technology**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation			2,611,000		
Total General Fund			2,611,000		
Restricted Funds					
Balance Forward	17,155,300	20,218,600	11,742,300	20,217,100	13,086,600
Current Receipts	67,846,800	67,846,800	67,846,800	67,846,800	67,846,800
Non-Revenue Receipts	533,100	627,100	659,400	220,100	220,100
Fund Transfers	-3,710,100				
Total Restricted Funds	81,825,100	88,692,500	80,248,500	88,284,000	81,153,500
Federal Funds					
Current Receipts		50,000	50,000	50,000	50,000
ARRA Receipts	3,031,400	471,700	291,000	471,700	291,000
Total Federal Funds	3,031,400	521,700	341,000	521,700	341,000
TOTAL SOURCE OF FUNDS	84,856,500	89,214,200	83,200,500	88,805,700	81,494,500
EXPENDITURES BY CLASS					
Personnel Cost	35,195,800	44,135,000	45,825,400	41,344,400	42,100,500
Operating Expenses	22,983,000	28,213,900	28,187,900	25,576,700	28,456,900
Grants Loans Benefits	3,031,400	521,700	341,000	521,700	341,000
Debt Service			2,611,000		
Capital Outlay	3,429,200	4,601,300	3,429,200	8,276,300	8,276,300
TOTAL EXPENDITURES	64,639,400	77,471,900	80,394,500	75,719,100	79,174,700
EXPENDITURES BY FUND SOURCE					
General Fund			2,611,000		
Restricted Funds	61,608,000	76,950,200	77,442,500	75,197,400	78,833,700
Federal Funds	3,031,400	521,700	341,000	521,700	341,000
TOTAL EXPENDITURES	64,639,400	77,471,900	80,394,500	75,719,100	79,174,700
EXPENDITURES BY UNIT					
Commonwealth Office of Technology	5,759,900	4,509,100	5,908,800	8,073,100	8,011,300
Chief Information Security Officer	1,325,600	1,357,000	1,915,700	1,381,800	1,401,600
Application Development	10,359,500	12,360,300	12,700,500	10,796,700	10,951,500
Infrastructure Services	45,615,400	56,908,500	57,476,100	53,171,900	56,467,300
Office of Enterprise Technology	1,579,000	2,337,000	2,393,400	2,295,600	2,343,000
TOTAL EXPENDITURES	64,639,400	77,471,900	80,394,500	75,719,100	79,174,700

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

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

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

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

The Office of Application Development analyzes, designs, develops and installs systems and applications for client agencies throughout state government. Support is provided for systems that drive mission-critical activities for the Commonwealth,

including public assistance, public health and safety, collection of taxes, and financial and personnel management of state government. The Office provides consulting services and support in a broad range of technical environments including Windows NT, 2000, and XP; UNIX; and Z/OS using languages such as Java, VB, .NET, COBOL, SAS, and others.

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

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

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

**Finance and Administration
Revenue**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	73,086,800	88,800,300	94,261,800	88,472,600	87,420,700
State Salary and Compensation Allocation	2,902,700				
Mandated Expenditure Reductions	-2,582,100				
Total General Fund	73,407,400	88,800,300	94,261,800	88,472,600	87,420,700
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	275,000	260,500	260,500	246,600	243,100
Budget Reduction-General Fund Tobacco	-14,500				
Total Tobacco Settlement - Phase I	260,500	260,500	260,500	246,600	243,100
Restricted Funds					
Balance Forward	4,470,300	3,225,100	2,072,800	3,225,100	2,721,800
Current Receipts	6,559,700	6,559,700	6,559,700	6,559,700	6,559,700
Non-Revenue Receipts	-1,200,000				
Fund Transfers	-214,900				
Total Restricted Funds	9,615,100	9,784,800	8,632,500	9,784,800	9,281,500
Federal Funds					
Non-Revenue Receipts	1,200				
Total Federal Funds	1,200				
Road Fund					
Regular Appropriation	2,325,000	2,798,000	2,798,000	2,857,200	2,910,200
Current Year Appropriation	395,400				
Total Road Fund	2,720,400	2,798,000	2,798,000	2,857,200	2,910,200
TOTAL SOURCE OF FUNDS	86,004,600	101,643,600	105,952,800	101,361,200	99,855,500
EXPENDITURES BY CLASS					
Personnel Cost	55,443,400	69,178,700	72,483,700	68,462,100	70,111,400
Operating Expenses	24,829,900	30,392,100	31,406,000	29,989,800	27,588,400
Debt Service			1,353,000		
Capital Outlay				187,500	
TOTAL EXPENDITURES	80,273,300	99,570,800	105,242,700	98,639,400	97,699,800
EXPENDITURES BY FUND SOURCE					
General Fund	70,991,600	88,800,300	94,261,800	88,472,600	87,420,700
Tobacco Settlement - Phase I	260,500	260,500	260,500	246,600	243,100
Restricted Funds	6,390,000	7,712,000	7,922,400	7,063,000	7,125,800
Federal Funds	1,200				
Road Fund	2,630,000	2,798,000	2,798,000	2,857,200	2,910,200
TOTAL EXPENDITURES	80,273,300	99,570,800	105,242,700	98,639,400	97,699,800
EXPENDITURES BY UNIT					
Commissioner's Office	27,426,000	33,737,200	36,344,600	27,776,400	28,076,900
Property Valuation	5,527,900	7,319,900	7,344,600	6,209,400	6,128,700
Field Operations	12,320,500	14,660,600	15,150,700	13,238,700	13,405,300
Income Taxation	7,348,000	8,381,300	8,822,300	7,935,800	7,959,300
Sales and Excise Taxes	6,232,400	8,503,000	8,726,300	6,632,600	6,764,600
Processing and Enforcement	21,418,500	26,968,800	28,854,200	36,846,500	35,365,000
TOTAL EXPENDITURES	80,273,300	99,570,800	105,242,700	98,639,400	97,699,800

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

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

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

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

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

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

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

Policy

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

General Fund in the amount of \$13,910,500 in fiscal year 2013 and \$11,839,500 in fiscal year 2014 is included to support the costs associated with implementing a tax amnesty program and other revenue enhancement initiatives.

**Finance and Administration
Property Valuation Administrators**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	34,622,800	47,206,300	46,540,700	36,539,200	37,364,700
State Salary and Compensation Allocation	2,341,500				
Mandated Expenditure Reductions	-538,500				
Total General Fund	36,425,800	47,206,300	46,540,700	36,539,200	37,364,700
Restricted Funds					
Balance Forward	270,000	68,700	34,300	68,700	
Current Receipts	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000
Total Restricted Funds	3,770,000	3,568,700	3,534,300	3,568,700	3,500,000
TOTAL SOURCE OF FUNDS	40,195,800	50,775,000	50,075,000	40,107,900	40,864,700
EXPENDITURES BY CLASS					
Personnel Cost	38,415,200	50,258,600	49,592,900	40,107,900	40,864,700
Operating Expenses	23,400	482,100	482,100		
TOTAL EXPENDITURES	38,438,600	50,740,700	50,075,000	40,107,900	40,864,700
EXPENDITURES BY FUND SOURCE					
General Fund	34,737,300	47,206,300	46,540,700	36,539,200	37,364,700
Restricted Funds	3,701,300	3,534,400	3,534,300	3,568,700	3,500,000
TOTAL EXPENDITURES	38,438,600	50,740,700	50,075,000	40,107,900	40,864,700
EXPENDITURES BY UNIT					
Property Valuation Administrators	38,438,600	50,740,700	50,075,000	40,107,900	40,864,700
TOTAL EXPENDITURES	38,438,600	50,740,700	50,075,000	40,107,900	40,864,700

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

Health and Family Services

Health and Family Services

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,107,732,800	2,324,687,100	2,507,503,800	1,998,891,400	2,187,865,200
State Salary and Compensation Allocation	7,255,800				
Special Appropriation	-97,295,800				
Continuing Approp.-General Fund	16,350,700				
Mandated Expenditure Reductions	-6,161,200				
Total General Fund	2,027,882,300	2,324,687,100	2,507,503,800	1,998,891,400	2,187,865,200
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	24,930,100	22,686,600	21,954,300	22,336,600	22,120,600
Continuing Approp.-Tobacco Settlement	1,516,900				
Budget Reduction-General Fund Tobacco	-1,476,400				
Total Tobacco Settlement - Phase I	24,970,600	22,686,600	21,954,300	22,336,600	22,120,600
Restricted Funds					
Balance Forward	73,103,606	17,746,600	9,741,600	17,509,000	8,654,700
Current Receipts	609,405,194	591,662,700	600,009,700	585,071,800	590,476,800
Non-Revenue Receipts	322,470,000	321,834,200	323,024,300	371,837,100	329,125,800
Fund Transfers	-6,537,100				
Total Restricted Funds	998,441,700	931,243,500	932,775,600	974,417,900	928,257,300
Federal Funds					
Balance Forward	79,018,700				
Current Receipts	5,217,702,500	5,174,127,300	6,210,110,100	4,968,806,800	5,229,651,700
Non-Revenue Receipts	217,300	217,300	217,300	217,300	217,300
ARRA Receipts	353,300				
Total Federal Funds	5,297,291,800	5,174,344,600	6,210,327,400	4,969,024,100	5,229,869,000
TOTAL SOURCE OF FUNDS	8,348,586,400	8,452,961,800	9,672,561,100	7,964,670,000	8,368,112,100
EXPENDITURES BY CLASS					
Personnel Cost	628,237,600	713,328,800	734,633,100	672,613,700	679,981,300
Operating Expenses	117,104,600	125,713,700	125,079,700	112,857,700	108,932,700
Grants Loans Benefits	7,577,439,600	7,598,597,100	8,788,991,700	7,167,503,500	7,566,964,100
Debt Service			16,862,000	540,500	8,926,800
Capital Outlay	1,980,500	5,460,600	4,556,300	2,379,900	1,540,300
Construction	120,000	120,000	120,000	120,000	120,000
TOTAL EXPENDITURES	8,324,882,300	8,443,220,200	9,670,242,800	7,956,015,300	8,366,465,200
EXPENDITURES BY FUND SOURCE					
General Fund	2,021,703,000	2,324,687,100	2,507,503,800	1,998,891,400	2,187,865,200
Tobacco Settlement - Phase I	24,954,800	22,686,600	21,954,300	22,336,600	22,120,600
Restricted Funds	980,932,700	921,501,900	930,457,300	965,763,200	926,610,400
Federal Funds	5,297,291,800	5,174,344,600	6,210,327,400	4,969,024,100	5,229,869,000
TOTAL EXPENDITURES	8,324,882,300	8,443,220,200	9,670,242,800	7,956,015,300	8,366,465,200
EXPENDITURES BY UNIT					
General Administration and Program Support	79,299,600	100,123,800	102,945,600	84,061,100	83,665,500
Comm for Children with Special Health Care Needs	16,292,300	17,666,500	17,888,300	16,408,600	16,298,500
Medicaid Services	6,189,849,300	6,147,074,800	7,339,777,500	5,909,886,900	6,323,089,600
Behavioral Health, Developmental & Intellectual Disabilities	459,090,600	493,395,400	518,450,600	445,123,900	459,811,800
Public Health	429,722,600	430,857,400	415,680,900	396,250,100	378,376,200
Health Policy	8,965,900	4,605,400	2,728,400	1,609,000	1,214,800
Family Resource Centers and Volunteer Services	3,843,000	3,983,100	4,015,600	3,601,000	3,601,800

Income Support	106,963,800	111,394,400	116,532,400	109,856,900	110,225,400
Community Based Services	967,451,600	1,058,645,300	1,074,368,000	930,275,900	931,652,300
Aging and Independent Living	63,403,600	75,474,100	77,855,500	58,941,900	58,529,300
TOTAL EXPENDITURES	8,324,882,300	8,443,220,200	9,670,242,800	7,956,015,300	8,366,465,200

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

Executive Order 2008-504 was superseded by Executive Orders 2009-541, 2010-431 and 2011-353 and created the current appropriation unit and organizational structure of the Cabinet. Executive Order 2011-792 created the Kentucky All Schedule Prescription Electronic Reporting (KASPER) Advisory Council which is provided staff support by the Cabinet for Health and Family Services.

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	33,753,400	46,238,400	47,493,200	33,742,700	33,811,100
State Salary and Compensation Allocation	1,039,800				
Mandated Expenditure Reductions	-1,260,300				
Total General Fund	33,532,900	46,238,400	47,493,200	33,742,700	33,811,100
Restricted Funds					
Balance Forward	1,328,800	1,253,300	876,300	1,253,300	274,300
Current Receipts	3,933,500	3,959,000	4,531,200	3,959,000	3,958,900
Non-Revenue Receipts	5,674,800	5,499,800	5,499,800	5,499,800	5,499,800
Fund Transfers	-386,900				
Total Restricted Funds	10,550,200	10,712,100	10,907,300	10,712,100	9,733,000
Federal Funds					
Balance Forward	4,355,400				
Current Receipts	32,933,000	44,049,600	44,680,500	39,880,600	40,121,400
Total Federal Funds	37,288,400	44,049,600	44,680,500	39,880,600	40,121,400
TOTAL SOURCE OF FUNDS	81,371,500	101,000,100	103,081,000	84,335,400	83,665,500
EXPENDITURES BY CLASS					
Personnel Cost	51,268,400	67,476,500	69,439,000	56,711,500	57,119,800
Operating Expenses	26,471,200	27,657,300	27,161,000	25,312,300	24,847,100
Debt Service			2,015,000	128,000	384,000
Capital Outlay	1,440,000	4,870,000	4,210,600	1,789,300	1,194,600
Construction	120,000	120,000	120,000	120,000	120,000
TOTAL EXPENDITURES	79,299,600	100,123,800	102,945,600	84,061,100	83,665,500
EXPENDITURES BY FUND SOURCE					
General Fund	32,714,300	46,238,400	47,493,200	33,742,700	33,811,100
Restricted Funds	9,296,900	9,835,800	10,771,900	10,437,800	9,733,000
Federal Funds	37,288,400	44,049,600	44,680,500	39,880,600	40,121,400
TOTAL EXPENDITURES	79,299,600	100,123,800	102,945,600	84,061,100	83,665,500
EXPENDITURES BY UNIT					
Administrative Support	60,104,500	75,830,100	78,521,700	61,468,600	61,484,400
Inspector General	19,195,100	24,293,700	24,423,900	22,592,500	22,181,100
TOTAL EXPENDITURES	79,299,600	100,123,800	102,945,600	84,061,100	83,665,500

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

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

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	28,345,800	38,318,200	40,347,500	27,027,400	27,313,100
State Salary and Compensation Allocation	647,400				
Mandated Expenditure Reductions	-1,150,500				
Total General Fund	27,842,700	38,318,200	40,347,500	27,027,400	27,313,100
Restricted Funds					
Balance Forward	656,300	554,200	341,900	554,200	274,300
Current Receipts	2,681,000	2,681,000	3,253,300	2,681,000	2,681,000
Non-Revenue Receipts	5,699,800	5,524,800	5,524,800	5,524,800	5,524,800
Fund Transfers	-274,700				
Total Restricted Funds	8,762,400	8,760,000	9,120,000	8,760,000	8,480,100
Federal Funds					
Balance Forward	3,132,300				
Current Receipts	21,431,000	29,093,800	29,183,800	25,955,500	25,691,200
Total Federal Funds	24,563,300	29,093,800	29,183,800	25,955,500	25,691,200
TOTAL SOURCE OF FUNDS	61,168,400	76,172,000	78,651,300	61,742,900	61,484,400
EXPENDITURES BY CLASS					
Personnel Cost	35,089,400	46,523,400	47,634,700	37,441,800	37,540,500
Operating Expenses	24,055,100	24,960,400	24,841,400	22,633,200	22,545,300
Debt Service			2,015,000	128,000	384,000
Capital Outlay	840,000	4,226,300	3,910,600	1,145,600	894,600
Construction	120,000	120,000	120,000	120,000	120,000
TOTAL EXPENDITURES	60,104,500	75,830,100	78,521,700	61,468,600	61,484,400
EXPENDITURES BY FUND SOURCE					
General Fund	27,333,000	38,318,200	40,347,500	27,027,400	27,313,100
Restricted Funds	8,208,200	8,418,100	8,990,400	8,485,700	8,480,100
Federal Funds	24,563,300	29,093,800	29,183,800	25,955,500	25,691,200
TOTAL EXPENDITURES	60,104,500	75,830,100	78,521,700	61,468,600	61,484,400

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

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

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

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

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

Administrative Regulations, and the policy guidelines of the Secretary of the Cabinet.

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

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

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

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

Policy

The Executive Budget includes General Fund in the amount of \$128,000 in fiscal year 2013 and \$384,000 in fiscal year 2014 to support \$5,000,000 in bonds for the cabinets 2012-2014 Maintenance Pool project.

The Executive Budget includes \$2,445,000 in fiscal year 2013 and \$1,820,000 in fiscal year 2014 for the Kentucky All Schedule Prescription Electronic Reporting System (KASPER) maintenance, ongoing operations, and enhanced analysis to monitor the prescribing and dispensing of controlled substances.

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,407,600	7,920,200	7,145,700	6,715,300	6,498,000
State Salary and Compensation Allocation	392,400				
Mandated Expenditure Reductions	-109,800				
Total General Fund	5,690,200	7,920,200	7,145,700	6,715,300	6,498,000
Restricted Funds					
Balance Forward	672,500	699,100	534,400	699,100	
Current Receipts	1,252,500	1,278,000	1,277,900	1,278,000	1,277,900
Non-Revenue Receipts	-25,000	-25,000	-25,000	-25,000	-25,000
Fund Transfers	-112,200				
Total Restricted Funds	1,787,800	1,952,100	1,787,300	1,952,100	1,252,900
Federal Funds					
Balance Forward	1,223,100				
Current Receipts	11,502,000	14,955,800	15,496,700	13,925,100	14,430,200
Total Federal Funds	12,725,100	14,955,800	15,496,700	13,925,100	14,430,200
TOTAL SOURCE OF FUNDS	20,203,100	24,828,100	24,429,700	22,592,500	22,181,100
EXPENDITURES BY CLASS					
Personnel Cost	16,179,000	20,953,100	21,804,300	19,269,700	19,579,300
Operating Expenses	2,416,100	2,696,900	2,319,600	2,679,100	2,301,800
Capital Outlay	600,000	643,700	300,000	643,700	300,000
TOTAL EXPENDITURES	19,195,100	24,293,700	24,423,900	22,592,500	22,181,100
EXPENDITURES BY FUND SOURCE					
General Fund	5,381,300	7,920,200	7,145,700	6,715,300	6,498,000
Restricted Funds	1,088,700	1,417,700	1,781,500	1,952,100	1,252,900
Federal Funds	12,725,100	14,955,800	15,496,700	13,925,100	14,430,200
TOTAL EXPENDITURES	19,195,100	24,293,700	24,423,900	22,592,500	22,181,100

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

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

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

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,934,700	5,931,900	6,351,400	4,674,000	4,761,600
State Salary and Compensation Allocation	242,700				
Mandated Expenditure Reductions	-174,000				
Total General Fund	5,003,400	5,931,900	6,351,400	4,674,000	4,761,600
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	350,000	100,000		100,000	
Budget Reduction-General Fund Tobacco	-136,400				
Total Tobacco Settlement - Phase I	213,600	100,000		100,000	
Restricted Funds					
Balance Forward	1,059,000				
Current Receipts	5,962,900	7,021,900	7,021,900	7,021,900	7,021,900
Non-Revenue Receipts	-50,000	-51,100	-51,100	-51,100	-51,100
Fund Transfers	-149,500				
Total Restricted Funds	6,822,400	6,970,800	6,970,800	6,970,800	6,970,800
Federal Funds					
Current Receipts	4,468,400	4,663,800	4,566,100	4,663,800	4,566,100
Total Federal Funds	4,468,400	4,663,800	4,566,100	4,663,800	4,566,100
TOTAL SOURCE OF FUNDS	16,507,800	17,666,500	17,888,300	16,408,600	16,298,500
EXPENDITURES BY CLASS					
Personnel Cost	10,681,700	12,070,400	12,417,200	10,987,500	11,063,200
Operating Expenses	2,033,200	2,024,600	1,991,900	1,953,000	1,898,000
Grants Loans Benefits	3,269,400	3,311,500	3,314,100	3,208,100	3,172,200
Capital Outlay	308,000	260,000	165,100	260,000	165,100
TOTAL EXPENDITURES	16,292,300	17,666,500	17,888,300	16,408,600	16,298,500
EXPENDITURES BY FUND SOURCE					
General Fund	4,803,700	5,931,900	6,351,400	4,674,000	4,761,600
Tobacco Settlement - Phase I	197,800	100,000		100,000	
Restricted Funds	6,822,400	6,970,800	6,970,800	6,970,800	6,970,800
Federal Funds	4,468,400	4,663,800	4,566,100	4,663,800	4,566,100
TOTAL EXPENDITURES	16,292,300	17,666,500	17,888,300	16,408,600	16,298,500
EXPENDITURES BY UNIT					
Children's Health Services	16,292,300	17,666,500	17,888,300	16,408,600	16,298,500
TOTAL EXPENDITURES	16,292,300	17,666,500	17,888,300	16,408,600	16,298,500

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

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

Detection and Intervention Program provides surveillance and support for statewide screening for the early detection of hearing disorders and referral for follow-up treatment. The Hemophilia Program provides medical and social services to children and adults with blood disorders. The Foster Care Program represents a collaborative effort with the Department of Community Based Services to provide medical consultation services to the foster care support program by making regular home visits to the entire population of medically fragile foster care children and acting as onsite, medical resources for the social workers charged with responsibility for both children who are currently in the child welfare system and those who may be at risk for entering that system.

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

**Health and Family Services
Medicaid Services**

	Revised FY2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,471,195,700	1,457,401,900	1,587,997,000	1,340,451,800	1,516,479,700
State Salary and Compensation Allocation	296,900				
Special Appropriation	-97,295,800				
Continuing Approp.-General Fund	16,350,700				
Mandated Expenditure Reductions	-744,500				
Total General Fund	1,389,803,000	1,457,401,900	1,587,997,000	1,340,451,800	1,516,479,700
Restricted Funds					
Balance Forward	41,340,700				
Current Receipts	62,032,000	62,032,000	62,032,000	62,078,400	62,063,200
Non-Revenue Receipts	338,992,700	339,402,500	342,407,400	388,928,100	346,819,500
Total Restricted Funds	442,365,400	401,434,500	404,439,400	451,006,500	408,882,700
Federal Funds					
Balance Forward	47,950,800				
Current Receipts	4,309,998,900	4,288,238,400	5,347,341,100	4,118,428,600	4,397,727,200
Total Federal Funds	4,357,949,700	4,288,238,400	5,347,341,100	4,118,428,600	4,397,727,200
TOTAL SOURCE OF FUNDS	6,190,118,100	6,147,074,800	7,339,777,500	5,909,886,900	6,323,089,600
EXPENDITURES BY CLASS					
Personnel Cost	76,526,700	79,311,900	86,629,700	74,167,000	74,349,600
Operating Expenses	1,672,700	2,224,200	2,467,900	1,672,700	1,672,700
Grants Loans Benefits	6,111,624,900	6,065,513,700	7,250,654,900	5,833,660,700	6,246,319,300
Debt Service				361,500	723,000
Capital Outlay	25,000	25,000	25,000	25,000	25,000
TOTAL EXPENDITURES	6,189,849,300	6,147,074,800	7,339,777,500	5,909,886,900	6,323,089,600
EXPENDITURES BY FUND SOURCE					
General Fund	1,389,534,200	1,457,401,900	1,587,997,000	1,340,451,800	1,516,479,700
Restricted Funds	442,365,400	401,434,500	404,439,400	451,006,500	408,882,700
Federal Funds	4,357,949,700	4,288,238,400	5,347,341,100	4,118,428,600	4,397,727,200
TOTAL EXPENDITURES	6,189,849,300	6,147,074,800	7,339,777,500	5,909,886,900	6,323,089,600
EXPENDITURES BY UNIT					
Medicaid Administration	109,542,200	113,482,900	121,019,400	106,751,400	107,270,500
Medicaid Benefits	6,080,307,100	6,033,591,900	7,218,758,100	5,803,135,500	6,215,819,100
TOTAL EXPENDITURES	6,189,849,300	6,147,074,800	7,339,777,500	5,909,886,900	6,323,089,600

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

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

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	35,940,100	36,690,800	39,954,000	35,954,500	36,404,800
State Salary and Compensation Allocation	296,900				
Mandated Expenditure Reductions	-744,500				
Total General Fund	35,492,500	36,690,800	39,954,000	35,954,500	36,404,800
Restricted Funds					
Balance Forward	10,845,200				
Current Receipts	22,000	22,000	22,000	68,400	53,200
Non-Revenue Receipts	3,229,700	14,549,300	14,632,800	14,074,900	14,074,900
Total Restricted Funds	14,096,900	14,571,300	14,654,800	14,143,300	14,128,100
Federal Funds					
Balance Forward	17,358,800				
Current Receipts	42,862,800	62,220,800	66,410,600	56,653,600	56,737,600
Total Federal Funds	60,221,600	62,220,800	66,410,600	56,653,600	56,737,600
TOTAL SOURCE OF FUNDS	109,811,000	113,482,900	121,019,400	106,751,400	107,270,500
EXPENDITURES BY CLASS					
Personnel Cost	76,526,700	79,311,900	86,629,700	74,167,000	74,349,600
Operating Expenses	1,672,700	2,224,200	2,467,900	1,672,700	1,672,700
Grants Loans Benefits	31,317,800	31,921,800	31,896,800	30,525,200	30,500,200
Debt Service				361,500	723,000
Capital Outlay	25,000	25,000	25,000	25,000	25,000
TOTAL EXPENDITURES	109,542,200	113,482,900	121,019,400	106,751,400	107,270,500
EXPENDITURES BY FUND SOURCE					
General Fund	35,223,700	36,690,800	39,954,000	35,954,500	36,404,800
Restricted Funds	14,096,900	14,571,300	14,654,800	14,143,300	14,128,100
Federal Funds	60,221,600	62,220,800	66,410,600	56,653,600	56,737,600
TOTAL EXPENDITURES	109,542,200	113,482,900	121,019,400	106,751,400	107,270,500
EXPENDITURES BY UNIT					
Medical Assistance Administration	107,922,100	111,862,800	119,399,300	105,131,300	105,650,400
KCHIP Administration	1,620,100	1,620,100	1,620,100	1,620,100	1,620,100
TOTAL EXPENDITURES	109,542,200	113,482,900	121,019,400	106,751,400	107,270,500

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

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

Policy

Included in the General Fund is \$361,500 in fiscal year 2013 and \$723,000 in fiscal year 2014 for debt service for a new Medicaid Eligibility System. The project will provide for the design, development and implementation of a web-based Medicaid Eligibility System. The federal government will pay for \$45,000,000 of the expected \$50,000,000 total project cost.

Health and Family Services

Medicaid Services

Medicaid Benefits

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,435,255,600	1,420,711,100	1,548,043,000	1,304,497,300	1,480,074,900
Special Appropriation	-97,295,800				
Continuing Approp.-General Fund	16,350,700				
Total General Fund	1,354,310,500	1,420,711,100	1,548,043,000	1,304,497,300	1,480,074,900
Restricted Funds					
Balance Forward	30,495,500				
Current Receipts	62,010,000	62,010,000	62,010,000	62,010,000	62,010,000
Non-Revenue Receipts	335,763,000	324,853,200	327,774,600	374,853,200	332,744,600
Total Restricted Funds	428,268,500	386,863,200	389,784,600	436,863,200	394,754,600
Federal Funds					
Balance Forward	30,592,000				
Current Receipts	4,267,136,100	4,226,017,600	5,280,930,500	4,061,775,000	4,340,989,600
Total Federal Funds	4,297,728,100	4,226,017,600	5,280,930,500	4,061,775,000	4,340,989,600
TOTAL SOURCE OF FUNDS	6,080,307,100	6,033,591,900	7,218,758,100	5,803,135,500	6,215,819,100
EXPENDITURES BY CLASS					
Grants Loans Benefits	6,080,307,100	6,033,591,900	7,218,758,100	5,803,135,500	6,215,819,100
TOTAL EXPENDITURES	6,080,307,100	6,033,591,900	7,218,758,100	5,803,135,500	6,215,819,100
EXPENDITURES BY FUND SOURCE					
General Fund	1,354,310,500	1,420,711,100	1,548,043,000	1,304,497,300	1,480,074,900
Restricted Funds	428,268,500	386,863,200	389,784,600	436,863,200	394,754,600
Federal Funds	4,297,728,100	4,226,017,600	5,280,930,500	4,061,775,000	4,340,989,600
TOTAL EXPENDITURES	6,080,307,100	6,033,591,900	7,218,758,100	5,803,135,500	6,215,819,100
EXPENDITURES BY UNIT					
Medicaid Benefits	5,914,552,200	5,861,425,100	7,039,603,800	5,630,968,700	6,036,664,800
KCHIP Benefits	165,754,900	172,166,800	179,154,300	172,166,800	179,154,300
TOTAL EXPENDITURES	6,080,307,100	6,033,591,900	7,218,758,100	5,803,135,500	6,215,819,100

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

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

Kentucky Medical Assistance Program (KMAP) Recipient Groups

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

Categorically Eligible: This group includes the following individuals: low-income families with dependent children, children in foster

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

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

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

Although the aged, blind, and disabled (both categorically and medically needy) represent only 33 percent of the Medicaid population, they account for approximately 64 percent of Medicaid expenditures. The recommended budget assumes average monthly Medicaid eligibles of 852,470 in fiscal year 2013 and 870,550 in fiscal year 2014; and average monthly KCHIP eligibles of 67,993 in fiscal year 2013 and 69,103 in fiscal year 2014.

Projecting Benefits Cost

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

Provider Taxes

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

Disproportionate Share Hospital (DSH) Payments

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

Managed Care

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

Benefit Match Rate

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

year 2013 and 79.39 percent in fiscal year 2014.

Quality and Charity Care Trust Fund

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

Kentucky Children's Health Insurance Program (KCHIP)

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

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

Policy

The Executive Budget provides additional General Fund of \$3,300,000 in fiscal year 2013 and \$10,200,000 in fiscal year 2014 to continue the roll-out of the Supports for Community Living program. There will be 450 slots added in fiscal year 2013 and an additional 350 slots added in fiscal year 2014 for a total of 800 new slots added over the biennium. The total funds added to the Supports for Community Living program for increased slots for fiscal year 2013 is \$11,266,600 and \$34,635,100 in fiscal year 2014.

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

The Executive Budget provides additional funding to seek a Medicaid State Plan Amendment to serve Medicaid eligible adolescents and adults with substance use disorders (SUD). Services will include individual therapy, group therapy, peer support and intensive case management. General Fund of \$3,400,000 in fiscal year 2013 and \$4,400,000 in fiscal year 2014 is included in the Executive Budget to provide 4,500 new slots in fiscal year 2013 and an additional 1,300 slots in fiscal year 2014 for a total of 5,800 new slots in the biennium. The total funds added for this new program substance use disorder treatment is \$11,608,000 in fiscal year 2013 and \$14,940,600 in fiscal year 2014.

Health and Family Services
Behavioral Health, Developmental & Intellectual Disabilities

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	179,705,100	228,437,600	253,988,700	182,593,000	197,183,600
State Salary and Compensation Allocation	782,900				
Total General Fund	180,488,000	228,437,600	253,988,700	182,593,000	197,183,600
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	900,000	822,100	794,100	683,400	697,400
Continuing Approp.-Tobacco Settlement	69,300				
Budget Reduction-General Fund Tobacco	-56,700				
Total Tobacco Settlement - Phase I	912,600	822,100	794,100	683,400	697,400
Restricted Funds					
Balance Forward	2,024,806				
Current Receipts	234,990,994	222,970,900	222,443,000	220,846,100	220,851,700
Non-Revenue Receipts	5,678,600	5,932,100	5,953,100	5,886,100	5,890,100
Fund Transfers	-2,019,700				
Total Restricted Funds	240,674,700	228,903,000	228,396,100	226,732,200	226,741,800
Federal Funds					
Current Receipts	37,787,000	35,232,700	35,271,700	35,115,300	35,189,000
Total Federal Funds	37,787,000	35,232,700	35,271,700	35,115,300	35,189,000
TOTAL SOURCE OF FUNDS	459,862,300	493,395,400	518,450,600	445,123,900	459,811,800
EXPENDITURES BY CLASS					
Personnel Cost	123,974,400	131,473,400	133,606,900	127,639,700	128,956,400
Operating Expenses	22,339,800	21,634,500	21,644,700	21,523,700	21,533,900
Grants Loans Benefits	312,568,900	340,131,900	356,259,400	295,753,900	301,346,100
Debt Service			6,784,000	51,000	7,819,800
Capital Outlay	207,500	155,600	155,600	155,600	155,600
TOTAL EXPENDITURES	459,090,600	493,395,400	518,450,600	445,123,900	459,811,800
EXPENDITURES BY FUND SOURCE					
General Fund	179,716,300	228,437,600	253,988,700	182,593,000	197,183,600
Tobacco Settlement - Phase I	912,600	822,100	794,100	683,400	697,400
Restricted Funds	240,674,700	228,903,000	228,396,100	226,732,200	226,741,800
Federal Funds	37,787,000	35,232,700	35,271,700	35,115,300	35,189,000
TOTAL EXPENDITURES	459,090,600	493,395,400	518,450,600	445,123,900	459,811,800
EXPENDITURES BY UNIT					
Community Behavioral Health	123,362,400	129,362,900	129,500,700	120,707,600	120,767,200
Community Developmental and Intellectual Disabilities	27,576,300	27,903,100	27,996,300	27,589,800	27,683,900
General Support	32,721,400	52,393,300	52,509,100	33,688,300	34,376,300
Residential	275,430,500	283,736,100	308,444,500	263,138,200	276,984,400
TOTAL EXPENDITURES	459,090,600	493,395,400	518,450,600	445,123,900	459,811,800

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	46,798,900	55,369,700	55,532,800	46,857,700	46,897,700
State Salary and Compensation Allocation	16,000				
Total General Fund	46,814,900	55,369,700	55,532,800	46,857,700	46,897,700
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	900,000	822,100	794,100	683,400	697,400
Continuing Approp.-Tobacco Settlement	69,300				
Budget Reduction-General Fund Tobacco	-56,700				
Total Tobacco Settlement - Phase I	912,600	822,100	794,100	683,400	697,400
Restricted Funds					
Balance Forward	1,888,806				
Current Receipts	38,630,694	40,452,000	40,452,000	40,455,100	40,460,700
Non-Revenue Receipts	2,757,300	2,828,600	2,830,000	2,824,800	2,824,800
Fund Transfers	-1,800				
Total Restricted Funds	43,275,000	43,280,600	43,282,000	43,279,900	43,285,500
Federal Funds					
Current Receipts	32,448,400	29,890,500	29,891,800	29,886,600	29,886,600
Total Federal Funds	32,448,400	29,890,500	29,891,800	29,886,600	29,886,600
TOTAL SOURCE OF FUNDS	123,450,900	129,362,900	129,500,700	120,707,600	120,767,200
EXPENDITURES BY CLASS					
Personnel Cost	4,525,400	5,049,000	5,071,100	4,859,800	4,852,300
Operating Expenses	573,800	576,500	576,500	573,800	573,800
Grants Loans Benefits	118,263,200	123,737,400	123,853,100	115,274,000	115,341,100
TOTAL EXPENDITURES	123,362,400	129,362,900	129,500,700	120,707,600	120,767,200
EXPENDITURES BY FUND SOURCE					
General Fund	46,726,400	55,369,700	55,532,800	46,857,700	46,897,700
Tobacco Settlement - Phase I	912,600	822,100	794,100	683,400	697,400
Restricted Funds	43,275,000	43,280,600	43,282,000	43,279,900	43,285,500
Federal Funds	32,448,400	29,890,500	29,891,800	29,886,600	29,886,600
TOTAL EXPENDITURES	123,362,400	129,362,900	129,500,700	120,707,600	120,767,200
EXPENDITURES BY UNIT					
Community Alcohol and Drug Services	36,386,600	37,361,800	37,360,700	34,403,200	34,433,300
Community Mental Health Services	86,975,800	92,001,100	92,140,000	86,304,400	86,333,900
TOTAL EXPENDITURES	123,362,400	129,362,900	129,500,700	120,707,600	120,767,200

Community Mental Health Services

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

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

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

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

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

Community Alcohol and Drug Services

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

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	19,829,600	20,010,800	20,040,500	19,847,000	19,863,400
Total General Fund	19,829,600	20,010,800	20,040,500	19,847,000	19,863,400
Restricted Funds					
Balance Forward	136,000				
Non-Revenue Receipts	2,921,300	3,103,500	3,123,100	3,061,300	3,065,300
Fund Transfers	-23,000				
Total Restricted Funds	3,034,300	3,103,500	3,123,100	3,061,300	3,065,300
Federal Funds					
Current Receipts	4,744,800	4,788,800	4,832,700	4,681,500	4,755,200
Total Federal Funds	4,744,800	4,788,800	4,832,700	4,681,500	4,755,200
TOTAL SOURCE OF FUNDS	27,608,700	27,903,100	27,996,300	27,589,800	27,683,900
EXPENDITURES BY CLASS					
Personnel Cost	4,369,100	4,695,200	4,788,300	4,478,900	4,535,000
Operating Expenses	943,800	923,000	933,200	919,900	930,100
Grants Loans Benefits	22,263,400	22,284,900	22,274,800	22,191,000	22,218,800
TOTAL EXPENDITURES	27,576,300	27,903,100	27,996,300	27,589,800	27,683,900
EXPENDITURES BY FUND SOURCE					
General Fund	19,797,200	20,010,800	20,040,500	19,847,000	19,863,400
Restricted Funds	3,034,300	3,103,500	3,123,100	3,061,300	3,065,300
Federal Funds	4,744,800	4,788,800	4,832,700	4,681,500	4,755,200
TOTAL EXPENDITURES	27,576,300	27,903,100	27,996,300	27,589,800	27,683,900
EXPENDITURES BY UNIT					
Local Developmental and Intellectual Disabilities	26,052,300	26,362,900	26,434,200	26,177,800	26,271,900
KY Developmental Disability Council	1,524,000	1,540,200	1,562,100	1,412,000	1,412,000
TOTAL EXPENDITURES	27,576,300	27,903,100	27,996,300	27,589,800	27,683,900

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

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

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	32,877,700	52,393,300	52,509,100	33,688,300	34,376,300
Total General Fund	32,877,700	52,393,300	52,509,100	33,688,300	34,376,300
TOTAL SOURCE OF FUNDS	32,877,700	52,393,300	52,509,100	33,688,300	34,376,300
EXPENDITURES BY CLASS					
Personnel Cost	3,446,500	3,893,800	4,021,600	3,671,400	3,743,600
Operating Expenses	646,700	646,700	646,700	642,200	642,200
Grants Loans Benefits	28,628,200	47,852,800	47,840,800	29,374,700	29,990,500
TOTAL EXPENDITURES	32,721,400	52,393,300	52,509,100	33,688,300	34,376,300
EXPENDITURES BY FUND SOURCE					
General Fund	32,721,400	52,393,300	52,509,100	33,688,300	34,376,300
TOTAL EXPENDITURES	32,721,400	52,393,300	52,509,100	33,688,300	34,376,300

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

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

Policy

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	80,198,900	100,663,800	125,906,300	82,200,000	96,046,200
State Salary and Compensation Allocation	766,900				
Total General Fund	80,965,800	100,663,800	125,906,300	82,200,000	96,046,200
Restricted Funds					
Current Receipts	196,360,300	182,518,900	181,991,000	180,391,000	180,391,000
Fund Transfers	-1,994,900				
Total Restricted Funds	194,365,400	182,518,900	181,991,000	180,391,000	180,391,000
Federal Funds					
Current Receipts	593,800	553,400	547,200	547,200	547,200
Total Federal Funds	593,800	553,400	547,200	547,200	547,200
TOTAL SOURCE OF FUNDS	275,925,000	283,736,100	308,444,500	263,138,200	276,984,400
EXPENDITURES BY CLASS					
Personnel Cost	111,633,400	117,835,400	119,725,900	114,629,600	115,825,500
Operating Expenses	20,175,500	19,488,300	19,488,300	19,387,800	19,387,800
Grants Loans Benefits	143,414,100	146,256,800	162,290,700	128,914,200	133,795,700
Debt Service			6,784,000	51,000	7,819,800
Capital Outlay	207,500	155,600	155,600	155,600	155,600
TOTAL EXPENDITURES	275,430,500	283,736,100	308,444,500	263,138,200	276,984,400
EXPENDITURES BY FUND SOURCE					
General Fund	80,471,300	100,663,800	125,906,300	82,200,000	96,046,200
Restricted Funds	194,365,400	182,518,900	181,991,000	180,391,000	180,391,000
Federal Funds	593,800	553,400	547,200	547,200	547,200
TOTAL EXPENDITURES	275,430,500	283,736,100	308,444,500	263,138,200	276,984,400

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

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

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

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

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

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

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

Policy

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

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

The Executive Budget includes General Fund of \$51,000 in fiscal year 2013 and \$102,000 in fiscal year 2014 for the design phase of an electrical system upgrade on the campus of Western State Hospital.

**Health and Family Services
Public Health**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	61,312,500	87,397,900	91,302,900	56,085,300	56,884,600
State Salary and Compensation Allocation	691,200				
Mandated Expenditure Reductions	-2,067,700				
Total General Fund	59,936,000	87,397,900	91,302,900	56,085,300	56,884,600
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	14,505,100	13,232,500	12,822,200	12,838,200	12,708,200
Continuing Approp.-Tobacco Settlement	1,444,700				
Budget Reduction-General Fund Tobacco	-824,200				
Total Tobacco Settlement - Phase I	15,125,600	13,232,500	12,822,200	12,838,200	12,708,200
Restricted Funds					
Balance Forward	10,202,800	5,950,300	3,436,000	5,712,700	3,266,700
Current Receipts	126,716,700	131,552,500	133,003,000	129,252,100	130,470,700
Non-Revenue Receipts	-14,751,800	-15,634,300	-15,837,400	-15,634,300	-15,837,400
Fund Transfers	-660,200				
Total Restricted Funds	121,507,500	121,868,500	120,601,600	119,330,500	117,900,000
Federal Funds					
Balance Forward	3,317,800				
Current Receipts	236,133,500	211,794,500	192,931,300	211,262,800	192,530,300
Total Federal Funds	239,451,300	211,794,500	192,931,300	211,262,800	192,530,300
TOTAL SOURCE OF FUNDS	436,020,400	434,293,400	417,658,000	399,516,800	380,023,100
EXPENDITURES BY CLASS					
Personnel Cost	65,443,900	68,310,600	69,256,200	66,729,900	67,768,300
Operating Expenses	13,275,700	16,881,100	16,639,800	12,391,800	12,025,700
Grants Loans Benefits	351,003,000	345,665,700	326,881,900	317,128,400	298,582,200
Debt Service			2,903,000		
TOTAL EXPENDITURES	429,722,600	430,857,400	415,680,900	396,250,100	378,376,200
EXPENDITURES BY FUND SOURCE					
General Fund	59,350,900	87,397,900	91,302,900	56,085,300	56,884,600
Tobacco Settlement - Phase I	15,125,600	13,232,500	12,822,200	12,838,200	12,708,200
Restricted Funds	115,794,800	118,432,500	118,624,500	116,063,800	116,253,100
Federal Funds	239,451,300	211,794,500	192,931,300	211,262,800	192,530,300
TOTAL EXPENDITURES	429,722,600	430,857,400	415,680,900	396,250,100	378,376,200
EXPENDITURES BY UNIT					
General Health Support	66,917,000	83,912,700	87,146,000	66,694,700	67,545,900
Women's Health	13,825,000	12,930,600	12,085,900	12,670,400	11,827,100
Prevention and Quality Improvement	10,186,500	11,193,800	11,715,100	9,712,500	9,572,600
Epidemiology and Health Planning	54,165,200	53,906,400	51,112,500	47,427,600	45,008,100
Maternal and Child Health	267,811,900	247,798,800	232,472,800	243,019,500	227,735,500
Laboratory Services	6,164,700	8,852,100	8,914,000	5,978,200	6,015,100
Public Health Protection and Safety	10,652,300	12,263,000	12,234,600	10,747,200	10,671,900
TOTAL EXPENDITURES	429,722,600	430,857,400	415,680,900	396,250,100	378,376,200

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

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

come to them for services.

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

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

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

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	14,391,500	30,801,800	33,797,100	13,601,700	14,209,400
State Salary and Compensation Allocation	189,000				
Mandated Expenditure Reductions	-292,800				
Total General Fund	14,287,700	30,801,800	33,797,100	13,601,700	14,209,400
Restricted Funds					
Balance Forward	6,800				
Current Receipts	68,074,400	69,182,500	69,523,900	69,182,500	69,523,900
Non-Revenue Receipts	-15,753,300	-16,498,500	-16,576,400	-16,498,500	-16,576,400
Fund Transfers	-5,400				
Total Restricted Funds	52,322,500	52,684,000	52,947,500	52,684,000	52,947,500
Federal Funds					
Balance Forward	700				
Current Receipts	441,100	426,900	401,400	409,000	389,000
Total Federal Funds	441,800	426,900	401,400	409,000	389,000
TOTAL SOURCE OF FUNDS	67,052,000	83,912,700	87,146,000	66,694,700	67,545,900
EXPENDITURES BY CLASS					
Personnel Cost	5,788,000	6,193,400	6,310,600	6,446,600	7,064,800
Operating Expenses	528,700	534,200	534,200	502,400	502,400
Grants Loans Benefits	60,600,300	77,185,100	77,398,200	59,745,700	59,978,700
Debt Service			2,903,000		
TOTAL EXPENDITURES	66,917,000	83,912,700	87,146,000	66,694,700	67,545,900
EXPENDITURES BY FUND SOURCE					
General Fund	14,152,700	30,801,800	33,797,100	13,601,700	14,209,400
Restricted Funds	52,322,500	52,684,000	52,947,500	52,684,000	52,947,500
Federal Funds	441,800	426,900	401,400	409,000	389,000
TOTAL EXPENDITURES	66,917,000	83,912,700	87,146,000	66,694,700	67,545,900

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

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

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

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

The Division of Administration and Financial Management provides all resource support to the Department for Public Health. This includes approximately 394 Cabinet-level personnel and nearly 4,000 personnel represented by the 58 local health departments in

all 120 counties. The Division provides all budgets and accounting support, payments, grant allocation, fee collection, procurement, and contracting support. The Division is also responsible for training state and local level staff in the area of administrative and financial management. The Division develops the Department's biennial budget and oversees local health departments' fiscal planning and administrative management functions. The Division works in concert with the other divisions in the Department to plan, program, execute, manage, and report the financial activities of the Department and local health departments.

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

Policy

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

Health and Family Services

Public Health

Women's Health

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,763,800	2,714,900	2,715,900	2,479,200	2,481,400
State Salary and Compensation Allocation	7,500				
Mandated Expenditure Reductions	-68,400				
Total General Fund	2,702,900	2,714,900	2,715,900	2,479,200	2,481,400
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	200,000	120,000	120,000	128,200	128,200
Budget Reduction-General Fund Tobacco	-80,000				
Total Tobacco Settlement - Phase I	120,000	120,000	120,000	128,200	128,200
Restricted Funds					
Balance Forward	5,900				
Current Receipts	253,100	259,000	259,000	259,000	259,000
Total Restricted Funds	259,000	259,000	259,000	259,000	259,000
Federal Funds					
Balance Forward	10,100				
Current Receipts	10,739,900	9,836,700	8,991,000	9,804,000	8,958,500
Total Federal Funds	10,750,000	9,836,700	8,991,000	9,804,000	8,958,500
TOTAL SOURCE OF FUNDS	13,831,900	12,930,600	12,085,900	12,670,400	11,827,100
EXPENDITURES BY CLASS					
Personnel Cost	894,300	957,900	975,800	925,300	935,500
Operating Expenses	235,400	235,900	235,900	235,400	235,400
Grants Loans Benefits	12,695,300	11,736,800	10,874,200	11,509,700	10,656,200
TOTAL EXPENDITURES	13,825,000	12,930,600	12,085,900	12,670,400	11,827,100
EXPENDITURES BY FUND SOURCE					
General Fund	2,696,000	2,714,900	2,715,900	2,479,200	2,481,400
Tobacco Settlement - Phase I	120,000	120,000	120,000	128,200	128,200
Restricted Funds	259,000	259,000	259,000	259,000	259,000
Federal Funds	10,750,000	9,836,700	8,991,000	9,804,000	8,958,500
TOTAL EXPENDITURES	13,825,000	12,930,600	12,085,900	12,670,400	11,827,100

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

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

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

The Folic Acid Counseling and Supplementation subprogram services are provided in every health department (58) in Kentucky and six sub-delegates, which include three university clinic sites, Bluegrass Farm Workers, and Planned Parenthoods in Lexington and

Louisville. Research has shown that when women consume adequate folic acid, the incidence of neural tube defects such as spina bifida can be decreased by as much as 70%. Since the inception of this program, the number of neural tube defects in infants in Kentucky has declined. The Folic Acid program has been funded by Tobacco Settlement funds.

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

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,821,700	8,838,500	9,538,300	7,390,700	7,427,800
State Salary and Compensation Allocation	108,200				
Mandated Expenditure Reductions	-439,900				
Total General Fund	7,490,000	8,838,500	9,538,300	7,390,700	7,427,800
Restricted Funds					
Balance Forward	32,500				
Current Receipts	67,500	100,000	100,000	100,000	100,000
Total Restricted Funds	100,000	100,000	100,000	100,000	100,000
Federal Funds					
Balance Forward	138,700				
Current Receipts	2,534,000	2,255,300	2,076,800	2,221,800	2,044,800
Total Federal Funds	2,672,700	2,255,300	2,076,800	2,221,800	2,044,800
TOTAL SOURCE OF FUNDS	10,262,700	11,193,800	11,715,100	9,712,500	9,572,600
EXPENDITURES BY CLASS					
Personnel Cost	3,810,200	4,075,100	4,148,400	3,946,700	3,992,300
Operating Expenses	389,700	400,500	400,500	389,700	389,700
Grants Loans Benefits	5,986,600	6,718,200	7,166,200	5,376,100	5,190,600
TOTAL EXPENDITURES	10,186,500	11,193,800	11,715,100	9,712,500	9,572,600
EXPENDITURES BY FUND SOURCE					
General Fund	7,413,800	8,838,500	9,538,300	7,390,700	7,427,800
Restricted Funds	100,000	100,000	100,000	100,000	100,000
Federal Funds	2,672,700	2,255,300	2,076,800	2,221,800	2,044,800
TOTAL EXPENDITURES	10,186,500	11,193,800	11,715,100	9,712,500	9,572,600

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

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

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

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

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

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

Policy

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,750,200	10,374,500	10,331,100	4,397,800	4,430,600
State Salary and Compensation Allocation	99,900				
Mandated Expenditure Reductions	-86,100				
Total General Fund	4,764,000	10,374,500	10,331,100	4,397,800	4,430,600
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	800,000	344,400		250,000	250,000
Continuing Approp.-Tobacco Settlement	1,800				
Budget Reduction-General Fund Tobacco	-400,000				
Total Tobacco Settlement - Phase I	401,800	344,400		250,000	250,000
Restricted Funds					
Balance Forward	8,967,400	5,712,700	3,266,700	5,712,700	3,266,700
Current Receipts	9,286,200	10,238,600	11,238,600	10,142,500	11,071,500
Non-Revenue Receipts	41,500	41,500	41,500	41,500	41,500
Fund Transfers	-135,000				
Total Restricted Funds	18,160,100	15,992,800	14,546,800	15,896,700	14,379,700
Federal Funds					
Current Receipts	36,610,800	30,461,400	27,881,500	30,149,800	27,594,700
Total Federal Funds	36,610,800	30,461,400	27,881,500	30,149,800	27,594,700
TOTAL SOURCE OF FUNDS	59,936,700	57,173,100	52,759,400	50,694,300	46,655,000
EXPENDITURES BY CLASS					
Personnel Cost	29,198,700	29,416,300	29,685,600	28,948,000	29,106,300
Operating Expenses	6,457,400	7,752,400	7,408,000	5,635,400	5,291,000
Grants Loans Benefits	18,509,100	16,737,700	14,018,900	12,844,200	10,610,800
TOTAL EXPENDITURES	54,165,200	53,906,400	51,112,500	47,427,600	45,008,100
EXPENDITURES BY FUND SOURCE					
General Fund	4,705,200	10,374,500	10,331,100	4,397,800	4,430,600
Tobacco Settlement - Phase I	401,800	344,400		250,000	250,000
Restricted Funds	12,447,400	12,726,100	12,899,900	12,630,000	12,732,800
Federal Funds	36,610,800	30,461,400	27,881,500	30,149,800	27,594,700
TOTAL EXPENDITURES	54,165,200	53,906,400	51,112,500	47,427,600	45,008,100

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

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

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

communicable disease control assistance and consultation are provided across the Commonwealth as required.

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

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

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	24,451,000	25,646,500	25,700,100	21,514,000	21,541,600
State Salary and Compensation Allocation	93,700				
Mandated Expenditure Reductions	-1,064,200				
Total General Fund	23,480,500	25,646,500	25,700,100	21,514,000	21,541,600
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	13,505,100	12,768,100	12,702,200	12,460,000	12,330,000
Continuing Approp.-Tobacco Settlement	1,442,900				
Budget Reduction-General Fund Tobacco	-344,200				
Total Tobacco Settlement - Phase I	14,603,800	12,768,100	12,702,200	12,460,000	12,330,000
Restricted Funds					
Balance Forward	1,099,000	237,600	169,300		
Current Receipts	40,081,600	40,732,100	40,841,200	40,562,800	40,511,000
Non-Revenue Receipts	1,664,000	1,526,700	1,401,500	1,526,700	1,401,500
Fund Transfers	-395,500				
Total Restricted Funds	42,449,100	42,496,400	42,412,000	42,089,500	41,912,500
Federal Funds					
Balance Forward	3,016,600				
Current Receipts	184,345,000	167,057,100	151,988,700	166,956,000	151,951,400
Total Federal Funds	187,361,600	167,057,100	151,988,700	166,956,000	151,951,400
TOTAL SOURCE OF FUNDS	267,895,000	247,968,100	232,803,000	243,019,500	227,735,500
EXPENDITURES BY CLASS					
Personnel Cost	17,588,000	18,513,700	18,707,000	18,121,100	18,225,800
Operating Expenses	1,386,700	1,389,400	1,389,400	1,386,700	1,386,700
Grants Loans Benefits	248,837,200	227,895,700	212,376,400	223,511,700	208,123,000
TOTAL EXPENDITURES	267,811,900	247,798,800	232,472,800	243,019,500	227,735,500
EXPENDITURES BY FUND SOURCE					
General Fund	23,397,400	25,646,500	25,700,100	21,514,000	21,541,600
Tobacco Settlement - Phase I	14,603,800	12,768,100	12,702,200	12,460,000	12,330,000
Restricted Funds	42,449,100	42,327,100	42,081,800	42,089,500	41,912,500
Federal Funds	187,361,600	167,057,100	151,988,700	166,956,000	151,951,400
TOTAL EXPENDITURES	267,811,900	247,798,800	232,472,800	243,019,500	227,735,500

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

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

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

The First Steps (Kentucky Early Intervention System) subprogram provides case management developmental services, physical therapy, occupational therapy, speech therapy, hearing and vision services, health and diagnostic services, and nursing and

nutrition services to infants and toddlers between birth and three years of age with developmental disabilities or developmental delays. First Steps services are provided in the home or other community setting, unless it is not feasible to do so, and are subject to a sliding fee scale unless the family has documented an inability to pay. Families and other interested parties access the First Steps program locally through 15 system Points of Entry covering the 15 Area Development Districts.

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

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,767,500	4,919,600	4,981,500	3,505,700	3,542,600
State Salary and Compensation Allocation	89,700				
Mandated Expenditure Reductions	-70,800				
Total General Fund	3,786,400	4,919,600	4,981,500	3,505,700	3,542,600
Restricted Funds					
Balance Forward	77,200				
Current Receipts	3,139,100	4,636,500	4,636,500	3,176,500	3,176,500
Non-Revenue Receipts	-704,000	-704,000	-704,000	-704,000	-704,000
Fund Transfers	-40,500				
Total Restricted Funds	2,471,800	3,932,500	3,932,500	2,472,500	2,472,500
TOTAL SOURCE OF FUNDS	6,258,200	8,852,100	8,914,000	5,978,200	6,015,100
EXPENDITURES BY CLASS					
Personnel Cost	2,822,000	3,157,400	3,250,200	2,671,100	2,729,700
Operating Expenses	3,198,400	5,416,400	5,519,500	3,162,800	3,141,100
Grants Loans Benefits	144,300	278,300	144,300	144,300	144,300
TOTAL EXPENDITURES	6,164,700	8,852,100	8,914,000	5,978,200	6,015,100
EXPENDITURES BY FUND SOURCE					
General Fund	3,692,900	4,919,600	4,981,500	3,505,700	3,542,600
Restricted Funds	2,471,800	3,932,500	3,932,500	2,472,500	2,472,500
TOTAL EXPENDITURES	6,164,700	8,852,100	8,914,000	5,978,200	6,015,100

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

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

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

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

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

Health and Family Services
Public Health
Public Health Protection and Safety

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,366,800	4,102,100	4,238,900	3,196,200	3,251,200
State Salary and Compensation Allocation	103,200				
Mandated Expenditure Reductions	-45,500				
Total General Fund	3,424,500	4,102,100	4,238,900	3,196,200	3,251,200
Restricted Funds					
Balance Forward	14,000				
Current Receipts	5,814,800	6,403,800	6,403,800	5,828,800	5,828,800
Fund Transfers	-83,800				
Total Restricted Funds	5,745,000	6,403,800	6,403,800	5,828,800	5,828,800
Federal Funds					
Balance Forward	151,700				
Current Receipts	1,462,700	1,757,100	1,591,900	1,722,200	1,591,900
Total Federal Funds	1,614,400	1,757,100	1,591,900	1,722,200	1,591,900
TOTAL SOURCE OF FUNDS	10,783,900	12,263,000	12,234,600	10,747,200	10,671,900
EXPENDITURES BY CLASS					
Personnel Cost	5,342,700	5,996,800	6,178,600	5,671,100	5,713,900
Operating Expenses	1,079,400	1,152,300	1,152,300	1,079,400	1,079,400
Grants Loans Benefits	4,230,200	5,113,900	4,903,700	3,996,700	3,878,600
TOTAL EXPENDITURES	10,652,300	12,263,000	12,234,600	10,747,200	10,671,900
EXPENDITURES BY FUND SOURCE					
General Fund	3,292,900	4,102,100	4,238,900	3,196,200	3,251,200
Restricted Funds	5,745,000	6,403,800	6,403,800	5,828,800	5,828,800
Federal Funds	1,614,400	1,757,100	1,591,900	1,722,200	1,591,900
TOTAL EXPENDITURES	10,652,300	12,263,000	12,234,600	10,747,200	10,671,900

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

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

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

The Food Safety subprogram currently spends \$3,000,000 to oversee Kentucky's multi-billion dollar food industry. The subprogram trains local health department employees who inspect food service establishments, retail food stores, vending machine companies, tattoo studios, body piercing facilities, boarding homes, tanning facilities, and bed and breakfast establishments in order to prevent the spread of communicable diseases and injuries. The subprogram oversees food

manufacturing and storage programs and the farmer's market for program compliance. The subprogram collects representative samples from the state's raw agricultural producers and fish markets to test for pesticide residues and other contaminants. The Food Safety subprogram also oversees quarantines and the destruction of food, drugs, and alcohol which have been contaminated by disasters such as floods.

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

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

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

**Health and Family Services
Health Policy**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	491,500	3,441,300	1,975,700	433,300	440,200
State Salary and Compensation Allocation	27,700				
Mandated Expenditure Reductions	-53,900				
Total General Fund	465,300	3,441,300	1,975,700	433,300	440,200
Restricted Funds					
Balance Forward	450,800	204,800	165,700	204,800	27,700
Current Receipts	750,000	750,000	750,000	761,600	771,900
Non-Revenue Receipts	-175,000	-25,000	-25,000	-163,000	-25,000
Fund Transfers	-94,500				
Total Restricted Funds	931,300	929,800	890,700	803,400	774,600
Federal Funds					
Current Receipts	7,800,000	400,000		400,000	
Total Federal Funds	7,800,000	400,000		400,000	
TOTAL SOURCE OF FUNDS	9,196,600	4,771,100	2,866,400	1,636,700	1,214,800
EXPENDITURES BY CLASS					
Personnel Cost	1,400,000	3,492,500	1,921,300	881,800	793,400
Operating Expenses	430,800	614,200	614,200	200,200	237,500
Grants Loans Benefits	7,135,100	498,700	192,900	527,000	183,900
TOTAL EXPENDITURES	8,965,900	4,605,400	2,728,400	1,609,000	1,214,800
EXPENDITURES BY FUND SOURCE					
General Fund	439,400	3,441,300	1,975,700	433,300	440,200
Restricted Funds	726,500	764,100	752,700	775,700	774,600
Federal Funds	7,800,000	400,000		400,000	
TOTAL EXPENDITURES	8,965,900	4,605,400	2,728,400	1,609,000	1,214,800
EXPENDITURES BY UNIT					
Office of Health Policy	8,965,900	4,605,400	2,728,400	1,609,000	1,214,800
TOTAL EXPENDITURES	8,965,900	4,605,400	2,728,400	1,609,000	1,214,800

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

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

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

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

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	424,000	809,800	852,900	427,700	439,100
State Salary and Compensation Allocation	45,000				
Mandated Expenditure Reductions	-14,900				
Total General Fund	454,100	809,800	852,900	427,700	439,100
Restricted Funds					
Balance Forward	61,700				
Non-Revenue Receipts	33,300	93,600	93,600	93,600	93,600
Fund Transfers	-4,300				
Total Restricted Funds	90,700	93,600	93,600	93,600	93,600
Federal Funds					
Balance Forward	115,400				
Current Receipts	3,218,900	3,079,700	3,069,100	3,079,700	3,069,100
Total Federal Funds	3,334,300	3,079,700	3,069,100	3,079,700	3,069,100
TOTAL SOURCE OF FUNDS	3,879,100	3,983,100	4,015,600	3,601,000	3,601,800
EXPENDITURES BY CLASS					
Personnel Cost	379,100	466,600	530,200	421,600	444,400
Operating Expenses	207,500	249,900	209,000	248,800	207,900
Grants Loans Benefits	3,256,400	3,266,600	3,276,400	2,930,600	2,949,500
TOTAL EXPENDITURES	3,843,000	3,983,100	4,015,600	3,601,000	3,601,800
EXPENDITURES BY FUND SOURCE					
General Fund	418,000	809,800	852,900	427,700	439,100
Restricted Funds	90,700	93,600	93,600	93,600	93,600
Federal Funds	3,334,300	3,079,700	3,069,100	3,079,700	3,069,100
TOTAL EXPENDITURES	3,843,000	3,983,100	4,015,600	3,601,000	3,601,800
EXPENDITURES BY UNIT					
Family Resource and Youth Services Center	381,200	399,200	399,200	383,000	383,000
Kentucky Com. Community Volunteerism and Serv.	3,461,800	3,583,900	3,616,400	3,218,000	3,218,800
TOTAL EXPENDITURES	3,843,000	3,983,100	4,015,600	3,601,000	3,601,800

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	188,000	188,000	188,000	171,800	171,800
Total General Fund	188,000	188,000	188,000	171,800	171,800
Federal Funds					
Current Receipts	211,200	211,200	211,200	211,200	211,200
Total Federal Funds	211,200	211,200	211,200	211,200	211,200
TOTAL SOURCE OF FUNDS	399,200	399,200	399,200	383,000	383,000
EXPENDITURES BY CLASS					
Operating Expenses	18,000	18,000	18,000	18,000	18,000
Grants Loans Benefits	363,200	381,200	381,200	365,000	365,000
TOTAL EXPENDITURES	381,200	399,200	399,200	383,000	383,000
EXPENDITURES BY FUND SOURCE					
General Fund	170,000	188,000	188,000	171,800	171,800
Federal Funds	211,200	211,200	211,200	211,200	211,200
TOTAL EXPENDITURES	381,200	399,200	399,200	383,000	383,000

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

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	236,000	621,800	664,900	255,900	267,300
State Salary and Compensation Allocation	45,000				
Mandated Expenditure Reductions	-14,900				
Total General Fund	266,100	621,800	664,900	255,900	267,300
Restricted Funds					
Balance Forward	61,700				
Non-Revenue Receipts	33,300	93,600	93,600	93,600	93,600
Fund Transfers	-4,300				
Total Restricted Funds	90,700	93,600	93,600	93,600	93,600
Federal Funds					
Balance Forward	115,400				
Current Receipts	3,007,700	2,868,500	2,857,900	2,868,500	2,857,900
Total Federal Funds	3,123,100	2,868,500	2,857,900	2,868,500	2,857,900
TOTAL SOURCE OF FUNDS	3,479,900	3,583,900	3,616,400	3,218,000	3,218,800
EXPENDITURES BY CLASS					
Personnel Cost	379,100	466,600	530,200	421,600	444,400
Operating Expenses	189,500	231,900	191,000	230,800	189,900
Grants Loans Benefits	2,893,200	2,885,400	2,895,200	2,565,600	2,584,500
TOTAL EXPENDITURES	3,461,800	3,583,900	3,616,400	3,218,000	3,218,800
EXPENDITURES BY FUND SOURCE					
General Fund	248,000	621,800	664,900	255,900	267,300
Restricted Funds	90,700	93,600	93,600	93,600	93,600
Federal Funds	3,123,100	2,868,500	2,857,900	2,868,500	2,857,900
TOTAL EXPENDITURES	3,461,800	3,583,900	3,616,400	3,218,000	3,218,800

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

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

**Health and Family Services
Income Support**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,362,600	13,478,600	14,951,100	11,941,100	8,644,100
Mandated Expenditure Reductions	-47,500				
Total General Fund	1,315,100	13,478,600	14,951,100	11,941,100	8,644,100
Restricted Funds					
Current Receipts	26,968,200	12,525,200	15,650,800	12,525,200	15,650,800
Non-Revenue Receipts	100,000	100,000	100,000	100,000	100,000
Total Restricted Funds	27,068,200	12,625,200	15,750,800	12,625,200	15,750,800
Federal Funds					
Balance Forward	4,288,400				
Current Receipts	74,292,100	85,290,600	85,830,500	85,290,600	85,830,500
Total Federal Funds	78,580,500	85,290,600	85,830,500	85,290,600	85,830,500
TOTAL SOURCE OF FUNDS	106,963,800	111,394,400	116,532,400	109,856,900	110,225,400
EXPENDITURES BY CLASS					
Personnel Cost	36,390,100	40,340,100	40,967,500	38,624,500	39,510,700
Operating Expenses	4,537,700	4,537,700	4,537,700	4,495,800	4,495,800
Grants Loans Benefits	66,036,000	66,516,600	66,857,200	66,736,600	66,218,900
Debt Service			4,170,000		
TOTAL EXPENDITURES	106,963,800	111,394,400	116,532,400	109,856,900	110,225,400
EXPENDITURES BY FUND SOURCE					
General Fund	1,315,100	13,478,600	14,951,100	11,941,100	8,644,100
Restricted Funds	27,068,200	12,625,200	15,750,800	12,625,200	15,750,800
Federal Funds	78,580,500	85,290,600	85,830,500	85,290,600	85,830,500
TOTAL EXPENDITURES	106,963,800	111,394,400	116,532,400	109,856,900	110,225,400
EXPENDITURES BY UNIT					
Disability Determinations	49,153,000	52,319,600	53,098,500	52,319,600	53,098,500
Child Support	57,810,800	59,074,800	63,433,900	57,537,300	57,126,900
TOTAL EXPENDITURES	106,963,800	111,394,400	116,532,400	109,856,900	110,225,400

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

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
Restricted Funds					
Non-Revenue Receipts	100,000	100,000	100,000	100,000	100,000
Total Restricted Funds	100,000	100,000	100,000	100,000	100,000
Federal Funds					
Current Receipts	49,053,000	52,219,600	52,998,500	52,219,600	52,998,500
Total Federal Funds	49,053,000	52,219,600	52,998,500	52,219,600	52,998,500
TOTAL SOURCE OF FUNDS	49,153,000	52,319,600	53,098,500	52,319,600	53,098,500
EXPENDITURES BY CLASS					
Personnel Cost	27,113,900	30,148,200	31,003,900	28,913,300	30,128,600
Operating Expenses	2,832,200	2,832,200	2,832,200	2,832,200	2,832,200
Grants Loans Benefits	19,206,900	19,339,200	19,262,400	20,574,100	20,137,700
TOTAL EXPENDITURES	49,153,000	52,319,600	53,098,500	52,319,600	53,098,500
EXPENDITURES BY FUND SOURCE					
Restricted Funds	100,000	100,000	100,000	100,000	100,000
Federal Funds	49,053,000	52,219,600	52,998,500	52,219,600	52,998,500
TOTAL EXPENDITURES	49,153,000	52,319,600	53,098,500	52,319,600	53,098,500

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

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

Health and Family Services

Income Support

Child Support

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,362,600	13,478,600	14,951,100	11,941,100	8,644,100
Mandated Expenditure Reductions	-47,500				
Total General Fund	1,315,100	13,478,600	14,951,100	11,941,100	8,644,100
Restricted Funds					
Current Receipts	26,968,200	12,525,200	15,650,800	12,525,200	15,650,800
Total Restricted Funds	26,968,200	12,525,200	15,650,800	12,525,200	15,650,800
Federal Funds					
Balance Forward	4,288,400				
Current Receipts	25,239,100	33,071,000	32,832,000	33,071,000	32,832,000
Total Federal Funds	29,527,500	33,071,000	32,832,000	33,071,000	32,832,000
TOTAL SOURCE OF FUNDS	57,810,800	59,074,800	63,433,900	57,537,300	57,126,900
EXPENDITURES BY CLASS					
Personnel Cost	9,276,200	10,191,900	9,963,600	9,711,200	9,382,100
Operating Expenses	1,705,500	1,705,500	1,705,500	1,663,600	1,663,600
Grants Loans Benefits	46,829,100	47,177,400	47,594,800	46,162,500	46,081,200
Debt Service			4,170,000		
TOTAL EXPENDITURES	57,810,800	59,074,800	63,433,900	57,537,300	57,126,900
EXPENDITURES BY FUND SOURCE					
General Fund	1,315,100	13,478,600	14,951,100	11,941,100	8,644,100
Restricted Funds	26,968,200	12,525,200	15,650,800	12,525,200	15,650,800
Federal Funds	29,527,500	33,071,000	32,832,000	33,071,000	32,832,000
TOTAL EXPENDITURES	57,810,800	59,074,800	63,433,900	57,537,300	57,126,900

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

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

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

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

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

program areas are eligible to receive a portion of the pool. The Deficit Reduction Act (DRA) of 2005 disallowed use of federal performance incentives as state matching funds for FFP.

Policy

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

**Health and Family Services
Community Based Services**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	312,749,600	426,359,300	444,509,000	329,884,300	330,465,500
State Salary and Compensation Allocation	3,971,100				
Mandated Expenditure Reductions	-837,400				
Total General Fund	315,883,300	426,359,300	444,509,000	329,884,300	330,465,500
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	9,175,000	8,532,000	8,338,000	8,715,000	8,715,000
Continuing Approp.-Tobacco Settlement	2,900				
Budget Reduction-General Fund Tobacco	-459,100				
Total Tobacco Settlement - Phase I	8,718,800	8,532,000	8,338,000	8,715,000	8,715,000
Restricted Funds					
Balance Forward	16,057,700	10,338,200	5,263,600	10,338,200	5,086,000
Current Receipts	147,400,800	149,873,500	153,600,100	147,649,800	148,710,000
Non-Revenue Receipts	-14,060,100	-14,332,400	-15,582,700	-13,671,100	-13,830,300
Fund Transfers	-3,140,300				
Total Restricted Funds	146,258,100	145,879,300	143,281,000	144,316,900	139,965,700
Federal Funds					
Balance Forward	18,990,900				
Current Receipts	490,918,300	483,138,300	478,307,800	452,445,700	452,506,100
ARRA Receipts	353,300				
Total Federal Funds	510,262,500	483,138,300	478,307,800	452,445,700	452,506,100
TOTAL SOURCE OF FUNDS	981,122,700	1,063,908,900	1,074,435,800	935,361,900	931,652,300
EXPENDITURES BY CLASS					
Personnel Cost	255,344,600	302,199,700	311,446,400	289,508,800	292,948,600
Operating Expenses	45,552,400	49,344,300	49,220,100	44,522,500	41,429,800
Grants Loans Benefits	666,554,600	706,951,300	712,873,500	596,094,600	597,273,900
Debt Service			828,000		
Capital Outlay		150,000		150,000	
TOTAL EXPENDITURES	967,451,600	1,058,645,300	1,074,368,000	930,275,900	931,652,300
EXPENDITURES BY FUND SOURCE					
General Fund	312,550,400	426,359,300	444,509,000	329,884,300	330,465,500
Tobacco Settlement - Phase I	8,718,800	8,532,000	8,338,000	8,715,000	8,715,000
Restricted Funds	135,919,900	140,615,700	143,213,200	139,230,900	139,965,700
Federal Funds	510,262,500	483,138,300	478,307,800	452,445,700	452,506,100
TOTAL EXPENDITURES	967,451,600	1,058,645,300	1,074,368,000	930,275,900	931,652,300
EXPENDITURES BY UNIT					
Family Support	332,928,600	380,042,100	380,792,800	353,795,700	355,872,200
Energy	26,004,200	26,010,500	26,012,000	24,333,000	24,300,900
Child Care	156,064,200	156,259,900	156,257,700	114,315,300	113,849,800
Family and Community Services	452,454,600	496,332,800	511,305,500	437,831,900	437,629,400
TOTAL EXPENDITURES	967,451,600	1,058,645,300	1,074,368,000	930,275,900	931,652,300

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

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	122,844,400	133,007,300	141,266,900	130,306,600	131,083,300
State Salary and Compensation Allocation	1,019,000				
Total General Fund	123,863,400	133,007,300	141,266,900	130,306,600	131,083,300
Restricted Funds					
Balance Forward	692,600	289,400	144,700	289,400	141,700
Current Receipts	1,453,300	1,711,900	1,711,900	1,711,900	1,711,900
Non-Revenue Receipts	22,189,200	22,189,100	22,189,100	22,189,100	22,189,100
Fund Transfers	-724,300				
Total Restricted Funds	23,610,800	24,190,400	24,045,700	24,190,400	24,042,700
Federal Funds					
Balance Forward	4,662,500				
Current Receipts	182,450,800	222,989,100	215,480,200	199,440,400	200,746,200
Total Federal Funds	187,113,300	222,989,100	215,480,200	199,440,400	200,746,200
TOTAL SOURCE OF FUNDS	334,587,500	380,186,800	380,792,800	353,937,400	355,872,200
EXPENDITURES BY CLASS					
Personnel Cost	124,275,100	137,977,700	141,412,600	140,894,500	145,656,600
Operating Expenses	22,510,900	23,021,900	22,859,600	26,706,700	24,052,300
Grants Loans Benefits	186,142,600	219,042,500	215,692,600	186,194,500	186,163,300
Debt Service			828,000		
TOTAL EXPENDITURES	332,928,600	380,042,100	380,792,800	353,795,700	355,872,200
EXPENDITURES BY FUND SOURCE					
General Fund	122,493,900	133,007,300	141,266,900	130,306,600	131,083,300
Restricted Funds	23,321,400	24,045,700	24,045,700	24,048,700	24,042,700
Federal Funds	187,113,300	222,989,100	215,480,200	199,440,400	200,746,200
TOTAL EXPENDITURES	332,928,600	380,042,100	380,792,800	353,795,700	355,872,200
EXPENDITURES BY UNIT					
Food Stamps	77,035,500	85,147,600	86,943,000	93,045,400	94,448,300
Medical Assistance	39,963,800	44,410,100	46,222,000	42,973,400	43,511,900
State Supplementation	16,852,200	17,918,800	17,934,400	16,882,600	16,880,100
TANF	199,077,100	232,565,600	229,693,400	200,894,300	201,031,900
TOTAL EXPENDITURES	332,928,600	380,042,100	380,792,800	353,795,700	355,872,200

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

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

Temporary Assistance for Needy Families (TANF)

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PL 104-193) amended and combined Title IV-A (AFDC) and Title IV-F (JOBS) of the Social Security Act to provide block grants to states for TANF. These Federal Funds support the program's administrative and benefit expenditures that include personnel, operating, and indirect costs; contracts with partnering agencies; cash assistance subsidies; supportive services; child care; and transportation. A Maintenance of Effort

requirement mandates that states spend an amount equal to or greater than 80 percent of fiscal year 1994 expenditures. For Kentucky, this amount is \$71.9 million.

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

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

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

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

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

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

Food Stamps

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

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

Medicaid Eligibility

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

State Supplementation

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

Policy

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		1,677,500	1,711,100		
Total General Fund		1,677,500	1,711,100		
Restricted Funds					
Balance Forward	30,000	30,000		30,000	
Total Restricted Funds	30,000	30,000		30,000	
Federal Funds					
Balance Forward	19,400				
Current Receipts	25,984,800	24,303,000	24,300,900	24,303,000	24,300,900
Total Federal Funds	26,004,200	24,303,000	24,300,900	24,303,000	24,300,900
TOTAL SOURCE OF FUNDS	26,034,200	26,010,500	26,012,000	24,333,000	24,300,900
EXPENDITURES BY CLASS					
Personnel Cost	42,600	48,400	50,100	45,600	46,600
Operating Expenses	10,300	10,300	10,300	10,200	10,200
Grants Loans Benefits	25,951,300	25,951,800	25,951,600	24,277,200	24,244,100
TOTAL EXPENDITURES	26,004,200	26,010,500	26,012,000	24,333,000	24,300,900
EXPENDITURES BY FUND SOURCE					
General Fund		1,677,500	1,711,100		
Restricted Funds		30,000		30,000	
Federal Funds	26,004,200	24,303,000	24,300,900	24,303,000	24,300,900
TOTAL EXPENDITURES	26,004,200	26,010,500	26,012,000	24,333,000	24,300,900

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

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	9,265,300	51,389,500	52,077,300	9,279,700	9,292,400
Total General Fund	9,265,300	51,389,500	52,077,300	9,279,700	9,292,400
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	9,000,000	8,357,000	8,163,000	8,540,000	8,540,000
Budget Reduction-General Fund Tobacco	-459,100				
Total Tobacco Settlement - Phase I	8,540,900	8,357,000	8,163,000	8,540,000	8,540,000
Restricted Funds					
Balance Forward	4,300				
Current Receipts	59,700	50,000	50,000	50,000	50,000
Total Restricted Funds	64,000	50,000	50,000	50,000	50,000
Federal Funds					
Balance Forward	8,172,400				
Current Receipts	130,021,600	96,463,400	95,967,400	96,445,600	95,967,400
Total Federal Funds	138,194,000	96,463,400	95,967,400	96,445,600	95,967,400
TOTAL SOURCE OF FUNDS	156,064,200	156,259,900	156,257,700	114,315,300	113,849,800
EXPENDITURES BY CLASS					
Personnel Cost	6,664,000	9,106,200	9,457,000	8,612,900	8,483,000
Operating Expenses	423,500	427,000	427,500	423,500	423,500
Grants Loans Benefits	148,976,700	146,726,700	146,373,200	105,278,900	104,943,300
TOTAL EXPENDITURES	156,064,200	156,259,900	156,257,700	114,315,300	113,849,800
EXPENDITURES BY FUND SOURCE					
General Fund	9,265,300	51,389,500	52,077,300	9,279,700	9,292,400
Tobacco Settlement - Phase I	8,540,900	8,357,000	8,163,000	8,540,000	8,540,000
Restricted Funds	64,000	50,000	50,000	50,000	50,000
Federal Funds	138,194,000	96,463,400	95,967,400	96,445,600	95,967,400
TOTAL EXPENDITURES	156,064,200	156,259,900	156,257,700	114,315,300	113,849,800

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

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

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

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

The Cabinet's Division of Child Care collaborates with the Division of Early Childhood Development Services in the Kentucky Department of Education and other public and private entities in the development and implementation of the Early Childhood

Development initiatives. A portion of the tobacco settlement funds may be used to match Federal Funds to support various quality initiatives. Early care and education have been enhanced through a voluntary, research based, four star child care quality rating system (STARS for KIDS NOW) for centers and certified family child care homes. This program includes quality incentives and achievement awards for participants. Increased quality, availability, and affordability of training for all early care and education professionals has been supported by a seamless statewide system of professional development that includes core content, credentials, scholarships, grants, awards, and articulation.

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	180,639,900	240,285,000	249,453,700	190,298,000	190,089,800
State Salary and Compensation Allocation	2,952,100				
Mandated Expenditure Reductions	-837,400				
Total General Fund	182,754,600	240,285,000	249,453,700	190,298,000	190,089,800
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	175,000	175,000	175,000	175,000	175,000
Continuing Approp.-Tobacco Settlement	2,900				
Total Tobacco Settlement - Phase I	177,900	175,000	175,000	175,000	175,000
Restricted Funds					
Balance Forward	15,330,800	10,018,800	5,118,900	10,018,800	4,944,300
Current Receipts	145,887,800	148,111,600	151,838,200	145,887,900	146,948,100
Non-Revenue Receipts	-36,249,300	-36,521,500	-37,771,800	-35,860,200	-36,019,400
Fund Transfers	-2,416,000				
Total Restricted Funds	122,553,300	121,608,900	119,185,300	120,046,500	115,873,000
Federal Funds					
Balance Forward	6,136,600				
Current Receipts	152,461,100	139,382,800	142,559,300	132,256,700	131,491,600
ARRA Receipts	353,300				
Total Federal Funds	158,951,000	139,382,800	142,559,300	132,256,700	131,491,600
TOTAL SOURCE OF FUNDS	464,436,800	501,451,700	511,373,300	442,776,200	437,629,400
EXPENDITURES BY CLASS					
Personnel Cost	124,362,900	155,067,400	160,526,700	139,955,800	138,762,400
Operating Expenses	22,607,700	25,885,100	25,922,700	17,382,100	16,943,800
Grants Loans Benefits	305,484,000	315,230,300	324,856,100	280,344,000	281,923,200
Capital Outlay		150,000		150,000	
TOTAL EXPENDITURES	452,454,600	496,332,800	511,305,500	437,831,900	437,629,400
EXPENDITURES BY FUND SOURCE					
General Fund	180,791,200	240,285,000	249,453,700	190,298,000	190,089,800
Tobacco Settlement - Phase I	177,900	175,000	175,000	175,000	175,000
Restricted Funds	112,534,500	116,490,000	119,117,500	115,102,200	115,873,000
Federal Funds	158,951,000	139,382,800	142,559,300	132,256,700	131,491,600
TOTAL EXPENDITURES	452,454,600	496,332,800	511,305,500	437,831,900	437,629,400
EXPENDITURES BY UNIT					
Family Based Services	102,792,000	130,432,700	134,430,900	109,572,500	107,919,600
Adult Services	34,796,000	37,345,200	37,593,500	33,668,400	36,426,100
Alternatives For Children	314,866,600	328,554,900	339,281,100	294,591,000	293,283,700
TOTAL EXPENDITURES	452,454,600	496,332,800	511,305,500	437,831,900	437,629,400

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

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

Family Based Services

Family-based services include child protection, reunification following out-of-home placement, home safety services, preventive

services for families, community-based juvenile services, family preservation services, mental health services through contracts with local comprehensive care centers, self-help services provided through local child abuse councils, and preventive assistance.

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

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

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

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

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

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

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

Adult Services

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

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

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

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

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

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

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

It is estimated that approximately 56,000 Kentuckians need alternate care or placement and movement services each year. The

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

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

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

Alternatives for Children

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

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

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

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

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

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

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

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

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

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

Policy

One of the few areas where the Executive Budget includes additional resources is in the critical area of protecting children from abuse and neglect and providing help to families in crisis. The Executive Budget includes over \$9 million from the General Fund over two years in response to a need to increase investigations into abuse and neglect; \$5.1 million in fiscal year 2013 and \$4.2

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

The Executive Budget includes General Fund in the amount of \$1,190,000 in fiscal year 2013 and \$1,021,000 in fiscal year 2014 for the development and operation of the Adult Abuse Registry.

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	41,803,700	55,190,400	58,081,900	38,658,200	38,755,700
State Salary and Compensation Allocation	158,500				
Mandated Expenditure Reductions	-961,000				
Total General Fund	41,001,200	55,190,400	58,081,900	38,658,200	38,755,700
Restricted Funds					
Balance Forward	577,300				
Current Receipts	650,100	977,700	977,700	977,700	977,700
Non-Revenue Receipts	1,027,500	849,000	466,600	849,000	466,600
Fund Transfers	-81,700				
Total Restricted Funds	2,173,200	1,826,700	1,444,300	1,826,700	1,444,300
Federal Funds					
Current Receipts	20,152,400	18,239,700	18,112,000	18,239,700	18,112,000
Non-Revenue Receipts	217,300	217,300	217,300	217,300	217,300
Total Federal Funds	20,369,700	18,457,000	18,329,300	18,457,000	18,329,300
TOTAL SOURCE OF FUNDS	63,544,100	75,474,100	77,855,500	58,941,900	58,529,300
EXPENDITURES BY CLASS					
Personnel Cost	6,828,700	8,187,100	8,418,700	6,941,400	7,026,900
Operating Expenses	583,600	545,900	593,400	536,900	584,300
Grants Loans Benefits	55,991,300	66,741,100	68,681,400	51,463,600	50,918,100
Debt Service			162,000		
TOTAL EXPENDITURES	63,403,600	75,474,100	77,855,500	58,941,900	58,529,300
EXPENDITURES BY FUND SOURCE					
General Fund	40,860,700	55,190,400	58,081,900	38,658,200	38,755,700
Restricted Funds	2,173,200	1,826,700	1,444,300	1,826,700	1,444,300
Federal Funds	20,369,700	18,457,000	18,329,300	18,457,000	18,329,300
TOTAL EXPENDITURES	63,403,600	75,474,100	77,855,500	58,941,900	58,529,300
EXPENDITURES BY UNIT					
Aging and Independent Living	58,710,400	69,771,700	71,951,300	54,383,100	53,910,900
Guardianship	4,693,200	5,702,400	5,904,200	4,558,800	4,618,400
TOTAL EXPENDITURES	63,403,600	75,474,100	77,855,500	58,941,900	58,529,300

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	37,711,500	50,086,600	52,776,300	34,698,000	34,735,900
Mandated Expenditure Reductions	-961,000				
Total General Fund	36,750,500	50,086,600	52,776,300	34,698,000	34,735,900
Restricted Funds					
Balance Forward	577,200				
Current Receipts	338,100	665,700	665,700	665,700	665,700
Non-Revenue Receipts	740,900	562,400	180,000	562,400	180,000
Fund Transfers	-45,300				
Total Restricted Funds	1,610,900	1,228,100	845,700	1,228,100	845,700
Federal Funds					
Current Receipts	20,152,400	18,239,700	18,112,000	18,239,700	18,112,000
Non-Revenue Receipts	217,300	217,300	217,300	217,300	217,300
Total Federal Funds	20,369,700	18,457,000	18,329,300	18,457,000	18,329,300
TOTAL SOURCE OF FUNDS	58,731,100	69,771,700	71,951,300	54,383,100	53,910,900
EXPENDITURES BY CLASS					
Personnel Cost	2,505,600	2,802,700	2,879,900	2,700,600	2,773,900
Operating Expenses	213,500	227,900	228,000	218,900	218,900
Grants Loans Benefits	55,991,300	66,741,100	68,681,400	51,463,600	50,918,100
Debt Service			162,000		
TOTAL EXPENDITURES	58,710,400	69,771,700	71,951,300	54,383,100	53,910,900
EXPENDITURES BY FUND SOURCE					
General Fund	36,729,800	50,086,600	52,776,300	34,698,000	34,735,900
Restricted Funds	1,610,900	1,228,100	845,700	1,228,100	845,700
Federal Funds	20,369,700	18,457,000	18,329,300	18,457,000	18,329,300
TOTAL EXPENDITURES	58,710,400	69,771,700	71,951,300	54,383,100	53,910,900

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

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

The programs the Department administers to achieve these goals include:

- Nutritional Services provided through agreements with the AAA's include the Nutritional Services Incentive Program: congregate meals to persons age 60 and over at senior centers in each Kentucky County and home-delivered meals to the homebound elderly ages 60 and over.
- Senior Community Service Employment Program (Title V): Employs persons age 55 and older who have incomes at or below 125% of the poverty level in part-time non-profit community work, such as senior citizens centers, with the goals of training and eventual placement in unsubsidized employment.
- State Health Insurance Assistance Program (SHIP): (Section 4360 OBRA 1990, PL 101-508) provides benefits

counseling and assistance to aged and disabled Medicare eligible persons through a federal Health Care Financing Administration Grant.

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,092,200	5,103,800	5,305,600	3,960,200	4,019,800
State Salary and Compensation Allocation	158,500				
Total General Fund	4,250,700	5,103,800	5,305,600	3,960,200	4,019,800
Restricted Funds					
Balance Forward	100				
Current Receipts	312,000	312,000	312,000	312,000	312,000
Non-Revenue Receipts	286,600	286,600	286,600	286,600	286,600
Fund Transfers	-36,400				
Total Restricted Funds	562,300	598,600	598,600	598,600	598,600
TOTAL SOURCE OF FUNDS	4,813,000	5,702,400	5,904,200	4,558,800	4,618,400
EXPENDITURES BY CLASS					
Personnel Cost	4,323,100	5,384,400	5,538,800	4,240,800	4,253,000
Operating Expenses	370,100	318,000	365,400	318,000	365,400
TOTAL EXPENDITURES	4,693,200	5,702,400	5,904,200	4,558,800	4,618,400
EXPENDITURES BY FUND SOURCE					
General Fund	4,130,900	5,103,800	5,305,600	3,960,200	4,019,800
Restricted Funds	562,300	598,600	598,600	598,600	598,600
TOTAL EXPENDITURES	4,693,200	5,702,400	5,904,200	4,558,800	4,618,400

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

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

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

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Justice and Public Safety

Justice and Public Safety

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	627,011,000	764,891,900	799,168,400	649,799,300	652,471,900
State Salary and Compensation Allocation	17,247,700				
Special Appropriation	-1,200,000				
Mandated Expenditure Reductions	-3,570,300				
Mandated Allotments	13,538,500				
Total General Fund	653,026,900	764,891,900	799,168,400	649,799,300	652,471,900
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	1,923,400	1,821,900	1,821,900	1,724,500	1,700,200
Budget Reduction-General Fund Tobacco	-101,500				
Total Tobacco Settlement - Phase I	1,821,900	1,821,900	1,821,900	1,724,500	1,700,200
Restricted Funds					
Balance Forward	21,158,782	10,918,000	6,858,100	20,901,800	14,428,900
Current Receipts	38,632,106	40,550,800	40,328,300	39,875,100	39,294,300
Non-Revenue Receipts	82,007,812	76,239,400	78,673,900	80,976,700	86,236,300
Fund Transfers	-2,415,600			-12,000,000	-12,000,000
Total Restricted Funds	139,383,100	127,708,200	125,860,300	129,753,600	127,959,500
Federal Funds					
Balance Forward	6,628,277	4,652,000	2,453,800	4,652,000	2,228,500
Current Receipts	29,140,623	24,547,500	28,759,200	25,210,300	29,406,000
Non-Revenue Receipts	11,468,000	12,672,700	11,987,600	11,826,400	11,141,300
ARRA Receipts	5,569,500	611,400	297,000	562,500	281,100
Total Federal Funds	52,806,400	42,483,600	43,497,600	42,251,200	43,056,900
Road Fund					
Regular Appropriation	83,251,500	85,499,600	85,927,200	89,475,900	91,898,200
Total Road Fund	83,251,500	85,499,600	85,927,200	89,475,900	91,898,200
TOTAL SOURCE OF FUNDS	930,289,800	1,022,405,200	1,056,275,400	913,004,500	917,086,700
EXPENDITURES BY CLASS					
Personnel Cost	508,179,000	608,943,650	639,715,650	532,571,500	540,940,100
Operating Expenses	106,862,800	117,726,750	118,950,550	102,808,800	101,910,200
Grants Loans Benefits	260,097,700	263,453,300	268,676,300	251,456,700	249,612,100
Debt Service	2,211,400	4,226,000	2,210,700	2,456,500	2,944,200
Capital Outlay	9,712,700	18,743,400	16,999,900	7,053,600	6,764,900
TOTAL EXPENDITURES	887,063,600	1,013,093,100	1,046,553,100	896,347,100	902,171,500
EXPENDITURES BY FUND SOURCE					
General Fund	636,545,600	764,891,900	799,168,400	649,799,300	652,471,900
Tobacco Settlement - Phase I	1,819,500	1,821,900	1,821,900	1,724,500	1,700,200
Restricted Funds	118,481,300	120,850,100	118,892,000	115,324,700	115,167,300
Federal Funds	48,154,400	40,029,800	40,743,800	40,022,700	40,933,900
Road Fund	82,062,800	85,499,600	85,927,200	89,475,900	91,898,200
TOTAL EXPENDITURES	887,063,600	1,013,093,300	1,046,553,300	896,347,100	902,171,500
EXPENDITURES BY UNIT					
Justice Administration	28,909,000	31,553,900	30,653,300	27,622,900	29,242,700
Criminal Justice Training	48,922,300	52,105,800	52,980,900	51,993,400	53,006,200
Juvenile Justice	101,486,000	113,298,500	115,812,400	102,666,600	102,959,400
State Police	185,688,400	236,022,700	247,393,300	189,326,300	189,761,800
Corrections	477,975,500	516,534,300	527,115,200	478,301,700	480,057,500
Public Advocacy	44,082,400	63,578,100	72,598,200	46,436,200	47,143,900
TOTAL EXPENDITURES	887,063,600	1,013,093,300	1,046,553,300	896,347,100	902,171,500

The Kentucky Justice Cabinet was established in 1974. It was renamed the Justice and Public Safety Cabinet in 2007. In 2009

the Department of Vehicle Enforcement was brought under the Kentucky State Police.

The Cabinet is comprised of six departments:

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

**Justice and Public Safety
Justice Administration**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	10,022,300	14,048,400	11,886,700	10,128,600	10,379,900
State Salary and Compensation Allocation	444,400				
Mandated Expenditure Reductions	-400,200				
Total General Fund	10,066,500	14,048,400	11,886,700	10,128,600	10,379,900
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	1,923,400	1,821,900	1,821,900	1,724,500	1,700,200
Budget Reduction-General Fund Tobacco	-101,500				
Total Tobacco Settlement - Phase I	1,821,900	1,821,900	1,821,900	1,724,500	1,700,200
Restricted Funds					
Balance Forward	2,631,100	1,536,000	1,157,400	1,568,200	1,186,200
Current Receipts	1,317,400	1,317,400	1,317,400	1,317,400	1,317,400
Non-Revenue Receipts	3,536,100	3,986,700	3,974,500	4,069,500	4,086,200
Fund Transfers	-109,900				
Total Restricted Funds	7,374,700	6,840,100	6,449,300	6,955,100	6,589,800
Federal Funds					
Balance Forward	5,619,000	3,256,100		3,256,100	
Current Receipts	6,620,900	6,393,200	11,086,800	6,393,200	11,086,800
ARRA Receipts	2,521,700	351,600	281,100	351,600	281,100
Total Federal Funds	14,761,600	10,000,900	11,367,900	10,000,900	11,367,900
TOTAL SOURCE OF FUNDS	34,024,700	32,711,300	31,525,800	28,809,100	30,037,800
EXPENDITURES BY CLASS					
Personnel Cost	12,333,100	14,740,500	14,454,100	12,797,700	12,979,800
Operating Expenses	1,861,500	1,295,400	1,420,900	1,328,500	1,377,800
Grants Loans Benefits	14,558,900	13,395,100	14,668,400	13,427,000	14,669,200
Debt Service		2,013,000			106,000
Capital Outlay	155,500	109,900	109,900	69,700	109,900
TOTAL EXPENDITURES	28,909,000	31,553,900	30,653,300	27,622,900	29,242,700
EXPENDITURES BY FUND SOURCE					
General Fund	9,777,500	14,048,400	11,886,700	10,128,600	10,379,900
Tobacco Settlement - Phase I	1,819,500	1,821,900	1,821,900	1,724,500	1,700,200
Restricted Funds	5,806,500	5,682,700	5,576,800	5,768,900	5,794,700
Federal Funds	11,505,500	10,000,900	11,367,900	10,000,900	11,367,900
TOTAL EXPENDITURES	28,909,000	31,553,900	30,653,300	27,622,900	29,242,700
EXPENDITURES BY UNIT					
Secretary	4,349,100	7,390,200	5,377,200	4,261,400	4,337,300
Office of Drug Control Policy	5,882,000	5,910,800	5,897,700	5,760,500	5,757,100
Medical Examiner Program	4,026,600	4,511,100	4,439,000	4,090,000	4,291,700
Parole Board	712,700	931,500	905,400	669,300	684,200
Grants	11,877,200	10,821,600	12,057,500	10,736,000	12,065,200
Criminal Justice Council	259,400	186,700	174,500	303,700	305,200
Motorcycle Training Program	1,052,000	1,052,000	1,052,000	1,052,000	1,052,000
Access to Justice	750,000	750,000	750,000	750,000	750,000
TOTAL EXPENDITURES	28,909,000	31,553,900	30,653,300	27,622,900	29,242,700

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

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

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

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

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

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

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

Policy

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

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

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

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

The Executive Budget provides debt service in the amount of \$106,000 in fiscal year 2013-2014 to support new bonds for the site acquisition and design of a new Medical Examiner Laboratory and Office in Jefferson County.

**Justice and Public Safety
Criminal Justice Training**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	4,077,982	1,340,400	1,285,800	11,987,500	9,144,800
Current Receipts	409,906	421,200	425,000	409,900	409,900
Non-Revenue Receipts	57,321,612	51,442,000	52,313,300	60,552,800	63,076,800
Fund Transfers	-1,105,800			-12,000,000	-12,000,000
Total Restricted Funds	60,703,700	53,203,600	54,024,100	60,950,200	60,631,500
Federal Funds					
Balance Forward	18,377				
Current Receipts	187,723	188,000	188,000	188,000	188,000
Total Federal Funds	206,100	188,000	188,000	188,000	188,000
TOTAL SOURCE OF FUNDS	60,909,800	53,391,600	54,212,100	61,138,200	60,819,500
EXPENDITURES BY CLASS					
Personnel Cost	17,019,100	18,849,400	19,418,200	19,007,000	19,454,600
Operating Expenses	2,180,500	2,501,200	2,501,400	2,490,200	2,490,300
Grants Loans Benefits	27,421,200	28,489,100	28,797,500	28,230,100	28,797,500
Debt Service	2,211,400	2,213,000	2,210,700	2,213,000	2,210,700
Capital Outlay	90,100	53,100	53,100	53,100	53,100
TOTAL EXPENDITURES	48,922,300	52,105,800	52,980,900	51,993,400	53,006,200
EXPENDITURES BY FUND SOURCE					
Restricted Funds	48,716,200	51,917,800	52,792,900	51,805,400	52,818,200
Federal Funds	206,100	188,000	188,000	188,000	188,000
TOTAL EXPENDITURES	48,922,300	52,105,800	52,980,900	51,993,400	53,006,200
EXPENDITURES BY UNIT					
Kentucky Law Enforcement Program Fund	47,763,700	50,768,800	51,632,700	50,656,000	51,657,400
Peace Officer Professional Standards	524,700	673,200	680,600	673,400	680,900
Special Training Programs	633,900	663,800	667,600	664,000	667,900
TOTAL EXPENDITURES	48,922,300	52,105,800	52,980,900	51,993,400	53,006,200

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

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

Policy

The Executive Budget includes Restricted Funds of \$6,115,900 in fiscal year 2013 and \$6,349,200 in fiscal year 2014 for a \$3,100 training incentive stipend for state troopers, arson investigators, hazardous devices investigators, legislative security specialists, Vehicle Enforcement officers, and dispatchers within the Kentucky State Police, and expands the incentive stipend to the Horse Racing Commission investigators, Office of the Attorney General investigators, Department of Parks officers, Kentucky Horse Park Commission officers, Alcoholic Beverage Control officers, Department of Agriculture investigators, Department of Insurance investigators, Department of Charitable Gaming investigators, and certified peace officers employed by school districts and commissioned by the Justice and Public Safety Cabinet as School Resource officers. Each eligible must meet the requirements of Peace Officer Professional Standards Act training. The stipend payments are provided from the Kentucky Law Enforcement Foundation Program Fund (KLEFPF).

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

The Executive Budget includes \$50,656,000 in fiscal year 2013 and \$51,657,400 in fiscal year 2014 for the Kentucky Law Enforcement Foundation Program Fund.

**Justice and Public Safety
Juvenile Justice**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	76,467,900	90,262,600	94,107,200	79,405,400	80,848,700
State Salary and Compensation Allocation	3,328,100				
Mandated Expenditure Reductions	-239,800				
Total General Fund	79,556,200	90,262,600	94,107,200	79,405,400	80,848,700
Restricted Funds					
Balance Forward	5,535,500	2,386,700	736,600	2,386,700	736,600
Current Receipts	1,543,800	1,317,400	917,400	1,317,400	917,400
Non-Revenue Receipts	8,032,500	8,032,500	8,032,500	8,032,500	8,032,500
Fund Transfers	-425,100				
Total Restricted Funds	14,686,700	11,736,600	9,686,500	11,736,600	9,686,500
Federal Funds					
Balance Forward	928,600	1,395,900	2,453,800	1,395,900	2,228,500
Current Receipts	1,269,400	1,267,400	1,177,400	1,267,400	1,177,400
Non-Revenue Receipts	11,468,000	11,826,400	11,141,300	11,826,400	11,141,300
Total Federal Funds	13,666,000	14,489,700	14,772,500	14,489,700	14,547,200
TOTAL SOURCE OF FUNDS	107,908,900	116,488,900	118,566,200	105,631,700	105,082,400
EXPENDITURES BY CLASS					
Personnel Cost	74,618,700	85,871,600	89,501,800	77,455,200	79,121,700
Operating Expenses	9,769,700	9,857,500	9,848,000	9,675,900	9,632,900
Grants Loans Benefits	15,577,600	16,407,900	15,412,600	14,374,000	13,154,800
Capital Outlay	1,520,000	1,161,500	1,050,000	1,161,500	1,050,000
TOTAL EXPENDITURES	101,486,000	113,298,500	115,812,400	102,666,600	102,959,400
EXPENDITURES BY FUND SOURCE					
General Fund	76,915,900	90,262,600	94,107,200	79,405,400	80,848,700
Restricted Funds	12,300,000	11,000,000	9,686,500	11,000,000	9,686,500
Federal Funds	12,270,100	12,035,900	12,018,700	12,261,200	12,424,200
TOTAL EXPENDITURES	101,486,000	113,298,500	115,812,400	102,666,600	102,959,400
EXPENDITURES BY UNIT					
Program Management	1,185,900	1,377,000	1,411,700	1,216,900	1,224,800
Program Operations	92,727,800	103,204,300	105,414,600	93,690,400	93,815,400
Support Services	7,572,300	8,717,200	8,986,100	7,759,300	7,919,200
TOTAL EXPENDITURES	101,486,000	113,298,500	115,812,400	102,666,600	102,959,400

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

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

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

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

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

Group Home Beds = 82

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

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

Residential Beds = 476

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

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

Detention Beds = 354

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

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

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

Community Services provide services to juvenile offenders. Workers in the community offices develop service objectives and comprehensive service plans for juvenile offenders and their families. These workers supervise over 3,000 juvenile offenders

and recommend any necessary out-of-home placements.

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

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

**Justice and Public Safety
State Police**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	65,505,300	114,644,700	130,083,800	65,311,000	67,196,600
State Salary and Compensation Allocation	5,477,500				
Mandated Expenditure Reductions	-2,203,600				
Total General Fund	68,779,200	114,644,700	130,083,800	65,311,000	67,196,600
Restricted Funds					
Balance Forward	5,825,500	5,654,900	3,678,300	4,959,400	3,361,300
Current Receipts	12,623,600	14,319,000	14,242,400	13,654,600	13,223,500
Non-Revenue Receipts	6,153,300	6,848,800	6,548,800	6,785,100	6,704,000
Fund Transfers	-454,000				
Total Restricted Funds	24,148,400	26,822,700	24,469,500	25,399,100	23,288,800
Federal Funds					
Balance Forward	62,300				
Current Receipts	15,363,600	12,474,200	11,761,500	12,290,700	11,562,000
ARRA Receipts	3,047,800	259,800	15,900	210,900	
Total Federal Funds	18,473,700	12,734,000	11,777,400	12,501,600	11,562,000
Road Fund					
Regular Appropriation	83,251,500	85,499,600	85,927,200	89,475,900	91,898,200
Total Road Fund	83,251,500	85,499,600	85,927,200	89,475,900	91,898,200
TOTAL SOURCE OF FUNDS	194,652,800	239,701,000	252,257,900	192,687,600	193,945,600
EXPENDITURES BY CLASS					
Personnel Cost	140,893,700	172,879,900	185,813,000	147,861,900	149,741,800
Operating Expenses	36,065,300	45,350,600	45,190,100	33,252,400	31,963,600
Grants Loans Benefits	1,137,300	988,300	988,300	2,683,500	2,683,500
Debt Service				103,000	206,000
Capital Outlay	7,592,100	16,803,900	15,401,900	5,425,500	5,166,900
TOTAL EXPENDITURES	185,688,400	236,022,700	247,393,300	189,326,300	189,761,800
EXPENDITURES BY FUND SOURCE					
General Fund	65,962,900	114,644,700	130,083,800	65,311,000	67,196,600
Restricted Funds	19,189,000	23,144,400	19,604,900	22,037,800	19,105,000
Federal Funds	18,473,700	12,734,000	11,777,400	12,501,600	11,562,000
Road Fund	82,062,800	85,499,600	85,927,200	89,475,900	91,898,200
TOTAL EXPENDITURES	185,688,400	236,022,700	247,393,300	189,326,300	189,761,800
EXPENDITURES BY UNIT					
Administration	21,545,200	37,860,900	39,465,600	22,547,900	23,236,600
Technical Services	34,038,800	43,383,100	40,076,400	32,164,500	30,895,400
Operations	108,634,300	135,575,600	148,592,400	113,355,800	114,105,300
Commercial Vehicle Enforcement	21,470,100	19,203,100	19,258,900	21,258,100	21,524,500
TOTAL EXPENDITURES	185,688,400	236,022,700	247,393,300	189,326,300	189,761,800

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

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

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

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

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

Policy

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

The Frankfort Career Development Center (FCDC) minimum security prison was closed and the Department of Corrections transferred ownership of the 362 acres of land and facilities to the Kentucky State Police to be used as the Kentucky State Police Training Academy on July 1, 2011. The Executive Budget provides General Fund debt service in the amount \$103,000 in fiscal year 2013 and \$206,000 in fiscal year 2014.

**Justice and Public Safety
Corrections**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	437,820,000	490,785,400	500,798,300	454,980,300	453,368,100
State Salary and Compensation Allocation	6,017,700				
Special Appropriation	-1,200,000				
Mandated Expenditure Reductions	-726,700				
Mandated Allotments	13,538,500				
Total General Fund	455,449,500	490,785,400	500,798,300	454,980,300	453,368,100
Restricted Funds					
Balance Forward	3,081,600				
Current Receipts	20,237,300	20,668,600	20,918,900	20,668,600	20,918,900
Non-Revenue Receipts	5,427,500	2,427,500	2,427,500		2,800,000
Fund Transfers	-257,200				
Total Restricted Funds	28,489,200	23,096,100	23,346,400	20,668,600	23,718,900
Federal Funds					
Current Receipts	3,363,900	2,652,800	2,970,500	2,652,800	2,970,500
Total Federal Funds	3,363,900	2,652,800	2,970,500	2,652,800	2,970,500
TOTAL SOURCE OF FUNDS	487,302,600	516,534,300	527,115,200	478,301,700	480,057,500
EXPENDITURES BY CLASS					
Personnel Cost	224,763,500	260,977,500	265,991,000	234,863,500	238,381,700
Operating Expenses	51,494,300	50,808,700	51,969,500	50,251,800	50,602,200
Grants Loans Benefits	201,362,700	204,132,900	208,769,500	192,702,100	190,267,100
Debt Service				140,500	421,500
Capital Outlay	355,000	615,000	385,000	343,800	385,000
TOTAL EXPENDITURES	477,975,500	516,534,100	527,115,000	478,301,700	480,057,500
EXPENDITURES BY FUND SOURCE					
General Fund	446,122,400	490,785,400	500,798,300	454,980,300	453,368,100
Restricted Funds	28,489,200	23,096,100	23,346,400	20,668,600	23,718,900
Federal Funds	3,363,900	2,652,800	2,970,500	2,652,800	2,970,500
TOTAL EXPENDITURES	477,975,500	516,534,300	527,115,200	478,301,700	480,057,500
EXPENDITURES BY UNIT					
Corrections Management	9,755,600	11,535,000	12,807,900	9,976,900	10,662,200
Adult Correctional Institutions	289,530,600	322,476,400	330,122,100	289,739,200	293,114,300
Community Services and Local Facilities	164,865,000	162,660,200	162,236,800	161,621,700	157,244,000
Local Jail Support	13,824,300	19,862,700	21,948,400	16,963,900	19,037,000
TOTAL EXPENDITURES	477,975,500	516,534,300	527,115,200	478,301,700	480,057,500

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

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

Policy

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

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

2012 – 2014 Felon and Community Beds Forecast

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

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

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

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

**Justice and Public Safety
Corrections
Corrections Management**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	9,258,300	11,052,000	11,682,900	9,493,900	9,537,200
State Salary and Compensation Allocation	522,700				
Mandated Expenditure Reductions	-229,500				
Total General Fund	9,551,500	11,052,000	11,682,900	9,493,900	9,537,200
Restricted Funds					
Balance Forward	208,300				
Current Receipts	91,700	300,000	300,000	300,000	300,000
Fund Transfers	-4,700				
Total Restricted Funds	295,300	300,000	300,000	300,000	300,000
Federal Funds					
Current Receipts	315,000	183,000	825,000	183,000	825,000
Total Federal Funds	315,000	183,000	825,000	183,000	825,000
TOTAL SOURCE OF FUNDS	10,161,800	11,535,000	12,807,900	9,976,900	10,662,200
EXPENDITURES BY CLASS					
Personnel Cost	8,505,900	10,287,200	11,348,700	8,752,400	9,336,400
Operating Expenses	1,249,700	1,247,800	1,459,200	1,224,500	1,325,800
TOTAL EXPENDITURES	9,755,600	11,535,000	12,807,900	9,976,900	10,662,200
EXPENDITURES BY FUND SOURCE					
General Fund	9,145,300	11,052,000	11,682,900	9,493,900	9,537,200
Restricted Funds	295,300	300,000	300,000	300,000	300,000
Federal Funds	315,000	183,000	825,000	183,000	825,000
TOTAL EXPENDITURES	9,755,600	11,535,000	12,807,900	9,976,900	10,662,200
EXPENDITURES BY UNIT					
Commissioner	5,916,500	6,662,500	7,687,500	6,257,600	6,895,400
Corrections Training	1,429,200	1,698,700	1,791,200	1,368,800	1,389,100
Administrative Services	1,845,400	2,143,200	2,246,500	1,809,100	1,836,300
Division of Personnel	564,500	1,030,600	1,082,700	541,400	541,400
TOTAL EXPENDITURES	9,755,600	11,535,000	12,807,900	9,976,900	10,662,200

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

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

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

The Division of Administrative Services, referenced in KRS 12.020, is comprised of two branches that provide support services to the entire Department in accounting and purchasing, property inventory, and budgeting. The Division of Administrative Services also includes the Contract Management Branch, which is charged with the responsibility for administering the contracts for the Commonwealth's privately operated correctional facilities. These private facilities include two contracted adult institutions (authorized and governed by KRS 197.500-525) - the Marion Adjustment Center, an 826-bed minimum/medium security institution located at St. Mary's, and the Otter Creek Correctional Complex, a 646-bed facility located near Wheelwright. This

branch also oversees contracts with 22 halfway houses located across the state which provide housing for approximately 1,780 community custody inmates and parolees, which includes community placements with the Recovery Kentucky substance abuse programs.

Policy

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	273,313,700	303,208,000	310,727,700	270,470,800	273,719,900
State Salary and Compensation Allocation	4,343,900				
Other	-2,900,000				
Total General Fund	274,757,600	303,208,000	310,727,700	270,470,800	273,719,900
Restricted Funds					
Balance Forward	1,453,700				
Current Receipts	18,535,200	17,338,600	17,588,900	17,338,600	17,588,900
Fund Transfers	-252,500				
Total Restricted Funds	19,736,400	17,338,600	17,588,900	17,338,600	17,588,900
Federal Funds					
Current Receipts	2,253,700	1,929,800	1,805,500	1,929,800	1,805,500
Total Federal Funds	2,253,700	1,929,800	1,805,500	1,929,800	1,805,500
TOTAL SOURCE OF FUNDS	296,747,700	322,476,400	330,122,100	289,739,200	293,114,300
EXPENDITURES BY CLASS					
Personnel Cost	175,054,400	201,591,600	202,396,100	182,686,900	185,029,800
Operating Expenses	44,425,000	43,055,300	43,831,700	43,305,200	43,544,800
Grants Loans Benefits	69,696,200	77,485,500	83,509,100	63,262,800	63,733,200
Debt Service				140,500	421,500
Capital Outlay	355,000	343,800	385,000	343,800	385,000
TOTAL EXPENDITURES	289,530,600	322,476,200	330,121,900	289,739,200	293,114,300
EXPENDITURES BY FUND SOURCE					
General Fund	267,540,500	303,208,000	310,727,700	270,470,800	273,719,900
Restricted Funds	19,736,400	17,338,600	17,588,900	17,338,600	17,588,900
Federal Funds	2,253,700	1,929,800	1,805,500	1,929,800	1,805,500
TOTAL EXPENDITURES	289,530,600	322,476,400	330,122,100	289,739,200	293,114,300
EXPENDITURES BY UNIT					
Institutions Operations	2,891,500	3,233,300	3,269,500	3,228,800	3,465,600
Medical Services	56,064,100	58,222,600	59,512,800	57,602,000	54,164,600
Education	6,410,700	6,411,600	6,520,200	6,052,300	6,028,700
Correctional Industries	14,202,300	13,104,500	13,354,800	12,104,500	12,354,800
Correctional Facilities	175,789,800	199,004,100	199,523,700	184,078,100	186,075,100
Mental Health	11,767,400	20,095,500	25,536,300	12,189,000	19,114,300
Private Prisons	22,404,800	22,404,800	22,404,800	14,484,500	11,911,200
TOTAL EXPENDITURES	289,530,600	322,476,400	330,122,100	289,739,200	293,114,300

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

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

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

Inmate Medical Services, pursuant to KRS 197.020, provides necessary health services to inmates committed to the Department. Services are performed at each institutional location through institutional medical staff, personal service contracts,

and outside referrals to local specialists and hospitals. The provision of medical services is monitored, authorized, and reviewed by a system-wide Medical Director. Beneficiaries of the Division of Inmate Medical Services also include the state inmates housed in local jails who are able to participate in the healthcare network administered through the Division. County jail inmates are now beneficiaries of the healthcare network in accordance with KRS 441.560.

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

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

Correctional Institutions

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

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

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

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

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

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

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

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

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

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

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

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

industries programs are planned in the near future.

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

Policy

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

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

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

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

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

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

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

The Executive Budget provides General Fund debt service in the amount of \$140,500 in fiscal year 2013 and \$421,500 in fiscal year 2014 to support new bonds for capital projects.

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	140,926,500	156,662,700	156,439,300	158,051,700	151,074,000
State Salary and Compensation Allocation	1,151,100				
Special Appropriation	-1,200,000				
Mandated Allotments	13,538,500				
Other	2,900,000				
Total General Fund	157,316,100	156,662,700	156,439,300	158,051,700	151,074,000
Restricted Funds					
Balance Forward	1,419,600				
Current Receipts	1,610,400	3,030,000	3,030,000	3,030,000	3,030,000
Non-Revenue Receipts	5,427,500	2,427,500	2,427,500		2,800,000
Total Restricted Funds	8,457,500	5,457,500	5,457,500	3,030,000	5,830,000
Federal Funds					
Current Receipts	795,200	540,000	340,000	540,000	340,000
Total Federal Funds	795,200	540,000	340,000	540,000	340,000
TOTAL SOURCE OF FUNDS	166,568,800	162,660,200	162,236,800	161,621,700	157,244,000
EXPENDITURES BY CLASS					
Personnel Cost	41,168,500	49,064,000	52,211,500	43,389,500	43,980,800
Operating Expenses	5,372,600	6,058,600	6,231,600	5,275,100	5,284,600
Grants Loans Benefits	118,323,900	107,266,400	103,793,700	112,957,100	107,978,600
Capital Outlay		271,200			
TOTAL EXPENDITURES	164,865,000	162,660,200	162,236,800	161,621,700	157,244,000
EXPENDITURES BY FUND SOURCE					
General Fund	155,612,300	156,662,700	156,439,300	158,051,700	151,074,000
Restricted Funds	8,457,500	5,457,500	5,457,500	3,030,000	5,830,000
Federal Funds	795,200	540,000	340,000	540,000	340,000
TOTAL EXPENDITURES	164,865,000	162,660,200	162,236,800	161,621,700	157,244,000
EXPENDITURES BY UNIT					
Probation and Parole Program	43,602,000	51,942,400	54,494,100	49,262,700	51,854,300
Local Facilities Operations	977,500	1,280,900	1,261,600	1,012,800	1,015,300
Local Facilities - Jail Program	92,394,100	81,063,700	77,694,200	83,176,000	76,377,700
Community Corrections Commission	1,056,000	1,108,500	1,115,200	1,057,500	1,058,800
Halfway Houses	24,376,000	25,085,400	25,144,100	24,963,000	24,963,000
Electronic Monitoring	2,459,400	2,179,300	2,527,600	2,149,700	1,974,900
TOTAL EXPENDITURES	164,865,000	162,660,200	162,236,800	161,621,700	157,244,000

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

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

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

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

The Community Corrections area is comprised of the Halfway House program, Kentucky Corrections Commissioner, and

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

Policy

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

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

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

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

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	14,321,500	19,862,700	21,948,400	16,963,900	19,037,000
Mandated Expenditure Reductions	-497,200				
Total General Fund	13,824,300	19,862,700	21,948,400	16,963,900	19,037,000
TOTAL SOURCE OF FUNDS	13,824,300	19,862,700	21,948,400	16,963,900	19,037,000
EXPENDITURES BY CLASS					
Personnel Cost	34,700	34,700	34,700	34,700	34,700
Operating Expenses	447,000	447,000	447,000	447,000	447,000
Grants Loans Benefits	13,342,600	19,381,000	21,466,700	16,482,200	18,555,300
TOTAL EXPENDITURES	13,824,300	19,862,700	21,948,400	16,963,900	19,037,000
EXPENDITURES BY FUND SOURCE					
General Fund	13,824,300	19,862,700	21,948,400	16,963,900	19,037,000
TOTAL EXPENDITURES	13,824,300	19,862,700	21,948,400	16,963,900	19,037,000
EXPENDITURES BY UNIT					
Local Jail Allotment	12,330,700	14,473,900	14,473,900	12,026,600	12,026,600
Restricted Medical	931,100	931,100	931,100	931,100	931,100
Jailers' Allowance	481,700	481,700	481,700	481,700	481,700
Catastrophic Medical	80,800	295,900	295,900	80,800	80,800
Local Correctional Assistance Fund		3,680,100	5,765,800	3,443,700	5,516,800
TOTAL EXPENDITURES	13,824,300	19,862,700	21,948,400	16,963,900	19,037,000

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

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

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

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

Policy

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

**Justice and Public Safety
Public Advocacy**

	Revised FY 2012	Requested FY2013	Requested FY2014	Recommended FY 2013	Recommended FY 2014
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	37,195,500	55,150,800	62,292,400	39,974,000	40,678,600
State Salary and Compensation Allocation	1,980,000				
Total General Fund	39,175,500	55,150,800	62,292,400	39,974,000	40,678,600
Restricted Funds					
Balance Forward	7,100				
Current Receipts	2,500,100	2,507,200	2,507,200	2,507,200	2,507,200
Non-Revenue Receipts	1,536,800	3,501,900	5,377,300	1,536,800	1,536,800
Fund Transfers	-63,600				
Total Restricted Funds	3,980,400	6,009,100	7,884,500	4,044,000	4,044,000
Federal Funds					
Current Receipts	2,335,100	1,571,900	1,575,000	2,418,200	2,421,300
Non-Revenue Receipts		846,300	846,300		
Total Federal Funds	2,335,100	2,418,200	2,421,300	2,418,200	2,421,300
TOTAL SOURCE OF FUNDS	45,491,000	63,578,100	72,598,200	46,436,200	47,143,900
EXPENDITURES BY CLASS					
Personnel Cost	38,550,900	55,624,750	64,537,550	40,586,200	41,260,500
Operating Expenses	5,491,500	7,913,350	8,020,650	5,810,000	5,843,400
Grants Loans Benefits	40,000	40,000	40,000	40,000	40,000
TOTAL EXPENDITURES	44,082,400	63,578,100	72,598,200	46,436,200	47,143,900
EXPENDITURES BY FUND SOURCE					
General Fund	37,766,900	55,150,800	62,292,400	39,974,000	40,678,600
Restricted Funds	3,980,400	6,009,100	7,884,500	4,044,000	4,044,000
Federal Funds	2,335,100	2,418,200	2,421,300	2,418,200	2,421,300
TOTAL EXPENDITURES	44,082,400	63,578,100	72,598,200	46,436,200	47,143,900
EXPENDITURES BY UNIT					
Office of the Public Advocate	1,073,300	1,275,100	1,277,500	1,169,300	1,187,500
Defense Services	39,366,600	57,553,700	66,469,300	41,423,900	42,049,700
Law Operations	1,610,800	2,356,300	2,401,400	1,678,500	1,701,100
Protection and Advocacy	2,031,700	2,393,000	2,450,000	2,164,500	2,205,600
TOTAL EXPENDITURES	44,082,400	63,578,100	72,598,200	46,436,200	47,143,900

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

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

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

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

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

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

Policy

Notwithstanding KRS 45.777, the Commonwealth's share of proceeds from any sale of the Department for Public Advocacy building located on 109 Church Street in Lexington shall be deposited into a Restricted Funds account for the benefit of the Department for Public Advocacy.

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