

2018-2020 Branch Budget Request Manual



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Section I

Introduction

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SECTION I

INTRODUCTION

NOTE – Each agency must be acquainted thoroughly with these new arrangements and instructions prior to preparation of their budget requests. Any agency request which does not conform to the format and instructions contained within this Manual shall be returned for correction and compliance. A copy of any supplemental or implementing guidelines issued by a branch budget office or other administrative agency must be transmitted to the Legislative Research Commission, Office of Budget Review.

BACKGROUND – The 2018-2020 biennial Branch Budget Request Manual is issued pursuant to KRS 48.040 as the standard guideline to be used by all agencies in the Executive, Judicial, and Legislative Branches for development of their 2018-2020 biennial budget requests.

The primary objectives of Kentucky's budget preparation process are:

1. To enable elected and appointed agency heads to present a complete financial plan based upon an explicit need for governmental services.
2. To inform branch heads and members of the General Assembly about services and financial requests and priorities based upon established legal authority and documented analysis of conditions and activities.
3. To arrange and submit budget request information in a uniform and comparative format which facilitates branch heads' budget recommendations to the 2018 General Assembly.

The ultimate purpose of these budget guidelines is to identify, organize, and present useful information that permits elected budget policy-makers to make decisions in the context of revenue conditions for the 2018-2020 fiscal biennium. The statutory budget calendar is printed in Appendix A. Branch heads may impose a more restrictive schedule within this time period.

THE eMARS BUDGET SYSTEM – The format and manner in which the budget requests will be prepared and submitted for the 2018-2020 biennial budget request process is using the eMARS

(Management, Administrative and Reporting System) Budget System, called KBUD. The majority of the required budget request information defined in this Branch Budget Request Manual will be entered and submitted using KBUD. That information, in combination with information prepared electronically outside of KBUD, shall represent each agency's biennial budget request in electronic form. Detailed instructions for utilizing KBUD will be provided in August and September 2017. Your agency will be notified about available training.

The Manual specifies the information required for each agency's biennial budget request. The records included in this Manual are representations of agency budget request requirements. The actual reports in KBUD will be designed to appear much like the records represented here, with very few differences.

AGENCY REQUEST SUBMISSION – Each agency head shall communicate to the Legislative Research Commission (LRC) and to the Office of State Budget Director, Governor's Office for Policy and Management (GOPM) a formal statement of biennial budget request submission. This is an important procedural step to ensure the simultaneous access by both LRC and GOPM of an agency's biennial budget request. This statement of submission shall be authorized by the appropriate agency head. Until that statement of submission is received by the Executive Branch's KBUD Administrator, and unless specific technical assistance is required to assist the requesting agency, neither GOPM nor LRC budget staff will be allowed access to the electronic version of an agency's 2018-2020 biennial budget request. Upon receipt of that statement of submission, the necessary procedures will be executed to result in the transmission of the agency budget request information to LRC and the granting of security access to the agency's biennial budget request to the budget staff of GOPM.

One printed copy of completed requests shall be submitted to GOPM by all budget units in the Executive Branch; to the Chief Justice by budget units in the Judicial Branch; and to the director of the LRC by budget units in the Legislative Branch. Three complete sets of the printed record and one set of the electronic record of the agency budget request must be transmitted to the LRC Office of Budget Review, simultaneously with the agency's submission to GOPM. The Budgeted Positions Record: A-6 shall be submitted in electronic form. It does not have to be submitted in printed form.

STRATEGIC PLAN SUBMISSION - KRS 48.810 includes a requirement to submit a four-year Strategic Plan with the 2018-2020 biennial agency budget requests. **For the 2018-2020 budget request process, please submit this plan by October 16, 2017.** Each of the program cabinets within the Executive Branch and other independent agencies shall submit a four-year Strategic Plan with their budget requests. For those cabinets/agencies submitting a Strategic Plan, two complete sets of the printed record must be transmitted to the LRC's Office of Budget Review and one copy to GOPM. The electronic version of the Strategic Plan shall be transmitted to the Governmental Services Center (GSC) within the Personnel Cabinet and posted on their Strategic Plan website: <https://personnel.ky.gov/Pages/AgencyStrategicPlans.aspx>.

The submission of electronic personnel data supporting the Budgeted Positions Record shall include the data reflected on Form A-6 "Baseline Budget: Budgeted Positions Record" and the personnel data information may be submitted by the agency or by the Branch Budget Office.

NOTE:
NUMBER ALL PAGES CONSECUTIVELY

**(ONLY AT THE APPROPRIATION UNIT
LEVEL OF BUDGET REQUEST)**

SECTION II

BUDGET REQUEST

GUIDELINES

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SECTION II

BUDGET REQUEST GUIDELINES

NOTE – Not later than September 1, 2017, agencies are required to initiate requests for any interim appropriations increases for FY 2017-18, which may be anticipated for inclusion in the 2018-2020 biennial budget request. The financial and programmatic basis for the biennial request shall be the FY 2017-18 appropriation as revised.

AGENCY REQUEST STRUCTURE - Each agency must prepare its budget unit request at the lowest service unit level for which discrete fiscal and program records can be developed for financial planning/budgeting purposes. Generally, the lowest level at which budget request materials would be submitted is the program level. The 2016-2018 Budget of the Commonwealth document and the 2016-2018 agency budget requests serve as a convenient reference guide. Any changes to the budget request structure of an Executive Branch agency must be approved by GOPM. GOPM will transmit any changes to LRC's Office of Budget Review. All budgetary information, whether generated for official budget submission or internal purposes, should be prepared in a consistent format.

Program structures for the 2018-2020 biennium must be translated into an agency's program/organizational structure at the appropriation unit level and cabinet level as appropriate. A program/organization crosswalk exhibit including account codes to graphically display these relationships, as well as a supplemental narrative explanation of these relationships, must accompany all budget requests.

BUDGET REQUEST STRUCTURE AND CHART OF ACCOUNTS RELATIONSHIP -

The relationship between each agency's budget request structure and certain accounting system accounts for FY 2017-18, 2018-19, and 2019-20 is included within KBUD. This relationship is necessary to set up KBUD prior to each agency receiving access to the 2018-2020 biennial budget request forms and records. Appendix D defines the appropriation structure to be used by agencies in submitting their budget requests. Any deviation from the appropriation structure identified in Appendix D for Executive Branch agencies must be approved by GOPM and explained with documentation provided to LRC's Office of Budget Review.

BUDGET RECORDS - Governmental activities and services which are statutorily effective during the 2018-2020 biennium comprise the basis upon which agencies are to prepare their 2018-2020 budget requests. Moreover, in addition to current operations, agencies must consider the fiscal impacts of such services and activities previously authorized by the General Assembly although the implementation date may have been deferred or suspended. Agencies which administer statutory programs having appropriations which are dependent upon specific tax revenue receipts must submit such 2018-2020 budget requests based upon the preliminary revenue estimates issued by the Office of the State Budget Director by August 15 and October 16 pursuant to KRS 48.120.

The completed program documentation/financial information records for FY 2015-16 and FY 2016-17 will satisfy the financial and program reporting requirement under KRS 48.800 and no separate status report to LRC is necessary for compliance.

Budget request materials are organized into two separate sets of budget records – Operating Budget Request Records and Capital Budget Request Records. Operating budget requests must reflect all financial and service effects of requested capital projects on agency operations during the budget period.

BUDGET REQUEST LEVELS

Baseline Budget Requests - For agencies currently receiving General Fund, Tobacco Settlement-Phase I Funds, Road Fund, Restricted Funds, and/or Federal Funds appropriations, the 2018-2020 budget request submission shall contain a Baseline Budget Request submission.

The Baseline Budget Request submission outlines at the program/subprogram level, both financially and programmatically, for each year of the 2018-2020 biennium, a straight-lined budget based on the FY 2017-18 enacted budget as revised and supports the continuation of currently conducted activities, services delivered, and/or programs to the extent possible. The Baseline Budget Request budgeted expenditures shall be the enacted FY 2017-18 appropriations, as revised. Primary revisions to the FY 2017-18 appropriations that must be taken into account include, but are not limited to, the 2016-2018 biennial budget bills, FY 2017-18 budget adjustments enacted by the 2017 Regular Session of the General Assembly, reorganizations confirmed by the General Assembly, appropriation increases, appropriation reductions,

discontinued programs and activities, including one-time grant allocations, adjustments for debt service that will be reported in the Finance and Administration Cabinet, and nonrecurring mandated allotments. The FY 2017-18 funding level shall be adjusted for the Baseline Budget in each respective fiscal year of the 2018-2020 biennium to reflect the types of changes noted above in all funds.

An agency which proposes to reduce or eliminate any existing programs, services, or activities during the 2018-2020 biennium must fully explain and document such actions on an attachment, titled "**Proposed Fiscal Biennium 2018-2020 Program Funding Reductions or Elimination.**" The statutory authority for such program operations must be cited and the FY 2017-18 funding level must be noted. Included in this attachment is a reconciliation of the FY 2017-18 enacted appropriation, as revised by the General Assembly, and the FY 2017-18 budget, as revised in the Budget Request.

The Baseline Budget shall not include any moneys to support any rate or cost increase based on any (statutory, federal mandates, inflationary, contractual, etc.) factors that apply to agency programs/activities or for any other reason.

The basis for determining a budget unit's Baseline Budget Request is the FY 2017-18 enacted appropriations, as revised. Agencies shall NOT shift appropriations from any fund source between appropriation units.

Agency managers may align personnel levels, expenditures, and programmatic activities as necessary within an appropriation unit for which they are requesting funds, except as otherwise directed. The amounts by fund source within Baseline Budgets for each year of the next biennium shall not exceed the enacted FY 2017-18 budget as revised by the parameters noted in previous paragraphs of this section. The guidelines for the Baseline Budget shall apply to all funds utilized in the enacted FY 2017-18 budget.

Baseline Budget Requests continue to require thorough review and evaluation of existing programs. Please identify any changes planned in developing the budget request that would affect the costs of delivering services such as contracting inside and outside of state government, outsourcing, etc. to improve service delivery and costs.

Any request for General Fund or Road Fund support to finance activities currently funded with Federal or Restricted Funds must be submitted on Additional Budget Request records and supported by documented evidence of such Federal and/or Restricted Funds reduction or withdrawal.

Defined Calculations Budget Requests - The Defined Calculations Budget Request shall be submitted at the same level as the Baseline Budget Request, both financially and programmatically, for each year of the 2018-2020 biennium. Each Defined Calculations Budget Form starts with the letters "DCB." The Defined Calculations Budget Request's purpose is to identify mandated rate increases that are beyond the discretionary control of state agencies.

All Defined Calculation elements shall be compiled into a single Defined Calculations Budget Request. The Defined Calculations shall include only the value of the increased cost for:

- Annual Salary Increments for every 1% increment;
- Employer Retirement Contributions;
- Employer Social Security Rates;
- Health Insurance Premiums;
- Life Insurance Costs;
- Worker Compensation Premiums;
- Personnel Board Assessments;
- Facilities and Support Services charges for state-owned space;
- Telecommunications Charges;
- Computer Services Rated Services and Enterprise Assessment Charges;
- Personnel/Payroll System allocations for debt service on capital financing;
- Motor Pool Rental Charges;
- Facilities Security Charges;
- State Fire and Tornado Fund Premiums; and
- Governmental Services Center Charges.

No additional personnel positions or any new or expansion items may be requested on the Defined Calculations Budget Request (DCB) records. The DCB request shall not be prioritized and will be considered on a collective basis as the Cabinet/Independent agency's number one priority for all Additional Budget Request Forms. All DCB forms must be ranked as priority one. If the expenditure requirements imposed by the Defined Calculation requirements exceed the

revenue estimates of Restricted or Federal funds, then do not artificially inflate estimates from those sources. Instead, request additional General Fund (or Road Fund for the Transportation Cabinet). The DCB forms shall not contain any additional money (from any fund source) that is projected to be needed to meet any expected increases in demands for services and/or activities. This budget request level is a direct complement to the Baseline Budget Request and should not be used to support increased demands on a program/activity.

Each Executive Branch agency shall provide for the costs outlined in Calculations Guidelines (Appendix B). The Calculations Guidelines (Appendix B) contain instructions for preparing budget requests for salaries, fringe benefits, general and specific operating expenses, grants and other assistance payments, and capital outlay items. Agency requests must comply with these guidelines in developing their Defined Calculations Budget Requests.

Additional Budget Requests - For agencies currently receiving General Fund, Tobacco Settlement-Phase I Funds, Road Fund, Restricted Funds, or Federal Funds appropriations, or for agencies wishing to receive appropriations for the first time, the 2018-2020 budget request submission may contain Additional Budget Requests.

The Additional Budget Request details at the program/subprogram level, both financially and programmatically, the requested budget for that unit for each year of the 2018-2020 biennium for:

- A) Growth budget requests;
- B) New or expanded activities and programs or levels of services; and
- C) General Fund or Road Fund support to replace or sustain existing levels of services and operations currently supported by Federal Funds or Restricted Funds.

Each Additional Budget Request must contain a cabinet-wide, as applicable, and an appropriation unit priority ranking assigned by the appropriate authority. In addition, those agencies wishing to request additional funding (i.e., current year appropriation) for FY 2017-18 should display such requests as Additional Budget Request items. Such requests will receive critical review as to their necessity and appropriateness. Complete justification and documentation must accompany all such requests in order to be considered for funding.

BUDGETARY FUNDS

Requests for public funds must conform to the budget fund classification described in KRS 48.010(15).

Public funds are resources available by law to an agency for use in accomplishing statutory services, activities, operations, and purposes.

General Fund – State tax revenue collected by the Commonwealth under general tax laws and appropriated by the General Assembly to finance activities of state government.

Tobacco Settlement - Phase I Funds – Allocations from Tobacco Settlement payments.

Road Fund – Money derived from excise or license taxation relating to gasoline and other motor fuels, and moneys derived from fees, excise or license taxation relating to registration, operation, or use of vehicles for use on public highways.

Federal Funds – All federal revenue and non-revenue receipts, available to a state agency pursuant to statutory authority and appropriated by the General Assembly. Federal Funds estimates must be projected on the basis of the latest federal budget treatment for the federal assistance program by Congress.

Restricted Funds – All receipts from revenue and non-revenue sources of a budget unit restricted as to purpose by statute, including budget acts. The restricted purpose may be broad and general or specific and narrow. The permissible use of these budget resources may be discretionary and unrestricted as to obligation. Restricted Funds include the following financial accounting system fund types which are appropriated by the General Assembly: Agency Revenue Funds; Enterprise Funds; Internal Services Funds; Insurance Administration and Risk Management Funds; and selected Expendable Trust Funds. Restricted Funds sources include fees, service charges, sales and rental income, tuition and mandatory fees, donations, and grants or receipts from private sources or other governmental jurisdictions, which may be applied toward the public purposes of the budget unit. Restricted Funds include fiduciary funds, which are held by state agencies in a trustee capacity and are appropriated by the General Assembly.

Highway Bonds – The proceeds of bonds issued by the Kentucky Turnpike Authority and made available to the Transportation Cabinet.

Capital Construction Fund – Money earned by capital fund assets or receipts allocated from other budgetary fund classes and appropriated by the General Assembly for capital construction, equipment purchase, and information technology projects under KRS Chapters 45 and 48.

The budget request information record distinguishes between revenue and non-revenue receipts as defined in KRS 48.010(17). Revenue receipts are current-year resources in a particular fund initially received by a budget unit for services rendered, products sold, or grants received from the federal government. Non-revenue receipts are funds transferred from another state budget unit which was the initial recipient agency within state government, or other collections of the budget unit which did not result from a revenue producing activity, such as refunds or casualty loss reimbursements. For the Restricted Funds and Federal Funds, all cash transactions which did not affect budgetary balances, such as cash transfers, will be included with the non-revenue receipts. This distinction between types of receipts is intended to depict a more accurate presentation of total unduplicated state budget resources.

2018-2020 PERSONNEL BUDGET SUMMARY - The 2018-2020 budget process will provide for a definitive record of Full-Time, Part-Time, and Other positions. For Executive Branch agencies, the number of personnel positions that may be requested as a part of the Baseline Budget Request is limited to the revised number of positions established through the 2016-18 biennial budget bills, as revised, attached as Appendix E.

BUDGETED POSITIONS RECORD - The Budgeted Positions Record will produce salary and fringe benefit costs for the 2018-2020 biennium for all personnel complements as defined above for each branch and are to be included in each agency's Baseline, Defined Calculations and Additional Budget Request – Growth Category requests. All positions within the personnel target as defined above and exclusive of any salary enhancements (salary increment, other pay raises, and other employer benefit rate increases) shall be placed in the Baseline Budget Request. All projected personnel cost increases based on the Baseline Budget Request personnel position numbers shall be placed in the Defined Calculations Budget Request level. All positions above the personnel target shall be placed in the Additional Budget Request – Growth Category forms. The Budgeted Positions Record shall display the current (FY 2017-18) personnel cost and related

specific benefit costs and additional personnel costs and related specific benefit costs in each of the next two fiscal years. Only such authorized positions are to be identified and must be recorded separately by position categories for each budget unit. Vacant positions must be listed separately from filled positions. Costs for part-time board members will be excluded from the Budgeted Positions Record, but these costs should be provided on the Baseline Budget Request: Expenditure Detail Record.

Agencies whose program/subprogram (the level of presentation of the budget request) does not match the organizational structure of the Budgeted Positions Record as generated by the branch personnel agency must reformat their Budgeted Positions Record to match their program/subprogram and enter the information as required on the A-6 Budgeted Positions Record. For Executive Branch agencies, the Office of the State Budget Director will provide the personnel target information, along with increased personnel costs for each fiscal year to facilitate agency completion of the Baseline Budget and the Defined Calculations Budget levels.

ELECTRONIC PERSONNEL DATA - Each branch head shall submit for agencies under their organizational umbrella, the data supporting the Budgeted Positions Record in an electronic format. At a minimum, the personnel data should include all characteristics of the position that are required to calculate the annual cost of that position, including but not limited to the following:

- Position Number;
- Employee Name or "Vacant;"
- Employee Type (full-time, part-time, and other);
- Job Class Code;
- Job Title;
- Pay Grade;
- Retirement System Code;
- Increment Month;
- Monthly Base Pay;
- Monthly FICA;
- Monthly State Retirement Contribution;
- Monthly State Health Insurance Contribution; and
- Monthly Life Insurance Contribution.

BUDGET REQUESTS FOR INFORMATION SYSTEMS - Any Budget Request for hardware, software, communications, and operating costs for information technology must be consistent with the standards issued by the Chief Information Officer within the Commonwealth Office of Technology.

AGENCY PUBLICATIONS EXHIBIT - KRS 48.040(2) directs that agencies identify costs of publications in their budget request. For each appropriation unit, agencies should complete an Agency Publications Exhibit which will identify by major fund source the itemized costs for development and design, printing, distribution, and other related expenses for publications during FY 2017-18 and each fiscal year of the 2018-2020 biennium. Publication is defined as any printed materials (e.g., annual record, book, pamphlet, newsletter, bulletin, map, or brochure) of a documentary or informational nature that is issued by or on behalf of a state agency to the general public or agency clients. This exhibit shall list the title and quantity of planned publications with the fiscal information.

BUDGET PRIORITIES - Every budget system compels managers and officials to establish priorities for the allocation of limited resources to competing demands and needs. The initial opportunity to establish budget priorities occurs during the budget request phase of the process by agency heads that are most familiar with the continuing needs and desirable improvements in agency activities and operations. **(The Baseline Budget must be the top priority for the agency, followed by the Defined Calculations Budget Requests. All Defined Calculations Budget Requests carry a priority ranking of one. Each separate request in the Additional Budget Request must be assigned an agency numerical priority ranking by the agency head starting at two. Cabinet-level officials will rank consolidated cabinet-wide priorities relative to Additional Budget and Capital Budget. The omission of the ranking number on the request form will indicate no priority value.**

AGENCY BUDGET REQUEST OVERVIEW REPORT - LINKAGE TO CABINET/AGENCY STRATEGIC PLAN - Agency heads should attach, at the highest aggregated level, an Overview Report with their budget unit requests. This Report should present an overview of the agency's budget request in narrative form. The purpose of this Report is to summarize for the branch head, branch budget agency, and the Legislature the major budget issues addressed in the Operating Budget and the Capital Budget, and outline the proposals in the requests which address these issues. Major budget issues may be due to previous or current

resource constraints, needs assessments, program assessments, inappropriate service delivery arrangements, or consequences of federal budget policy, or administrative or judicial orders.

The report shall include how Cabinet/Agency Strategic Plans relate to the major budget issues and proposals within each agency's budget request.

Contingent Matters – For any agency/cabinet which is affected, the Overview Report must identify any contingent matters which could have a significant adverse impact on the Commonwealth's financial condition in the 2018-2020 biennium. The dollar threshold of a contingent matter to be addressed is one million dollars or more. The potential liability may relate to a legal proceeding, federal assistance program compliance, or other statutory commitment or obligation. Agency heads should state the subject and nature of the contingent matter, the major issues to be resolved, the status of any legal or administrative proceeding, and the estimated fiscal impact on state General Fund (including Phase I Tobacco Settlement dollars) or Road Fund expenditures or revenues.

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Section III

Operating Budget Request

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SECTION III

OPERATING BUDGET REQUEST

Baseline Budget Request

Financial Record: (Operating Budget Record A-1/A-2)

Agencies must include an individual Baseline Budget Request: Financial Record (A-1/A-2) at the Program/Subprogram level, Appropriation/Agency level, and Cabinet/Function level (where applicable). This record identifies the current year (FY 2017-18) budgeted amounts as revised, and the total baseline costs (as defined in Section II) relating to existing program/service activities.

BUDGETED – FY 2017-18 - In the budgeted FY 2017-18 column for Baseline Budget Request, agencies must identify the budgeted amounts for the current fiscal year, as revised. Accordingly, revenue and expenditure figures recorded in this column represent the agency's current revised budget plan for FY 2017-18 based upon total available resources and total appropriated expenditures.

NOTE – Prior to September 1, 2017, agencies shall initiate requests for any interim appropriations increases for FY 2017-18, which may be anticipated for inclusion in the 2018-2020 biennial budget request.

Primary revisions to the FY 2017-18 appropriations that must be taken into account include, **but are not limited to**, the 2016-2018 biennial budget bills, budget adjustments enacted by the 2017 Regular Session of the General Assembly, reorganizations confirmed by the General Assembly, appropriation increases, appropriation reductions, mandated expenditure reductions, discontinued programs and activities, including one-time grant allocations, adjustments for debt service that will be reported in the Finance and Administration Cabinet, and nonrecurring mandated allotments.

BASELINE BUDGET REQUESTS - The FY 2018-19 and FY 2019-20 Baseline Budget could be less than the FY 2017-18 enacted budget, as revised, depending on nonrecurring costs, discontinued or reduced programs, or vacant position costs. All filled personnel positions as of

August 1, 2017, that fall within the personnel target as defined in this Manual shall be included in the Baseline Budget.

Baseline Budget Requests shall support, for each year of the 2018-2020 biennium to the extent possible, a continuation of currently conducted activities, services delivered, and/or programs that are in effect in the current year FY 2017-18. The Baseline Budget Request shall reflect the same budgeted amounts (for all funds) to continue to support programs/activities at the currently provided level of services to the extent possible.

The Baseline Budget Requests are considered the budget unit's top priority activities. Agency heads must critically examine each component service and each essential cost element within their budget. **Requests for General Fund or Road Fund replacement funding to finance any activities currently supported by Federal Funds or Restricted Funds shall be requested as an Additional Budget Request.**

The purpose of Baseline Budget Requests is to identify specific fund sources and general types of fund receipts, to record Expenditures by Class, and to record Expenditures by Fund Source.

Actual financial information from the two prior fiscal years, 2015-16 and 2016-17, will be passed from eMARS Financial Management Reporting Database to the eMARS Budget System. Any variances made by an agency to the amounts transferred from the eMARS Financial Management Reporting Database for FY 2015-16 or FY 2016-17 must receive prior approval from the Governor's Office for Policy and Management, and shall be identified and explained in the exhibit in the agency eMARS Financial Management Reporting Database crosswalk.

SOURCE OF FUNDS

The Source of Funds section details fiscal year information for actual, budgeted and requested General Fund and Road Fund appropriations, and summary revenue/receipt information for Restricted Funds and Federal Funds.

The following definitions apply to the General Fund and/or Road Fund (Documentation must be provided for each applicable funding mechanism identified.)

Regular Appropriation is the amount included in Part I of the regular biennial branch budget bills for the two historical years and the current year.

Tobacco Settlement – Phase I is the amount of the Tobacco Settlement funds as appropriated and revised in accordance with the State/Executive Branch Budget Bill for the 2016-2018 biennium and requested for the 2018-2020 biennium.

Surplus Expenditure Plan is the amount for FY 2017-18 which has been authorized for expenditure for designated purposes.

Current Year Appropriation is the amount originating from a Regular Session of the General Assembly in a branch bill for the current fiscal year. These appropriations occur biennially in even-numbered fiscal years. For Executive Branch agencies, requests for current year appropriations for FY 2017-18 must be submitted as an **Additional Budget Request** with prior approval by the branch budget director.

Special Appropriations are appropriations contained in enacted bills other than the 2016 Regular Session's branch budget bills.

Continued Appropriations are prior year unexpended General, Road, or Tobacco Settlement – Phase I appropriations that have been authorized by statute or budget bill language to not lapse at the end of the fiscal year. Cite the statutory or Appropriations Act authority for each continued appropriation on the Program Narrative/Documentation Record (A-4). (NOTE: Continued Tobacco Settlement – Phase I Funds, are to be identified separately from regular General Fund dollars.)

Mandated Expenditure Reduction is the amount of General Fund spending reductions required to balance the budgets as enacted (allotment reduction).

Budget Reduction is the amount of appropriation reduction due to the implementation of a General Fund or Road Fund Budget Reduction Plan.

Reorganization Adjustments represent **increased or decreased** appropriation amounts resulting from reorganization executive orders affecting an agency and its service units. The sums must reflect the revisions for the full year. Historical fiscal year records must also be adjusted for

comparative presentation. Cite the reorganization order number on the Program Narrative/Documentation Record (A-4).

Mandated Allotments are appropriations from unbudgeted General Fund sources which are made to meet unbudgeted expenses as specified in any Appropriation Act, Kentucky Revised Statute, or court order. Cite the authority for the allotment mandate on the Program Narrative/Documentation Record (A-4). Each Mandated Allotment must be identified and documented.

Other is a category utilized for historical data and for FY 2017-18 appropriation adjustments required during the execution of the budget that do not fit into any of the above categories. Cite authority and purpose on the Program Narrative/Documentation Record (A-4).

The following definitions apply to Restricted Funds and/or Federal Funds:

Current Receipts are moneys received by the budget unit in the first instance for services rendered, products sold, or grants received from the federal government.

Non-Revenue Receipts include funds transferred from another state government budget unit, reimbursements for casualty losses, or refunds relating to prior year operations and cash transfers.

Revenue for Restricted Funds predicated upon existing rates and types should be recorded in the row designated "Existing Structure" on the Restricted Funds Record (E). New or additional revenue for Restricted Funds due to a change in rate values or different and new sources, should be recorded in the row designated "Revised Structure." Revenue from revised structures must be submitted in the Additional Budget Request.

Any Restricted Funds resources resulting from changes in rate values not incorporated in the enacted 2016-2018 Biennial Budget must be documented and explained. Request for utilization of any new Restricted Funds, resulting from proposed changes in rate values during the 2018-2020 biennium should be displayed at the Additional Funding Request level (Form B-1/B-2) for new and expansion items.

If revenue for Federal Funds is due to anticipated receipts under existing federal programs, record figures in the row designated "Existing Programs" on the Federal Assistance Program Record

(G). If revenue for Federal Funds is anticipated based upon a new federal program source, record figures in the row designated "New Programs." Revenue from new programs must be submitted in the Additional Budget Request.

ALL REQUESTED DOLLAR AMOUNTS MUST BE ROUNDED TO THE NEAREST \$100.

2018-2020 KENTUCKY BRANCH BUDGET
Baseline Budget Request: Financial Record
(All requested columns rounded to the nearest \$100)

OPERATING BUDGET RECORD A-1/A-2-p1

Governmental Branch:
Cabinet/Function:

Agency: _____
Appropriation Unit: _____
Program/Service Unit: _____
Sub Program: _____
Posting Unit: _____

	Actual FY 2015-16	Actual FY 2016-17	Budgeted FY 2017-18	Baseline Requested FY 2018-19	Baseline Requested FY 2019-20
SOURCE OF FUNDS:					
GENERAL FUND					
Regular Appropriation	0	0	0	0	0
State Salary and Compensation Fund	0	XXXXXX	XXXXXX	XXXXXX	XXXXXX
Surplus Expenditure Plan	0	XXXXXX	0	XXXXXX	XXXXXX
Special Appropriation	0	0	0	XXXXXX	XXXXXX
Current Year Appropriation	0	XXXXXX	0	XXXXXX	XXXXXX
Continued Appropriation-General Fund	0	0	0	0	0
Budget Reduction	0	0	0	XXXXXX	XXXXXX
Reorganization Adjustment	0	0	0	XXXXXX	XXXXXX
Mandated Allotments	0	0	0	XXXXXX	XXXXXX
Other	0	0	0	XXXXXX	XXXXXX
TOTAL GENERAL FUND	0	0	0	0	0
TOBACCO SETTLEMENT - PHASE I					
Tobacco Settlement - Phase I	0	0	0	0	0
Continued Appropriation-Tobacco Settlement	0	0	0	0	0
Other	0	0	0	XXXXXX	XXXXXX
TOTAL TOBACCO SETTLEMENT - PHASE I	0	0	0	0	0
RESTRICTED FUNDS					
Balance Forward	0	0	0	0	0
Current Receipts	0	0	0	0	0
Non-Revenue Receipts	0	0	0	0	0
Fund Transfer to the General Fund	(0)	(0)	(0)	(0)	(0)
TOTAL RESTRICTED FUNDS	0	0	0	0	0
FEDERAL FUNDS					
Balance Forward	0	0	0	0	0
Current Receipts	0	0	0	0	0
Non-Revenue Receipts	0	0	0	0	0
TOTAL FEDERAL FUNDS	0	0	0	0	0
ROAD FUND					
Regular Appropriation	0	0	0	0	0
Surplus Expenditure Plan	0	0	0	XXXXXX	XXXXXX
Special Appropriation	0	0	0	XXXXXX	XXXXXX
Current Year Appropriation	0	XXXXXX	0	XXXXXX	XXXXXX
Continued Appropriation	0	0	0	0	0
Budget Reduction	0	0	0	XXXXXX	XXXXXX
Reorganization Adjustment	0	0	0	XXXXXX	XXXXXX
TOTAL ROAD FUND	0	0	0	0	0
HIGHWAY BONDS	XXXXXX	XXXXXX	XXXXXX	0	0
TOTAL FUNDS	0	0	0	0	0
EXPENDITURES BY CLASS					
Personnel Costs	0	0	0	0	0
Operating Expenses	0	0	0	0	0
Grants, Loans, Benefits	0	0	0	0	0
Debt Service	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Construction	0	0	0	0	0
TOTAL EXPENDITURES	0	0	0	0	0

2018-2020 KENTUCKY BRANCH BUDGET
Baseline Budget Request: Financial Record
(All requested columns rounded to the nearest \$100)

OPERATING BUDGET RECORD A-1/A-2-p2

Governmental Branch:
Cabinet/Function:

Agency: _____
Appropriation Unit: _____
Program/Service Unit: _____
Sub Program: _____
Posting Unit: _____

	Actual	Actual	Budgeted	Baseline	Baseline
	FY 2015-16	FY 2016-17	FY 2017-18	Requested	Requested
				FY 2018-19	FY 2019-20
EXPENDITURES BY FUND SOURCE:					
General Fund	0	0	0	0	0
Tobacco Settlement-Phase I	0	0	0	0	0
Restricted Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Road Fund	0	0	0	0	0
Highway Bonds	0	0	0	0	0
TOTAL EXPENDITURES BY FUND SOURCE	0	0	0	0	0
EXPENDITURES BY UNIT					
(At Consolidation Levels Only)					
-----	0	0	0	0	0
-----	0	0	0	0	0
-----	0	0	0	0	0
-----	0	0	0	0	0
-----	0	0	0	0	0
-----	0	0	0	0	0
-----	0	0	0	0	0
TOTAL EXPENDITURES BY UNIT	0	0	0	0	0

OPERATING BUDGET REQUEST

Baseline Budget Request

Expenditure Detail Record: (Operating Budget Record A-3)

The Baseline Budget Request: Expenditure Detail Record (A-3) must be completed whenever a Baseline Budget Request: Financial Record (A-1/A-2) is submitted. (NOTE: Total Expenditures on the Expenditure Detail Record (A-3) must agree with the Total Expenditures reported on Financial Record (A-1/A-2).)

These instructions continue the effort to provide the most relevant expenditure detail information. Some detail below the object type code level may still be required. Agencies must consult their GOPM Budget Analyst and LRC Fiscal Analyst to determine whether specific object codes are required. KBUD provides the ability to enter and report any specific expenditure object code.

FY 2015-16 and FY 2016-17 expenditure amounts **must** match the appropriate **on-budget figures** contained in the Kentucky Comprehensive Annual Financial Report and respective Supplementary Information. If figures are not comparable, a reconciliation statement must be attached to explain the difference, unless variance is due to rounding figures.

PERSONNEL COSTS - Personnel Costs for FY 2018-19 and FY 2019-20 are limited to the annualized value of increments granted in the FY 2017-18 budget, as revised by the Personnel Target as previously defined. To calculate the value of budgeted vacancies, agencies should use the appropriate expected annual salary and appropriately allocate the costs to the fund source(s) which would be used to fund the vacancy. In the event that all personnel costs within the Personnel Target cannot be supported in the Baseline Budget, the costs above the Baseline Budget level may be requested in the Additional Budget Request – Growth Category Form. Please note that personnel costs within the Personnel Target shall be included in the Baseline Budget before any other costs are included. Salary increments, other pay raises, health insurance, retirement, and FICA rate increases shall not be included on the Baseline Budget A-3 Form, but shall be included in the Defined Calculations Budget (DCB-3 Forms). Regular Salaries and Wages (E111) cover the normal costs recorded for this minor object code. Other Salaries and Wages include the remaining salary and wage expenses – overtime and compensatory time, seasonal, occasional, per-diem, and differentials. Several fringe benefit costs are itemized: FICA

(E121), retirement (E122), and health and life insurance (E123 and E124). For the two historical years, any salary and fringe benefit costs that were posted to an object code outside of the E111-E124 object codes due to cost allocation processes must be displayed using the E111-E124 object codes. Other Fringe Benefits include disability coverage (E127) and employee related insurance (E128). Workers' compensation (E131) requirements should be specifically recorded.

OPERATING EXPENSES - Operating expense items are specified at the object code or summary level except for any lower level detail required by GOPM Policy and Budget Analyst or LRC Fiscal Analyst. Consult your analysts to determine any applicable specified object expense items. No operating related rate increases shall be requested on the A-3 Form.

GRANTS/LOANS/BENEFITS - Grants, loans, or benefits costs must be based on rates, recipient loads, and component variables identified on the Program Narrative/Documentation Record (A-4). Grants/Benefit items are specified at the object code class or summary level except for any lower level detail required by GOPM Policy and Budget Analyst or LRC Fiscal Analyst. Consult your analysts to determine any applicable specified object expense items. No Grants, Loans, and Benefits related to rate increases or program growth shall be requested on the A-3 Form.

DEBT SERVICE - All currently authorized General Fund debt service costs in the historical, CURRENT, and each fiscal year of the 2018-2020 biennium will be budgeted in the Finance and Administration Cabinet, with the exceptions of the Public Service Commission, the School Facilities Construction Commission, the Teachers' Retirement System, the Department for Behavioral Health, Developmental and Intellectual Disabilities for the Eastern State Hospital project, and Universities for University-issued Consolidated Educational Buildings debt. This means that the total General Fund appropriation displayed in the FY 2017-18 column for appropriation units with new debt service in FY 2017-18 will be less than the enacted appropriation. No entry shall be made by any other agency for General Fund debt service costs on the Baseline Budget Request Expenditure Detail Record (A-3). All currently authorized non-General Fund debt service costs will be budgeted by other specific fund source by agencies in the historical, current, and each fiscal year of the next biennium.

CAPITAL OUTLAY - Capital Outlay costs shall be projected for routine replacement items and minimal normal requirements. Additional information may be requested by the branch budget

office regarding updated agency equipment replacement schedules. Any Capital Outlay expenditures which are not specifically identified should be recorded as "Other Capital Outlay" (Minor Object Code "E609"). Each agency shall attach a copy of the replacement schedules of Capital Outlay items.

CONSTRUCTION - The Construction Costs expenditure class is reserved for the recording of Operating Budget transfers to the Capital Construction Fund for expenditure, for the recording of highway construction expenditures by the Transportation Cabinet, and for Abandoned Mine Land Reclamation expenditures by the Energy and Environment Cabinet. Amounts for transfers from the Operating Budget Request to the Capital Budget Request must agree with the amounts reported on the Capital Project Record (CBR-02), Capital Equipment Record (CBR-03), and/or Capital Information Technology System Record (CBR-04).

TOTAL EXPENDITURES - Total Expenditures by Fund Source must equal Total Expenditures Detail in each fiscal year displayed. Total expenditures in FY 2018-19 and FY 2019-20 shall not exceed the FY 2017-18 appropriations as revised. Expenditures for the purpose of expanding or establishing new programs or activities or level of services delivered are not to be included in the Baseline Budget Request.

ALL REQUESTED DOLLAR AMOUNTS MUST BE ROUNDED TO THE NEAREST \$100.

2018-2020 KENTUCKY BRANCH BUDGET
Baseline Budget Request: Expenditure Detail Record
(All requested columns rounded to the nearest \$100)

OPERATING BUDGET RECORD A-3-p1

Governmental Branch:
Cabinet/Function:

Agency: _____
Appropriation Unit: _____
Program/Service Unit: _____
Sub Program: _____
Posting Unit: _____

	Actual FY 2015-16	Actual FY 2016-17	Budgeted FY 2017-18	Baseline Requested FY 2018-19	Requested FY 2019-20
EXPENDITURES BY FUND SOURCE					
General Fund	0	0	0	0	0
Tobacco Settlement-Phase I	0	0	0	0	0
Restricted Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Road Fund	0	0	0	0	0
Highway Bonds	0	0	0	0	0
TOTAL EXPENDITURES	0	0	0	0	0
EXPENDITURE CATEGORY					
PERSONNEL COSTS					
E111 Regular Salaries & Wages	0	0	0	0	0
Other Salaries & Wages	0	0	0	0	0
E121 Employer FICA	0	0	0	0	0
E122 Employer Retirement	0	0	0	0	0
E123 Health Insurance	0	0	0	0	0
E124 Life Insurance	0	0	0	0	0
Other Fringe Benefits	0	0	0	0	0
Subtotal Salaries/Fringes	0	0	0	0	0
E131 Worker's Compensation	0	0	0	0	0
Other Personnel Costs (E132-E139)	0	0	0	0	0
E141 Legal Services	0	0	0	0	0
E142 Auditing Services	0	0	0	0	0
Other Professional Services Contracts	0	0	0	0	0
Other (E154,E160-E166)	0	0	0	0	0
E162 Security Services	0	0	0	0	0
T1XX Transfers-Personnel	0	0	0	0	0
Non-Breakdown Personnel	0	0	0	0	0
TOTAL PERSONNEL COSTS	0	0	0	0	0
OPERATING EXPENSES					
E210 Utilities & Heating Fuels	0	0	0	0	0
State-Owned Building Charges	0	0	0	0	0
Other Rentals	0	0	0	0	0
E230 Maintenance & Repairs	0	0	0	0	0
E240 Postage & Related Services	0	0	0	0	0
E250 Miscellaneous Services	0	0	0	0	0
E260 Telecommunications	0	0	0	0	0
E270 Computer Services	0	0	0	0	0
E310 Items for Resale	0	0	0	0	0
E320 Supplies	0	0	0	0	0
E340 Commodities	0	0	0	0	0
E360 Travel	0	0	0	0	0
E370 Miscellaneous Commodities	0	0	0	0	0
E380 Highway Materials	0	0	0	0	0
E508 Indirect Operating Expenses	0	0	0	0	0
T3XX Transfers-Operating	0	0	0	0	0
Non-Breakdown Operating	0	0	0	0	0
TOTAL OPERATING EXPENSES	0	0	0	0	0

2018-2020 KENTUCKY BRANCH BUDGET
Baseline Budget Request: Expenditure Detail Record
(All requested columns rounded to the nearest \$100)

OPERATING BUDGET RECORD A-3-p2

Governmental Branch:
Cabinet/Function:

Agency: _____
Appropriation Unit: _____
Program/Service Unit: _____
Sub Program: _____
Posting Unit: _____

	Actual FY 2015-16	Actual FY 2016-17	Budgeted FY 2017-18	Baseline Requested FY 2018-19	Requested FY 2019-20
GRANTS/ LOANS/ BENEFITS					
E400 Claims	0	0	0	0	0
E410 Grants	0	0	0	0	0
E430 Fin'l Asstce.-Non-State Agencies	0	0	0	0	0
E440 Fin'l Asstce.-Non-State Employees	0	0	0	0	0
E450 Care & Support	0	0	0	0	0
E460 Subsidies	0	0	0	0	0
E498 Indirect Grant Expenses	0	0	0	0	0
T4XX Transfers-Grants, Loans, Benefits	0	0	0	0	0
Non-Breakdown Grants, Loans, Benefits	0	0	0	0	0
TOTAL GRANTS/ LOANS/ BENEFITS	0	0	0	0	0
DEBT SERVICE					
				(Current & Requested years to be completed by Finance & Administration for General Fund)	
Debt Service-General Fund	0	0	0	0	0
Tobacco Settlement-Phase I	0	0	0	0	0
Debt Service-Restricted Funds	0	0	0	0	0
Debt Service-Road Fund	0	0	0	0	0
TOTAL DEBT SERVICE	0	0	0	0	0
CAPITAL OUTLAY					
E601 Furniture, Fixtures & Ofc. Equip.	0	0	0	0	0
E602 Livestock	0	0	0	0	0
E603 Machinery & Implements	0	0	0	0	0
E604 Instruments & Apparatus	0	0	0	0	0
E605 Motor Vehicles	0	0	0	0	0
E606 Buildings/Fixed Equipment	0	0	0	0	0
E607 Library Books	0	0	0	0	0
E608 Athletic Equipment	0	0	0	0	0
E609 Other Capital Outlay	0	0	0	0	0
E610 Telephone/Telecomm. Equip.	0	0	0	0	0
E611 Lease/Purchase (Furn/Fixt/Equip)	0	0	0	0	0
E612 Indirect Capital Outlay	0	0	0	0	0
E613 Interest Expense	0	0	0	0	0
E620 Computer Equip.	0	0	0	0	0
T6XX Transfers-Capital Outlay	0	0	0	0	0
Non-Breakdown Capital Outlay	0	0	0	0	0
Other	0	0	0	0	0
TOTAL CAPITAL OUTLAY	0	0	0	0	0
CONSTRUCTION					
E624 Abandoned Mine Lands	0	0	0	0	0
T7XX Transfer-Capital Outlay	0	0	0	0	0
790 Hwy. Related	0	0	0	0	0
TOTAL CONSTRUCTION	0	0	0	0	0
TOTAL EXPENDITURES	0	0	0	0	0

OPERATING BUDGET REQUEST

Baseline Budget Request

Program Narrative/Documentation Record: (Operating Budget Record A-4)

The Baseline Budget Request: Program Narrative/Documentation Record (A-4) must be completed whenever Financial Record (A-1/A-2) is used.

IMPORTANT: This record is open-ended and should be as lengthy as the Agency thinks necessary in order to justify a particular program's current existence and continued funding. This should be considered a vital part of the budget request.

This record should, at a minimum, include Specific Legal Citations, Fiscal Justification for Program, and **Program Performance with Efficiency, Output and Outcome Measures**, where available. The legal citations must be a detailed and comprehensive list of constitutional provisions, state statutes, federal statutes, rules, regulations, and administrative or judicial orders where no state statutes are applicable. Agencies are encouraged to use quantitative data wherever applicable, and any other information which explains the program's purpose and justification for expenditures. In completing this narrative, the agency should assume that the reader has NO knowledge of the program, i.e., why and under what authority it exists, who it serves, and how its resources are allocated and expended.

"Section I, Program/Results Documentation" must be completed if any of the following questions are answered affirmatively:

- Does the budget unit provide direct services to patients, clients, beneficiaries, recipients, parolees, customers, inmates, applicants, employees, or students?
- Does the budget unit engage in direct law enforcement or regulatory activity (e.g., issue citations, arrest public offenders; certify nursing homes)?
- Does the budget unit process or review forms on a regular basis (e.g., audit tax returns, issue mining permits, issue birth certificates)?
- Was the budget unit appropriated funds for expanded or new services/activities or personnel by the 2016 or 2017 General Assembly?

Quantitative data that indicates the service/performance levels and anticipated outcomes and outputs for the program must be provided. This information should contain the necessary criteria for measuring the accomplishments and/or performance of the program or service activities in the event funding is approved by the General Assembly. Agencies must also state the total funding level associated with individual programs or activities if sub-program/unit funding amounts are different than the total funding figures on the companion Financial Record (A-1/A-2).

Agency budget requests that do not comply with this aspect of the Branch Budget Request Manual will be returned to ensure completion of this critical program information.

Agencies which received additional appropriations in fiscal biennium 2016-2018 for new or expanded services/activities or personnel, as identified in the 2016-2018 enacted branch budget bills or Budget of the Commonwealth must identify the item(s) and provide appropriate data which indicates the level of activities/services or personnel that was budgeted with the additional funds as well as the level of activities/services or personnel that has been accomplished or delivered in comparison with the budget plan.

Any significant changes (i.e., reorganizations and contract practices) that have occurred, or will occur, must be identified by fiscal year. These changes should include, but are not limited to, any current activities or services, which are abolished, restructured, or substantially altered in the Baseline Budget. These changes should include any funding request recorded on Financial Record (A-1/A-2) which finances different activities or service arrangements for either fiscal year of the 2018-2020 biennium.

Budget units and programs/subprograms which function primarily as administrative agencies are required to submit quantitative information which depicts the nature and volume of administrative duties provided. Consult your GOPM analyst(s) for application of "administrative agencies". Quantitative data for FY 2015-16 and FY 2016-17 must be provided, if available.

Completion of this record will satisfy the financial and program reporting requirement under KRS 48.800, and no separate status report to LRC is necessary for compliance.

In “Section II, Program Description/Purpose,” an agency’s program narrative should state concisely the statutory purposes and objectives of the program or subprogram, service delivery arrangements, and note the legal citations (statutes, rules, regulations, and administrative or judicial orders) which affect activities. **Explain the implementation status of FB 2016-2018 additional appropriation items and the impact of the additional dollars in accomplishing their purpose.**

Under “Section III, Program Results/Fiscal Justification,” identify and explain the following:

Any significant variances in Operating Expenses in FY 2018-19 and FY 2019-20 over FY 2017-18 must be explained in detail. State the rationale as to how the requested dollars are derived.

Any increases and significant variances in Grants/Benefits in FY 2018-19 and FY 2019-20 over FY 2017-18 must be justified in detail by individual programs. Note the application of any adjustment factor due to normal changes in client or utilization levels and state the rationale as to how the requested dollars were derived. **(Note: Increases in client levels must be identified as an Additional Budget Request – Growth item. Increases in rates that are paid to clients must also be identified as an Additional Budget Request – Growth item.)** Identify the key components and unit values in individual grants and benefits programs and the relative values of intergovernmental match rates. Agencies should include any and all information, which is meaningful in justifying the agency’s request.

Any significant variances in Capital Outlay in FY 2018-19 and FY 2019-20 over FY 2017-18 must be explained in detail. State the rationale as to how the requested dollars are derived.

ALL REQUESTED DOLLAR AMOUNTS MUST BE ROUNDED TO THE NEAREST \$100.

2018-2020 KENTUCKY BRANCH BUDGET
Baseline Budget Request: Program Narrative/Documentation Record

OPERATING BUDGET RECORD A-4

Governmental Branch:	Agency: _____
Cabinet/Function:	Appropriation Unit: _____
	Program/Service Unit: _____
	Sub Program: _____
	Posting Unit: _____

I. PROGRAM/RESULTS DOCUMENTATION	Baseline				
	Actual FY 2015-16	Actual FY 2016-17	Budgeted FY 2017-18	Requested FY 2018-19	Requested FY 2019-20
(a) Total Funding	0	0	0	0	0
(b) Quantitative Data					
Program Outcomes/Results	0	0	0	0	0
Program Outcomes/Results	0	0	0	0	0
Program Outcomes/Results	0	0	0	0	0
Program Outcomes/Results	0	0	0	0	0
Program Outcomes/Results	0	0	0	0	0
_____	0	0	0	0	0
_____	0	0	0	0	0
_____	0	0	0	0	0
_____	0	0	0	0	0
_____	0	0	0	0	0
_____	0	0	0	0	0

II. PROGRAM DESCRIPTION/PURPOSE

Include Legal Citations for Program

III. PROGRAM RESULTS/FISCAL JUSTIFICATION

OPERATING BUDGET REQUEST

Baseline Budget Request

Personnel Budget Summary Record: (Operating Budget Record A-5)

The Baseline Budget Request: Personnel Budget Summary Record (A-5) must be completed as a part of each full set of Baseline Budget Request Records. The Personnel Budget Summary Record (A-5) includes FY 2015-16 through FY 2019-20.

Information on three categories of personnel and related costs are requested: **Full-Time, Part-Time, and Other Positions (to include Federally Funded Time-Limited (FFTL), and Interim Positions)**. The number of personnel positions that may be requested as a part of the Baseline Budget Request is limited to the personnel target established through the biennial branch budget bills, as revised, attached as Appendix E. Positions above the personnel target may be included in an Additional Budget Request Form.

The number of positions in the FY 2015-16 and FY 2016-17 columns should be the average number of filled positions for the budget unit in the Full-Time, Part-Time, and Other categories for the respective fiscal year.

For Executive branch agencies, the number of personnel positions that may be requested in FY 2018-19 and FY 2019-20 as a part of the Baseline Budget Request is limited to the number of positions established through the biennial branch budget bills, as revised, attached as Appendix E. Positions above the personnel target may be included in an Additional Budget Request Form.

In the event that all personnel costs within the Personnel Target cannot be supported in the Baseline Budget, the costs above the Baseline Budget level shall be requested in an Additional Budget Request form. No new positions above the FY 2017-18 levels may be included on the A-5 Form. Those projected new personnel positions may be included in an Additional Budget Request - Growth form if the need can be justified or in a different category of Additional Budget Request. Personnel costs due to any cost drivers relative to personnel positions approved for FY

2017-18, shall not be placed in the Baseline Budget A-5 form, but shall be placed on the Defined Calculations Budget Request forms.

For interim and federally funded time-limited positions, incremental fringe benefit costs must be calculated only for eligible position categories and be based upon standard employer rate schedules provided in these instructions, unless officially revised by the appropriate authority. Part-time Board member positions shall be excluded.

The Source of Funds section should exclude any overtime and compensatory time salary costs and associated fringe benefits. Any significant differences in the fund source distribution for these costs should be explained on the Operating Budget Record A-4, Fiscal Justification section.

ALL REQUESTED DOLLAR AMOUNTS MUST BE ROUNDED TO THE NEAREST \$100.

2018-2020 KENTUCKY BRANCH BUDGET
Baseline Budget Request: Personnel Budget Summary Record
(All requested columns rounded to the nearest \$100)

OPERATING BUDGET RECORD A-5

Governmental Branch: Cabinet/Function:	Agency: _____ Appropriation Unit: _____ Program/Service Unit: _____ Sub Program: _____ Posting Unit: _____
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Personnel Budget by Source of Funds	Actual FY 2015-16	Actual FY 2016-17	Budgeted FY 2017-18	Requested FY 2018-19	Requested FY 2019-20
FULL-TIME POSITIONS					
Number of Full-Time Positions					
Filled	0	0	0	0	0
Vacant			0		
Total Full-Time Positions			0	0	0
PART-TIME POSITIONS					
Number of Part-Time Positions					
Filled	0	0	0	0	0
Vacant			0		
Total Part-Time Positions			0	0	0
OTHER POSITIONS					
Number of Other Positions					
Filled	0	0	0	0	0
Vacant			0		
Total Other Positions			0	0	0
GRAND TOTAL					
1. Number of Positions					
Filled	0	0	0	0	0
Vacant			0		
Total Positions			0	0	0
2. Source of Funds (\$)					
General Fund	0	0	0	0	0
Tobacco Settlement-Phase I	0	0	0	0	0
Restricted Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Road Fund	0	0	0	0	0
Total Funds	0	0	0	0	0

OPERATING BUDGET REQUEST

Baseline Budget Request

Budgeted Positions Record: (Operating Budget Record A-6)

NOTE: The Budgeted Positions Record (A-6) is exhibited in this Manual in a sample format style indicating the types of information required. This Record will be created for each agency after publication of this Manual.

The Budgeted Positions Record (A-6) is a budget request record that projects the salary, wage and fringe benefit costs for FY 2017-18, FY 2018-19, and FY 2019-20 based upon the assumptions included in the 2018-2020 Branch Budget Request Manual.

Agencies which do not participate in the branch central personnel operations must prepare a comparable Budgeted Positions Record (A-6) consistent with this position class format and utilize standard compensation rate factors applicable to their employment categories. All other Executive branch agencies must use the Budgeted Positions Record (A-6) provided by the GOPM.

The Budgeted Positions Record (A-6) covers three categories of personnel: Full-Time, Part-Time, and Other Positions, for FY 2017-18 and both fiscal years of the 2018-2020 biennium. The costs for part-time Board members will be excluded from the Budgeted Positions Record, but these costs should be provided on the **Baseline Budget Request: Expenditure Detail Record**. Listings for each budget unit must be subdivided and subtotaled according to the funded positions complement, as revised, as of August 1, 2017, within the Personnel Target, within each category as defined in Section II. Calculations for each category must conform to these instructions. Probationary positions shall be considered the same as Full-Time Positions. **All revisions to the enacted positions complement must be identified and reason(s) for the revisions explained.**

FULL-TIME AND PART-TIME POSITIONS - For the Legislative and Judicial Branches, the appropriate branch personnel agency will generate the original record for this report. For the Executive Branch agencies that participate in the Kentucky Human Resources Information System, GOPM will generate the original record for this report. To prepare an accurate record of the request for enacted target, as revised, in FB 2018-2020, the original detail record must be

certified by the branch budget office to eliminate any position for which no funding is requested in the 2018-2020 biennium. Agencies are responsible for ensuring that all applicable positions and appropriate costs are covered in this record.

No pay grade adjustments shall be factored in this record.

The number of positions and projected costs for these categories shall be reflected on the Personnel Budget Summary Record (A-5).

OTHER POSITIONS - The number of positions and projected costs for this employment category shall be reflected on the Personnel Budget Summary Record (A-5). Other Positions includes Interim Positions and Federally Funded Time-Limited Positions. For all other positions, no increment will be provided for purposes of calculating salary costs for agency personnel runs generated by GOPM.

The Budgeted Positions Record (A-6) for the Executive Branch will be generated based on the current agency organizational structure down to the division level, and may be generated based on the primary labor distribution code for filled positions based on information in the state's payroll system. Modifications of these two record formats for Executive Branch agencies may be requested of GOPM when the level of presentation of an agency's budget request is not consistent with the organizational structure of the agency.

Legislative Branch and Judicial Branch agencies whose program/subprogram does not match the organizational structure of the Budgeted Positions Record (A-6) as generated by the branch personnel agency may reformat their Budgeted Positions Record (A-6) to match their program/subprogram as long as the basic guidelines for applicable positions are followed. Such agencies may not exceed the total position costs and the numbers of applicable positions as reflected in the branch personnel's final, official Budgeted Positions Record (A-6). Any modifications must be done with the consultation of the appropriate branch budget office.

Incremental fringe benefits costs shall be calculated on the basis described in the Calculations Guidelines (Appendix B).

ALL REQUESTED DOLLAR AMOUNTS MUST BE ROUNDED TO THE NEAREST \$100.

2018-2020 KENTUCKY BRANCH BUDGET
Baseline Budget Request: Budgeted Positions Record
(All dollar amounts rounded to the nearest \$100)

OPERATING BUDGET RECORD A-6

Agency: _____
Appropriation Unit: _____
Program/Division/Service Unit: _____

Governmental Branch:
Cabinet/Function:

<u>Position Class and Title</u> <u>by Filled/Vacant Categories</u>	<u>Total</u> <u>Positions</u>	<u>FY 2017-18</u> <u>Base Gross</u>	<u>Salary</u> <u>Increment Costs</u>	<u>Benefits</u> <u>Increment</u> <u>Costs</u>	<u>Total</u> <u>Position</u> <u>Costs</u>
UNIT:					
1. Full-Time Positions					
A. Filled					
B. Vacant					
TOTALS - FULL-TIME					
2. Part-Time Positions					
A. Filled					
B. Vacant					
TOTALS - PART-TIME					
2. Other Positions					
A. Filled					
B. Vacant					
TOTALS - OTHER					

OPERATING BUDGET REQUEST

Baseline Budget Request

Restricted Funds Summary Record: (Operating Budget Summary Record D)

The Operating Budget Request: Restricted Funds Summary Record (D) reports the expenditures and total requested expenditures by the Restricted Funds accounts itemized on the Restricted Funds Record (E).

Restricted Funds information on budget request records conform with KRS Chapter 48 and include the financial accounting system fund types such as: Agency Revenue, Enterprise Funds, Internal Services Funds, Insurance Administration and Risk Management Funds, and on-budget Expendable Trust Funds.

The total of all Restricted Funds on the Restricted Funds Summary Record (D) must match the total on the Total Request: Expenditure Detail Record (C-3 report) for the corresponding appropriation unit.

ALL REQUESTED DOLLAR AMOUNTS MUST BE ROUNDED TO THE NEAREST \$100.

2018-2020 KENTUCKY BRANCH BUDGET
Operating Budget Request: Restricted Funds Summary Record
(All requested columns rounded to the nearest \$100)

OPERATING BUDGET RECORD D

Agency: _____
 Appropriation Unit: _____

Governmental Branch:
 Cabinet/Function:

	<u>Actual</u> <u>FY 2015-16</u>	<u>Actual</u> <u>FY 2016-17</u>	<u>Budgeted</u> <u>FY 2017-18</u>	<u>Requested</u> <u>FY 2018-19</u>	<u>Requested</u> <u>FY 2019-20</u>
Summary of Resources:					
Balance Forward	0	0	0	0	0
Existing Structure	0	0	0	0	0
Revised Structure	0	0	0	0	0
Non-Revenue Receipts	0	0	0	0	0
Total Resources	0	0	0	0	0
Summary of Expenditures:					
Baseline Expenditures	0	0	0	0	0
Defined Calculations Expenditures	XXXXXX	XXXXXX	XXXXXX	0	0
Additional Budget Expenditures	XXXXXX	XXXXXX	0	0	0
Total Expenditures	0	0	0	0	0
<u>Fund Account</u>	<u>Actual</u> <u>FY 2015-16</u>	<u>Actual</u> <u>FY 2016-17</u>	<u>Budgeted</u> <u>FY 2017-18</u>	<u>Requested</u> <u>FY 2018-19</u>	<u>Requested</u> <u>FY 2019-20</u>
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
TOTAL EXPENDITURES	0	0	0	0	0

OPERATING BUDGET REQUEST

Baseline Budget Request

Restricted Funds Record: (Operating Budget Record E)

The Operating Budget Request: Restricted Funds Record (E) shall be completed for each on-budget fund account.

The total of all Restricted Funds Records (E) must match the total expenditures on the Total Request: Financial Record (C-1/C-2) for the corresponding appropriation unit and the total on the Restricted Funds Summary Record (D).

Section I – Fund Source Data - Identify the account title as it is in the eMARS Fund Table, and the eMARS account number: Fund-Department. Agencies which do not participate in the central state financial system will use the standard classification scheme for its type of organization and attach a descriptive chart explaining its fund classification structure.

Cite specific legal authority, which governs the receipt and expenditure of the Restricted Funds (statute, administrative regulation, court ruling, budget act, settlement, or other).

Section II – Restricted Fund Description - Provide a description of each type of receipt budgeted for this account including the specific types of activities funded with the receipts. Indicate which type of receipt(s) is restricted and describe the purpose for which it shall be used. Also indicate which type of receipt(s), if any, has no restrictions on the use of the funds.

Section III – Receipt Structure - In the Receipts Structure (Section III), itemize each source type for current rates, and revenue resource code and title.

Section IV – Restricted Funds Budget Summary - The following information is entered in Restricted Funds Budget Summary, (Section IV) for FY 2015-16 through FY 2019-20 in appropriate columns.

- A. Resources:** The amount of resources from balances forwarded from prior fiscal years, current revenue (Existing and Revised Structure) and non-revenue receipts and balances; the actual amounts for FY 2015-16 and FY 2016-17, the estimated amounts for FY 2017-

18, and the requested amounts for FY 2018-19 and FY 2019-20. Existing Structure represents current rates. Revised Structure represents values associated with a proposed change in rates.

B. Expenditures: Identify the actual expenditures for FY 2015-16 and FY 2016-17 and the projected expenditure levels for FY 2017-18 and each year of the 2018-2020 biennium. Provide the amount expended or the projected amount in the Expenditure rows for each fiscal year. For FY 2017-18, FY 2018-19, and FY 2019-20, distinguish these amounts between Baseline Budget, Defined Calculations, and Additional Budget requests.

Section V – Current Receipt Structure, Type of Fees, and Changes to Fees - Explain the current receipt structure, type of fee, description of fees and any proposed rate/fee changes during the 2018-2020 biennium. Indicate the date the fee/rate was last changed and identify the amounts affected, and the legal authority for the change. **Specifically, identify which, if any, were not incorporated in the 2016-2018 Biennial Budget as enacted.** If changes are expected for the 2018-2020 biennium, outline the changes in rates/fees, amounts affected, and the legal authority.

Within each cash control account, specifically identify the following information for each type of fee:

Receipt Structure: Describe the original source of the receipt;

Type of Fee: List the name of each type of fee;

Short Description: Briefly describe the fee;

Legal Basis: List the statutes or regulations that provide the legal authority to collect or change the rate/fee and that direct the uses of the funds;

Current Rate: List the current rate that is charged for each type of fee;

If proposing a change in a fee, indicate the date the fee was last revised;

New Rate: If proposing a new fee, then list the proposed rate;

Rates that have changed during 2016-2018: Explain any rate/fee changes which have been implemented during the 2016-2018 biennium; and

Date Last Revised: Indicate the date the rate was last revised.

***ALL REQUESTED DOLLAR AMOUNTS MUST BE ROUNDED TO THE
NEAREST \$100.***

2018-2020 KENTUCKY BRANCH BUDGET
Operating Budget Request: Restricted Funds Record
(All requested columns rounded to the nearest \$100)

OPERATING BUDGET RECORD E

Agency: _____

Appropriation Unit: _____

Governmental Branch:
 Cabinet/Function: _____

I. FUND SOURCE DATA

Account Title: _____
 eMARS Fund Code: _____
 Legal Authority Citation: _____
 Statute _____
 Administrative Regulation _____
 Other _____

II. RESTRICTED FUNDS DESCRIPTION: Yes _____ No _____ (If restricted, include explanation below.)

III. RECEIPT STRUCTURE	Actual FY 2015-16	Actual FY 2016-17	Budgeted FY 2017-18	Requested FY 2018-19	Requested FY 2019-20
-------------------------------	------------------------------	------------------------------	--------------------------------	---------------------------------	---------------------------------

Receipts by Revenue Source Code:
(Both Revenue and Non-revenue)

_____	0	0	0	0	0
_____	0	0	0	0	0
_____	0	0	0	0	0
_____	0	0	0	0	0
_____	0	0	0	0	0
_____	0	0	0	0	0
_____	0	0	0	0	0
_____	0	0	0	0	0
Total Receipts (Revenue and Non-revenue)	0	0	0	0	0

IV. RESTRICTED FUNDS BUDGET SUMMARY	Actual FY 2015-16	Actual FY 2016-17	Budgeted FY 2017-18	Requested FY 2018-19	Requested FY 2019-20
--	------------------------------	------------------------------	--------------------------------	---------------------------------	---------------------------------

(A) Resources:

Balance Forward	0	0	0	0	0
Existing Structure	0	0	0	0	0
Revised Structure	0	0	0	0	0
Non-Revenue Receipts	0	0	0	0	0
Total Resources	0	0	0	0	0

(B) Expenditures:

Baseline Expenditures	0	0	0	0	0
Defined Calculations Expenditures	XXXXXX	XXXXXX	0	0	0
Additional Budget Expenditures	XXXXXX	XXXXXX	0	0	0
Total Expenditures	0	0	0	0	0

- V. Explain the current receipt structure, type of fee, description of fee, current rate and any proposed rate changes during 2018-2020 biennium. Indicate the date the fee/rate was last changed. Also, explain any rate/fee changes which have been implemented during the 2016-2018 biennium. Identify the rate/fee change, the amounts affected and authority for change.
Specifically identify and explain any rate/fee changes that were not incorporated in the 2016-2018 Biennial Budget as enacted by the 2016 General Assembly.

OPERATING BUDGET REQUEST

Baseline Budget Request

Federal Funds Summary Record: (Operating Budget Summary Record F)

The Operating Budget Request: Federal Funds Summary Record (F) summarizes the Federal Assistance Program Record (G) and reports the expenditures and requested expenditures for each Federal Assistance Program Record (G). The total expenditures and requested expenditures on the Federal Funds Summary Record (F) must match the total on the Total Request: Expenditure Detail Summary Record (C-3 report) for the corresponding appropriation units.

ALL REQUESTED DOLLAR AMOUNTS MUST BE ROUNDED TO THE NEAREST \$100.

OPERATING BUDGET SUMMARY RECORD F

Agency:

Appropriation Unit:

	Actual FY 2015-16	Actual FY 2016-17	Budgeted FY 2017-18	Requested FY 2018-19	Requested FY 2019-20
Summary of Resources:					
Balance Forward	0	0	0	0	0
Current Receipts	0	0	0	0	0
Total Resources	0	0	0	0	0
Summary of Expenditures:					
Baseline Expenditures	0	0	0	0	0
Defined Calculations Expenditures	XXXXXX	XXXXXX	XXXXXX	0	0
Additional Budget Expenditures	XXXXXX	XXXXXX	0	0	0
Total Expenditures	0	0	0	0	0

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OPERATING BUDGET REQUEST

Baseline Budget Request

Federal Assistance Program Record: (Operating Budget Record G)

OVERVIEW - Agencies shall complete a separate Federal Assistance Program Record (G) for each individual federal assistance program source totaling at least \$100,000, and for every federal assistance program which requires state matching funds within the budget unit request. For Federal Assistance programs under \$100,000, which do not require any state match support, one Federal Assistance Program Record (G) must be completed labeled "Miscellaneous" that combines them.

As a general guide, each department or independent agency of state government must complete a separate record for each federal program under which Federal Funds are received or anticipated in the 2018-2020 biennium.

Section I - Federal Source

- Fill in Federal Program Title as listed on Grant Award
- Provide the United States Code Cite, such as 12 U.S.C. 3456
 - For more in-depth information or to search for a code please reference:
<http://uscode.house.gov>
- State the Catalog of Federal Assistance (C.F.D.A.) Number, ex: 12.345
 - For more in-depth information or to search a number please reference: Home - CFDA: Home
- In accordance with the Federal Cash Management Improvement Act of 1990, identify the status of grantee relationship as: Primary = P, Secondary = S, or Vendor = V.
- Provide the Grant Title as it is listed in the eMARS System (Program Name). If agencies do not use this state financial system, please provide the internal agency title.
- Supply the eMARS Grant Account Code number series used to identify the grant, i.e., Program/Program Period, such as 030975-07. For agencies that do not participate in the central state financial system, leave this field blank.
- Provide Annual Grant Period that the award covers as stipulated by Award document.
 - For example, October 1 – September 30, July 1 – June 30

- Indicate if this is an **Existing or New Program**.

Section II - Basis for Estimates – Federal Action

- A. The uniform reference point for funding estimates for fiscal biennium 2018-2020 is the most recent budget status of the individual program as determined by Congressional action at the time the budget request is being developed.
- B. Describe the basis for the estimated Federal Funds.
- C. Note whether the federal assistance program is forward funded.

Section III - Program Type

- A. Identify the type of grant program as Formula = F, Project = P, Block = B, or Contract = C.

Section IV - Grant Description

- A. Provide a detailed description of the grant program.
- B. Within the description, breakdown the uses and/or any restriction of funds.
- C. Include specific information related to non-direct dollar match.
- D. Explain if the match rate for FB 2018-2020 is different from FB 2016-2018.
- E. Describe any inter-governmental transfers of funds for matching purposes.

Section V - Grant Award/Match Requirements

- A. Answer Yes or No to whether the program requires state funds for matching purposes.
- B. Identify the respective federal and state share for each federal grant program. For example, Federal 50%, State 50%.
- C. If State funds are required to match, show the breakdown of state fund sources among General Fund, Restricted Funds, or Road Fund. The total should equal 100 percent of the state funds required to match.
- D. Provide the type of state match for each federal assistance program. If the match is a cash match, put a Y beside Direct Dollars. If the match is comprised of services, equipment, or materials, put a Y beside In-Kind.
- E. Provide the actual amount of grant award received or estimated amount to be received during each state fiscal year. **EXAMPLE:** If the grant award is \$1,000,000

for October 1, 2017-September 30, 2018, then enter \$1,000,000 in the FY 2017-18 column. Specify the amounts for an existing or a new program.

Section VI - Maintenance of Effort (MOE)

MOE is the specified amount of money the state is required to spend in order to continue receiving funding from the federal government. Information regarding whether or not an MOE is required can be found on the CFDA website by referencing the formula and matching requirements section.

- A. Answer Yes or No if state maintenance of fiscal effort is required by federal law.
- B. List amount required for each state fiscal year.

Section VII - Federal Funds Budget Summary

- A. Specify any balance forward and federal receipts received or expected for each fiscal year.
- B. For each fiscal year, distinguish expenditures of federal receipts among Baseline Budget, Defined Calculations, and Additional Budget Requests.

ALL REQUESTED DOLLAR AMOUNTS MUST BE ROUNDED TO THE NEAREST \$100

2018-2020 KENTUCKY BRANCH BUDGET
Operating Budget Request: Federal Assistance Program Record
 (All requested columns rounded to the nearest \$100)

OPERATING BUDGET RECORD G

Governmental Branch: _____
 Cabinet/Function: _____

Agency: _____
 Appropriation Unit: _____

FEDERAL SOURCE

Federal Program Title: _____
 United States Code Cite: _____
 Catalog of Federal Assistance Number: _____
 Grantee: _____
 P = Primary, S = Secondary, V = Vendor Relationship

eMARS Grant Account Number/Code: _____
 Annual Grant Period: _____
 Existing or New Program: _____

Basis for Estimates (Federal Actions)

Program Type: _____ F = Formula, P = Project, B = Block, C = Contract

Grant Description including uses/restriction of grant funds

Grant Award/Match Requirements

A. Does this program require state matching funds? (Y/N) _____

B. Federal/State Share:

Federal Share 0.00%
 State Share 0.00%

C. Source of State Matching Share:

General 0.00%
 Restricted 0.00%
 Road 0.00%

D. Type of Match provided (Y/N):

Direct Dollars _____ In - Kind _____

E. Grant Award

	Actual FY 2015-16	Actual FY 2016-17	Estimate FY 2017-18	Estimate FY 2018-19	Estimate FY 2019-20
Grant Award	0	0	0	0	0

MAINTENANCE OF EFFORT (Required by Federal Law)

A. Is State Maintenance of Fiscal Effort Required? (Y/N) _____

B. Amount Required by State Fiscal Year:

State FY 2015-16 _____ State FY 2016-17 _____ State FY 2017-18 _____

FEDERAL FUNDS BUDGET SUMMARY

	Actual FY 2015-16	Actual FY 2016-17	Budgeted FY 2017-18	Requested FY 2018-19	Requested FY 2019-20
A. Resources					
Balance Forward	0	0	0	0	0
Current Receipts	0	0	0	0	0
Total Resources	0	0	0	0	0
B. Expenditures					
Baseline Budget Expenditures	0	0	0	0	0
Defined Calculations Expenditures	XXXXX	XXXXX	XXXXX	0	0
Additional Budget Expenditures	XXXXX	XXXXX	0	0	0
Total Expenditures	0	0	0	0	0

OPERATING BUDGET REQUEST

Defined Calculations Budget Records and Instructions

Financial Record: (Operating Budget Record DCB-1/B-2)

Defined Calculations Request Records shall be completed whenever the Baseline Budget Request A Series Forms are completed and when requesting budget authority from any budgetary fund source to meet increased costs associated with the calculations guidelines provided in Appendix B. These include positions that were included in the Baseline Budget Request, or other cost drivers associated with the Baseline Budget Request that are beyond the control of the state agency and are indicated below. If a rate declines below current levels, the resulting fiscal savings shall be shown as a negative number on the appropriate Defined Calculations forms.

All Defined Calculations shall be combined into a separate request and must include only the value of the increased/decreased cost for:

- Annual Salary Increments for every 1% increment;
- Employer Social Security Rates;
- Employer Retirement Contributions;
- Health Insurance Premiums;
- Life Insurance Costs;
- Worker Compensation Premiums;
- Personnel Board Assessments;
- Facilities and Support Services charges for state-owned space (includes utilities, if appropriate);
- Telecommunications Charges;
- Computer Services Rated Services and Enterprise Assessment Charges;
- Personnel/Payroll System allocations for debt service on capital financing;
- Motor Pool Rental Charges;
- Facilities Security Charges;
- State Fire and Tornado Fund Premiums; and
- Governmental Services Center Charges.

Defined Calculations Budget Request must contain a cabinet-wide and an agency priority ranking assignment of ONE,

SOURCE OF FUNDS - If revenue for Restricted Funds is predicated upon existing rates and types, record figures in the row designated "Existing Structure" (Form E Operating Budget: Restricted Funds Record), for each affected year in fiscal biennium 2018-2020. If revenue for Restricted Funds is anticipated due to a change in rate values or different and new sources, record these figures in the row designated "Revised Structure" on Form E.

Federal Funds estimates must be projected on the basis of the latest available federal budget treatment of the federal assistance program by Congress. If Federal Funds revenues are due to anticipated receipts under existing federal programs, record figures in the row designated "Existing Programs" (Form G Operating Budget: Federal Assistance Program Record), for each affected year in fiscal biennium 2018-2020. If federal revenues are anticipated based upon a new federal program source, record figures in the row designated "New Programs" on Form G.

If Restricted Funds or Federal Funds are budgeted on this record (Defined Calculations Form DCB-1/B-2), these resources must be cross-referenced with the appropriate funding source record document (E or G).

EXPENDITURES BY CLASS - Object code expenditure assumptions, calculations and recordings are identical to the instructions contained in the Baseline Budget Request unless otherwise noted.

ALL REQUESTED DOLLAR AMOUNTS MUST BE ROUNDED TO THE NEAREST \$100.

2018-2020 KENTUCKY BRANCH BUDGET
Defined Calculations Budget Request: Financial Record
(All columns rounded to the nearest \$100)

PRIORITY
Cabinet #: 1
Agency #: 1

OPERATING BUDGET RECORD DCB-1/B-2-p1

Agency: _____
 Appropriation Unit: _____
 Program/Service Unit: _____
 Sub Program: _____
 Posting Unit: _____

Governmental Branch:
Cabinet/Function:

REQUEST TITLE: DEFINED CALCULATIONS

	Requested FY 2018-19	Requested FY 2019-20
SOURCE OF FUNDS:		
GENERAL FUND		
Regular Appropriation	0	0
TOBACCO SETTLEMENT - PHASE I		
Tobacco Settlement - Phase I	0	0
RESTRICTED FUNDS		
Balance Forward	0	0
Current Receipts	0	0
Non-Revenue Receipts	0	0
TOTAL RESTRICTED FUNDS	0	0
FEDERAL FUNDS		
Current Receipts	0	0
Non-Revenue Receipts	0	0
TOTAL FEDERAL FUNDS	0	0
ROAD FUND		
Regular Appropriation	0	0
TOTAL FUNDS	0	0
EXPENDITURES BY CLASS		
Personnel Costs	0	0
Operating Expenses	0	0
Grants, Loans or Benefits	0	0
Debt Service	0	0
Capital Outlay	XXXX	XXXX
Construction	XXXX	XXXX
TOTAL EXPENDITURES	0	0
EXPENDITURES BY FUND SOURCE:		
General Fund	0	0
Tobacco Settlement-Phase I	0	0
Restricted Funds	0	0
Federal Funds	0	0
Road Fund	0	0
TOTAL EXPENDITURES BY FUND SOURCE	0	0

2018-2020 KENTUCKY BRANCH BUDGET
Defined Calculations Budget Request: Financial Record
(All columns rounded to the nearest \$100)

PRIORITY
Cabinet #: 1
Agency #: 1

OPERATING BUDGET RECORD DCB-1/B-2-p2

Governmental Branch:
Cabinet/Function:

Agency: _____
Appropriation Unit: _____
Program/Service Unit: _____
Sub Program: _____
Posting Unit: _____
REQUEST TITLE: DEFINED CALCULATIONS

	Requested FY 2018-19	Requested FY 2019-20
BUDGET POSITIONS COST BY FUND SOURCE		
General Fund	0	0
Tobacco Settlement - Phase I	0	0
Restricted Funds	0	0
Federal Funds	0	0
Road Fund	0	0
TOTAL FUNDS	0	0

OPERATING BUDGET REQUEST

Defined Calculations Budget Records and Instructions

Expenditure Detail Record: (Operating Budget Record DCB-3)

The Defined Calculations Budget Request: Expenditure Detail Record (DCB-3) must be completed whenever a Defined Calculations: Financial Record (DCB-1/B-2) is submitted. **Related totals must match.**

Object code titles on Record DCB-3 must conform to the standard expenditure object record in the statewide financial system unless otherwise specified. Agencies, which do not participate in the state central financial system, must format expenditure object figures in a comparable arrangement to the extent feasible.

All agencies shall use the Calculations Guidelines (Appendix B) in completing the Defined Calculations Budget Request. All agencies shall use these standard growth factors where applicable. Agencies must critically examine the cost, value, and requirements for all projected expenditure items for requests for FY 2018-19 and FY 2019-20.

All statutory expense allowances should be extended at the current legal rates (Note: legal rates should only appear in the Defined Calculations Budget request if the legal rates were raised) or as specified in the Calculations Guidelines (Appendix B).

PERSONNEL COSTS - The incremental values associated with rate increases above should be recorded in their appropriate object codes. Regular Salaries and Wages (E111) cover the normal costs recorded for this object code. Personnel costs should relate to the personnel expenditures included in the Baseline Budget Request: Expenditure Detail Record (A-3).

NEW TO THE 2018-2020 BRANCH BUDGET REQUEST MANUAL - The salary increment rate to be included in the Defined Calculations Budget request is a 1 percent salary increment specified in the Calculations Guidelines (Appendix B). Using the 1 percent rate in this way provides the necessary financial information to determine the additional costs of various salary increment percentage rates.

Examples

- a) Salary Increment-Incremental fringe benefit costs must be calculated only for eligible personnel positions in the Baseline Budget Request and be based upon standard employer rate schedules provided in these instructions, unless officially revised by the appropriate authority;
- b) Health Insurance rate increases; and
- c) Retirement rate increases.

NOTE: There is no Form B-5 at the Defined Calculations Budget Request level. The additional costs reflected at this level are for baseline budgeted positions and the breakdown of these positions will appear on the Baseline Budget Request Form A-5: Personnel Budget Summary Record.

OPERATING EXPENSES - Operating expense items are specified for State-Owned Building Rental (E222) and Fire and Tornado Insurance Premiums (E254). **Other operating expenses should be detailed for specific object codes specified in the Defined Calculations instructions.**

GRANTS/LOANS/BENEFITS - No Grants/Loans/Benefits should appear in the Defined Calculations Budget Request.

DEBT SERVICE - No new or existing debt service should appear in the Defined Calculations Budget Request.

CAPITAL OUTLAY - No capital outlay should appear in the Defined Calculations Budget.

2018-2020 KENTUCKY BRANCH BUDGET
Defined Calculations Budget Request: Expenditure Detail Record
(All columns rounded to the nearest \$100)

PRIORITY
Cabinet #: 1
Agency #: 1

OPERATING BUDGET RECORD DCB-3

Governmental Branch:
Cabinet/Function:

Agency: _____
Appropriation Unit: _____
Program/Service Unit: _____
Sub Program: _____
Posting Unit: _____

REQUEST TITLE: DEFINED CALCULATIONS

	Requested FY 2018-19	Requested FY 2019-20
EXPENDITURES BY FUND SOURCE		
General Fund	0	0
Tobacco Settlement-Phase I	0	0
Restricted Funds	0	0
Federal Funds	0	0
Road Fund	0	0
TOTAL EXPENDITURES	0	0
EXPENDITURE CATEGORY		
PERSONNEL COSTS		
E111 Regular Salaries & Wages	0	0
Other Salaries & Wages	0	0
E121 Employer FICA	0	0
E122 Employer Retirement	0	0
E123 Health Insurance	0	0
E124 Life Insurance	0	0
Subtotal Salaries/Fringes	0	0
E131 Worker's Compensation	0	0
E162 Security Guard Services	0	0
E184 Personnel Board Assessment	0	0
TOTAL PERSONNEL COSTS	0	0
OPERATING EXPENSES		
E212 Electricity for State-Owned Building Charges	0	0
E222 State-Owned Building Charges	0	0
E226 Carpool Rental	0	0
E254 Insurance Premium (Fire & Tornado)	0	0
E260 Telecommunications	0	0
E300 Internal Enterprise IT Charges	0	0
E802 COT Charges	0	0
TOTAL OPERATING EXPENSES	0	0
DEBT SERVICE		
Debt Service-General Fund	0	0
Debt Service-Tobacco Settlement-Phase I	0	0
Debt Service-Restricted Funds	0	0
Debt Service-Road Fund	0	0
TOTAL DEBT SERVICE	0	0
TOTAL EXPENDITURES	0	0

(Requested years to be completed by)

OPERATING BUDGET REQUEST

Additional Budget Records and Instructions

Financial Record: (Operating Budget Record B-1/B-2)

Additional Budget Request Records shall be completed when requesting budget authority from any budgetary fund source in excess of the calculations guidelines provided in the Baseline Budget Request and the Defined Calculations Budget Request.

Requests for additional funding beyond the Baseline Budget Request and the Defined Calculations Budget Request for each agency must be submitted on Additional Budget Request Records. Requests for current year appropriations for FY 2017-18 must be submitted as an Additional Budget Request. For Executive branch agencies prior approval by the State Budget Director is required for current year appropriation requests. Additional funding requests fall into three categories:

1. **Growth** – Requests for additional funding to support the current scope of programs/activities, beyond the Baseline Budget Request and the Defined Calculations Budget Request. This type of request includes:

Funds required to maintain and continue the FY 2017-18 levels of mandated services and activities that the agency has demonstrated as necessary and has documented its inability to accommodate necessary funding within the Baseline Budget Request and the Defined Calculations Budget Request.

Funds to finance necessary operational capacity in existing operations, programs, and activities; increases in level of services delivered in existing operations, programs, and activities; increases necessitated by changing conditions; annualized costs for Executive Branch programs and services which contain part-year funding and were opened for operations in FY 2017-18.

Funds to finance filled positions above the agencies' personnel target if the positions are necessary to provide services within the current program scope due to increased service demands or program growth.

2. **Expansion** – Funds required to finance proposed expanded agency activities, services, or programs.
3. **New** -- Funds required to finance new operations, programs, and activities; and increases in new services delivers.
4. **Fund Source Replacement** – Funds required to replace the loss of or reduction in Federal and Restricted Funds.

Each discrete request for additional budget authority shall be submitted on a separate Additional Budget Request: Financial Record (B-1/B-2). Example: A request to replace Restricted Funds with General Fund support and a request to increase the number of clients served are two distinct requests and would require completion of two distinct sets of Additional Budget Request Records. Each Additional Budget Request must contain a cabinet-wide and an agency priority ranking assigned by the appropriate authority, starting at priority ranking TWO behind the Defined Calculations Budget Request (priority one). Omission of a ranking will indicate the absence of priority value.

If requested funding relates to a legislative proposal, note and attach a draft copy of the legislative proposal to the Program Narrative/Documentation Record (B-4).

In the Request Type section on the record, check the most appropriate type, which applies to the request.

SOURCE OF FUNDS - Requests for a FY 2017-18 General Fund or Road Fund Appropriation should be identified as a Current Year Appropriation and identified in the Growth category. Any request for a FY 2017-18 Current Year Appropriation which results in recurring costs in any year in the 2018-2020 fiscal biennium must include the associated figures for the affected fiscal year in the 2018-2020 biennium in the same complete set of Additional Budget Request records.

If revenue for Restricted Funds is predicated upon existing rates and types, record figures in the row designated "Existing Structure" (on Form E Operating Budget: Restricted Funds Record) for each affected year in fiscal biennium 2018-2020. If revenue for Restricted Funds is anticipated

due to a change in rate values or different and new sources, record these figures in the row designated "Revised Structure."

Federal Funds estimates must be projected on the basis of the latest available federal budget treatment of the federal assistance program by the Congress. If Federal Fund revenues are due to anticipated receipts under existing federal programs, record figures in the row designated "Existing Programs" (on Form G Operating Budget: Federal Assistance Program Record) for each affected in year in fiscal biennium 2018-2020. If federal revenues are anticipated based upon a new federal program source, record figures in the row designated "New Programs" on Form G.

If Restricted Funds or Federal Funds are budgeted on this record (B-1/B-2), these resources must be cross-referenced with the appropriate funding source record document (E or G).

EXPENDITURES BY CLASS - Object code expenditure assumptions, calculations and recordings are identical to the instructions contained in the Baseline Budget Request unless otherwise noted.

PERSONNEL POSITIONS - Information for the Budgeted Positions by Position Type and by Fund Source will be identified on this record (B-1/B-2).

Each Additional Budget Request must contain a cabinet-wide and an agency priority ranking assigned by the appropriate authority. Omission of the rankings will indicate the absence of priority value.

Note: Page numbers of each Additional Budget Request must be identified on the Priority Ranking Summary Record (Record P).

ALL REQUESTED DOLLAR AMOUNTS MUST BE ROUNDED TO THE NEAREST \$100.

2018-2020 KENTUCKY BRANCH BUDGET
Additional Budget Request: Financial Record
(All columns rounded to the nearest \$100)

PRIORITY
Cabinet #: _____
Agency #: _____

OPERATING BUDGET RECORD B-1/B-2-p1

Governmental Branch:
Cabinet/Function:

Agency: _____
Appropriation Unit: _____
Program/Service Unit: _____
Sub Program: _____
Posting Unit: _____
REQUEST TITLE: _____

REQUEST TYPE: (G)-Growth _____ (RFF) - Federal Funds Replacement _____
(E) - Expansion _____ (RRF) - Restricted Funds Replacement _____
(N) - New _____

	Requested FY 2017-18	Requested FY 2018-19	Requested FY 2019-20
SOURCE OF FUNDS:			
GENERAL FUND			
Regular Appropriation	XXXXXX	0	0
Current Year Appropriation	0		
TOTAL GENERAL FUND	0	0	0
TOBACCO SETTLEMENT - PHASE I			
Tobacco Settlement - Phase I	XXXXXX	0	0
RESTRICTED FUNDS			
Balance Forward	0	0	0
Current Receipts	0	0	0
Non-Revenue Receipts	0	0	0
TOTAL RESTRICTED FUNDS	0	0	0
FEDERAL FUNDS			
Current Receipts	0	0	0
Non-Revenue Receipts	0	0	0
TOTAL FEDERAL FUNDS	0	0	0
ROAD FUND			
Regular Appropriation	0	0	0
HIGHWAY BONDS	0	0	0
TOTAL FUNDS	0	0	0
EXPENDITURES BY CLASS			
Personnel Costs	0	0	0
Operating Expenses	0	0	0
Grants, Loans or Benefits	0	0	0
Debt Service	0	0	0
Capital Outlay	0	0	0
Construction	0	0	0
TOTAL EXPENDITURES	0	0	0
EXPENDITURES BY FUND SOURCE:			
General Fund	0	0	0
Tobacco Settlement-Phase I	0	0	0
Restricted Funds	0	0	0
Federal Funds	0	0	0
Road Fund	0	0	0
Highway Bonds	0	0	0
TOTAL EXPENDITURES BY FUND SOURCE	0	0	0

2018-2020 KENTUCKY BRANCH BUDGET
Additional Budget Request: Financial Record
(All columns rounded to the nearest \$100)

PRIORITY
Cabinet #: _____
Agency #: _____

OPERATING BUDGET RECORD B-1/B-2-p2

Governmental Branch: _____
Cabinet/Function: _____

Agency: _____
Appropriation Unit: _____
Program/Service Unit: _____
Sub Program: _____
Posting Unit: _____
REQUEST TITLE: _____

=====

PERSONNEL POSITIONS

Full-Time Positions			
Number of Positions	0	0	0
Part-Time Positions			
Number of Positions	0	0	0
Other Positions			
Number of Positions	0	0	0
GRAND TOTAL-Number of Positions	0	0	0

=====

BUDGET POSITIONS COST BY FUND SOURCE

General Fund	0	0	0
Tobacco Settlement - Phase I	0	0	0
Restricted Funds	0	0	0
Federal Funds	0	0	0
Road Fund	0	0	0
TOTAL FUNDS	0	0	0

=====

OPERATING BUDGET REQUEST

Additional Budget Request Records and Instructions

Expenditure Detail Record: (Operating Budget Record B-3)

The Additional Budget Request: Expenditure Detail Record (B-3) must be completed whenever a Financial Record (B-1/B-2) is submitted. **Related totals must match.**

Object code titles on Record B-3 must conform to the standard expenditure object record in the statewide financial system unless otherwise specified. Agencies, which do not participate in the state central financial system, must format expenditure object figures in a comparable arrangement to the extent feasible.

Agencies must use the same basis contained in the Calculations Guidelines (Appendix B) for calculating specific expenditure items.

PERSONNEL COSTS - Regular Salaries and Wages (E111) cover the normal costs recorded for this object code. Other Salaries and Wages include the remaining salary and wage expenses – seasonal, occasional, per-diem, and differentials. Overtime (E115) and compensatory time payments (E119) should be specified and recorded as Other Salaries and Wages. Several Fringe Benefit costs are itemized: FICA (E121), retirement (E122) and health and life insurance (E123 and E124). Other Fringe Benefits include disability coverage (E127) and employee related insurance (E128). Workers' compensation (E131) requirements should be specifically recorded.

OPERATING EXPENSES - Operating expense items are specified for State-Owned Building charges (E222) and Utilities and Heating Fuels (E210). Other operating expenses should be detailed for specific object codes identical to and consistent with the object coding structure contained on the Baseline Budget Request: Expenditure Detail Record (A-3).

GRANTS/LOANS/BENEFITS - Grants, Loans, or Benefits costs are to be projected on the basis of rates, recipient loads, and the component variables identified on the Additional Budget Request: Program Narrative/ Documentation Record (B-4). Grants/Benefits items should be specified at the object or object class codes identical to and consistent with coding structure contained on the Baseline Budget Request: Expenditure Detail Record (A-3).

DEBT SERVICE - Debt Service costs should reflect only requested new debt, or additional debt for a currently authorized project. Cost information is entered for the appropriate fund source(s). A spreadsheet template is available from GOPM to aid in debt service calculations. Enter the new/additional Debt Service in the Debt Service line(s) associated with the applicable requested fund source. Include all new Debt Service on one single set of Additional Budget Request forms.

CAPITAL OUTLAY - Any Capital Outlay expenditures which are not specifically identified should be recorded as "Other Capital Outlay" (Object Code "E609").

CONSTRUCTION - The Construction Costs expenditure class is reserved for the recording of Operating Budget transfers to the Capital Construction Fund for expenditure, for the recording of highway construction expenditures by the Transportation Cabinet, and for Abandoned Mine Land Reclamation expenditures by the Energy and Environment Cabinet. Amounts for transfers from the Operating Budget Request to the Capital Budget Request must agree with the amounts reported on the Capital Project Record (CBR-02), Capital Equipment Record (CBR-03), and/or Capital Information Technology System Record (CBR-04).

ALL REQUESTED DOLLAR AMOUNTS MUST BE ROUNDED TO THE NEAREST \$100.

2018-2020 KENTUCKY BRANCH BUDGET
Additional Budget Request: Expenditure Detail Record
(All columns rounded to the nearest \$100)

PRIORITY

Cabinet #: _____

Agency #: _____

OPERATING BUDGET RECORD B-3-p1

Governmental Branch:
Cabinet/Function:

Agency: _____
Appropriation Unit: _____
Program/Service Unit: _____
Sub Program: _____
Posting Unit: _____
REQUEST TITLE: _____

	Requested FY 2017-18	Requested FY 2018-19	Requested FY 2019-20
EXPENDITURES BY FUND SOURCE			
General Fund	0	0	0
Tobacco Settlement-Phase I	0	0	0
Restricted Funds	0	0	0
Federal Funds	0	0	0
Road Fund	0	0	0
Highway Bonds	0	0	0
TOTAL EXPENDITURES	0	0	0
EXPENDITURE CATEGORY			
PERSONNEL COSTS			
E111 Regular Salaries & Wages	0	0	0
Other Salaries & Wages	0	0	0
E121 Employer FICA	0	0	0
E122 Employer Retirement	0	0	0
E123 Health Insurance	0	0	0
E124 Life Insurance	0	0	0
Other Fringe Benefits	0	0	0
Subtotal Salaries/Fringes	0	0	0
E131 Worker's Compensation	0	0	0
Other Personnel Costs (E132-E139)	0	0	0
E141 Legal Services	0	0	0
E142 Auditing Services	0	0	0
All Other Professional Services Contracts	0	0	0
Other (E154,E160-E166)	0	0	0
E162 Security Services	0	0	0
T1XX Transfers-Personnel	0	0	0
Non-Breakdown Personnel	0	0	0
TOTAL PERSONNEL COSTS	0	0	0
OPERATING EXPENSES			
E210 Utilities & Heating Fuels	0	0	0
State-Owned Building Charges	0	0	0
Other Rentals	0	0	0
E230 Maintenance & Repairs	0	0	0
E240 Postage & Related Services	0	0	0
E250 Miscellaneous Services	0	0	0
E260 Telecommunications	0	0	0
E270 Computer Services	0	0	0
E310 Items for Resale	0	0	0
E320 Supplies	0	0	0
E340 Commodities	0	0	0
E360 Travel	0	0	0
E370 Miscellaneous Commodities	0	0	0
E380 Highway Materials	0	0	0
E991 Transfers-Operating	0	0	0
Non-Breakdown Operating	0	0	0
TOTAL OPERATING EXPENSES	0	0	0

2018-2020 KENTUCKY BRANCH BUDGET
Additional Budget Request: Expenditure Detail Record
(All columns rounded to the nearest \$100)

PRIORITY
Cabinet #: _____
Agency #: _____

OPERATING BUDGET RECORD B-3-p2

Governmental Branch:
Cabinet/Function:

Agency: _____
Appropriation Unit: _____
Program/Service Unit: _____
Sub Program: _____
Posting Unit: _____
REQUEST TITLE: _____

	Requested FY 2017-18	Requested FY 2018-19	Requested FY 2019-20
GRANTS/LOANS/BENEFITS			
E400 Claims	0	0	0
E410 Grants	0	0	0
E430 Fin'l Asstce.-Non-State Agencies	0	0	0
E440 Fin'l Asstce.-Non-State Employees	0	0	0
E450 Care & Support	0	0	0
E460 Subsidies	0	0	0
T4XX Transfers-Grants, Loans, Benefits	0	0	0
Non-Breakdown Grants, Loans, Benefits	0	0	0
TOTAL GRANTS/LOANS/BENEFITS	0	0	0
DEBT SERVICE			
Debt Service-General Fund	0	0	0
Debt Service-Tobacco Settlement-Phase I	0	0	0
Debt Service-Restricted Funds	0	0	0
Debt Service-Road Fund	0	0	0
TOTAL DEBT SERVICE	0	0	0
CAPITAL OUTLAY			
E601 Furniture, Fixtures & Ofc. Equip.	0	0	0
E602 Livestock	0	0	0
E603 Machinery & Implements	0	0	0
E604 Instruments & Apparatus	0	0	0
E605 Motor Vehicles	0	0	0
E606 Buildings/Fixed Equipment	0	0	0
E607 Library Books	0	0	0
E608 Athletic Equipment	0	0	0
E609 Other Capital Outlay	0	0	0
E610 Telephone/Telecomm. Equip.	0	0	0
E611 Lease/Purchase (Furn/Fixt/Equip)	0	0	0
E612 Indirect Capital Outlay	0	0	0
E613 Interest Expense	0	0	0
E615 Real Property Lease Purchase	0	0	0
E620 Computer Equip.	0	0	0
T6XX Transfer-Capital Outlay	0	0	0
Non-Breakdown Capital Outlay	0	0	0
TOTAL CAPITAL OUTLAY	0	0	0
CONSTRUCTION			
E624 Abandoned Mine Lands	0	0	0
T7XX Transfer-Capital Outlay	0	0	0
790 Hwy. Related	0	0	0
TOTAL CONSTRUCTION	0	0	0
TOTAL EXPENDITURES	0	0	0

OPERATING BUDGET REQUEST

Additional Budget Records and Instructions

Program Narrative/Documentation Record: (Operating Budget Record B-4)

The Additional Budget Request: Program Narrative/Documentation Record (Record B-4) must be completed for each discrete budget request in excess of the Baseline Budget Request. This narrative should be considered as the most important part of the budget request.

Record B-4 is not required for Defined Calculations Budget Requests.

Program detail which is factual, comprehensive, and meaningful is required to support each Additional Budget Request. In the current fiscal environment, state agencies face substantial competition for additional revenue. Inadequate programmatic information could unnecessarily jeopardize serious consideration of Additional Budget Requests. In completing the narrative, the agency should assume the reader has NO knowledge of the proposed program area.

Executive Branch agencies must provide a brief discussion in the narrative on how this particular Additional Budget Request relates to the Cabinet/Agency Strategic Plan.

Quantitative data indicating the service/performance levels and anticipated outcomes for the program must be provided. This information should contain the necessary criteria for measuring the accomplishments and/or performance of the program or service in the event funding is approved by the General Assembly. Agencies must also state the total funding level associated with these activities if sub-program/unit funding amounts are different than the total funding figures on the companion Financial Record (B-1/B-2).

Programs which function primarily as administrative agencies are not required to complete the quantitative documentation information which depicts the nature and volume of administrative duties provided.

Agencies must state whether anticipated receipts from Restricted Funds are derived from: (1) anticipated revenues projected under existing sources, legal rate structures, or operations; or (2) are based upon a change in identified administrative or statutory rates. Agencies should explain how request figures for operating expenses, grants/benefits, and capital outlay costs are derived.

The key components and unit values in individual grants and benefits programs must be explained.

If the Additional Budget Request necessitates a change in legislation, it must be identified that legislation is required to accomplish the intended change.

If the Additional Budget Request necessitates a change to an Administrative Regulation, it must be identified that a new or revised Administrative Regulation is required to accomplish the intended change.

Agencies should review the instructions for the Baseline Budget Request: Program Narrative/Documentation Record (A-4).

ALL REQUESTED DOLLAR AMOUNTS MUST BE ROUNDED TO THE NEAREST \$100.

PRIORITY
Cabinet #: _____
Agency #: _____

Agency: _____
 Appropriation Unit: _____
 Program/Service Unit: _____
 Sub Program: _____
 Posting Unit: _____
 REQUEST TITLE: _____

REQUEST TITLE:

II. PROGRAM DESCRIPTION/PURPOSE

Description/Purpose:

OPERATING BUDGET REQUEST

Additional Budget Records and Instructions

Position Detail Record: (Operating Budget Record B-5)

An Additional Budget Request: Position Detail Record (B-5) shall be completed whenever new positions are being filled as a result of an Additional Budget Request presented on the companion Additional Budget Request: Financial Record (B-1/B-2). When multiple positions are being created that have the same anticipated start date and are otherwise identical, only a single line is used with the number of positions indicated. The starting salary shall be expressed as an hourly rate, semi-monthly salary, or per diem as indicated by the pay type code. The Fund Source must reflect which budgetary fund source will be used to pay for the costs of the positions. If multiple fund sources are anticipated, the amount for each fund must be indicated. (Reminder: Requests for General Fund support may include Tobacco Settlement Phase I dollars and must be identified as applicable.)

ALL REQUESTED DOLLAR AMOUNTS MUST BE ROUNDED TO THE NEAREST \$100.

PRIORITY

Agency: _____
 Appropriation Unit: _____
 Program/Service Unit: _____
 Sub Program: _____
 Posting Unit: _____
 REQUEST TITLE: _____

REQUEST TITLE:

Fund Source:
G - General Fund
TS - Tobacco Settlement
R - Restricted Funds
F - Federal Funds
T - Road Fund

OPERATING BUDGET REQUEST

Operating Budget Summary Records and Instructions

Financial Summary and Expenditure Detail Records:

(Operating Budget Record C-1/C-2)

(Operating Budget Record C-3)

Figures for the Total Request: Financial Summary Record (C-1/C-2), and Total Request: Expenditure Detail Summary Record (C-3), will be automatically generated from corresponding figures on the Baseline Budget, Defined Calculations, and Additional Budget records. These records represent the summary information of the Total Operating Budget Request.

The Total Request: Financial Summary Record (C-1/C-2) and Total Request: Expenditure Detail Summary Record (C-3) accumulate the Baseline Budget, Defined Calculations, and Additional Budget Request records for: (1) agencies within a branch/function/cabinet; (2) division or equivalent service units within agencies; and (3) sub-units within the division or its equivalent service unit.

The detail level for completing these records depends upon corresponding records for the Baseline Budget, Defined Calculations, and the Additional Budget.

The highest aggregate levels at which these records would be completed is the standard appropriation unit, and summarized at the cabinet/agency unit.

Budget level totals on these records will equal the sum of the totals on the corresponding financial records for the Baseline Budget, Defined Calculations, and the Additional Budget for the respective budget unit. The Expenditures by Unit section on the Total Request: Financial Summary Record (C-1/C-2) must accumulate and report all subordinate program/subprogram which have discrete budget requests records completed within the summarized level. The Expenditures by Unit section must equal the Total Expenditures by Class, Total Expenditures by Budget Level, and the Total Expenditures by Fund Source.

ALL REQUESTED DOLLAR AMOUNTS MUST BE ROUNDED TO THE NEAREST \$100.

2018-2020 KENTUCKY BRANCH BUDGET
Total Request: Financial Summary Record
(All columns rounded to the nearest \$100)

OPERATING BUDGET RECORD C-1/C-2-p1

Governmental Branch:
Cabinet/Function:

Agency: _____
Appropriation Unit: _____
Program/Service Unit: _____
Sub Program: _____
Posting Unit: _____

	Actual FY 2015-16	Actual FY 2016-17	Budgeted FY 2017-18	Total Requested FY 2018-19	Total Requested FY 2019-20
SOURCE OF FUNDS:					
GENERAL FUND					
Regular Appropriation	0	0	0	0	0
State Salary and Compensation Fund	0	XXXXXX	XXXXXX	XXXXXX	XXXXXX
Surplus Expenditure Plan	0	XXXXXX	0	XXXXXX	XXXXXX
Special Appropriation	0	0	0	XXXXXX	XXXXXX
Current Year Appropriation	0	XXXXXX	0	XXXXXX	XXXXXX
Continued Appropriation-General Fund	0	0	0	0	0
Budget Reduction	0	0	0	XXXXXX	XXXXXX
Reorganization Adjustment	0	0	0	XXXXXX	XXXXXX
Mandated Allotments	0	0	0	XXXXXX	XXXXXX
Other	0	0	0	XXXXXX	XXXXXX
TOTAL GENERAL FUND	0	0	0	0	0
TOBACCO SETTLEMENT - PHASE I					
Tobacco Settlement - Phase I	0	0	0	0	0
Continued Appropriation-Tobacco Settlement	0	0	0	0	0
Other	0	0	0	XXXXXX	XXXXXX
TOTAL TOBACCO SETTLEMENT - PHASE I	0	0	0	0	0
RESTRICTED FUNDS					
Balance Forward	0	0	0	0	0
Current Receipts	0	0	0	0	0
Non-Revenue Receipts	0	0	0	0	0
Fund Transfer to the General Fund	(0)	(0)	(0)	(0)	(0)
TOTAL RESTRICTED FUNDS	0	0	0	0	0
FEDERAL FUNDS					
Current Receipts	0	0	0	0	0
Non-Revenue Receipts	0	0	0	0	0
TOTAL FEDERAL FUNDS	0	0	0	0	0
ROAD FUND					
Regular Appropriation	0	0	0	0	0
Surplus Expenditure Plan	0	0	0	XXXXXX	XXXXXX
Special Appropriation	0	0	0	XXXXXX	XXXXXX
Current Year Appropriation	0	0	0	XXXXXX	XXXXXX
Continued Appropriation	0	0	0	0	0
Budget Reduction	0	0	0	XXXXXX	XXXXXX
Reorganization Adjustment	0	0	0	XXXXXX	XXXXXX
TOTAL ROAD FUND	0	0	0	0	0
HIGHWAY BONDS	XXXXXX	XXXXXX	XXXXXX	0	0
TOTAL FUNDS	0	0	0	0	0
EXPENDITURES BY CLASS					
Personnel Costs	0	0	0	0	0
Operating Expenses	0	0	0	0	0
Grants, Loans, Benefits	0	0	0	0	0
Debt Service	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Construction	0	0	0	0	0
TOTAL EXPENDITURES	0	0	0	0	0

2018-2020 KENTUCKY BRANCH BUDGET
Total Request: Financial Record
(All columns rounded to the nearest \$100)

OPERATING BUDGET RECORD C-1/ C-2-p2

Governmental Branch: _____
 Cabinet/Function: _____
 Agency: _____
 Appropriation Unit: _____
 Program/Service Unit: _____
 Sub Program: _____
 Posting Unit: _____

	Actual FY 2015-16	Actual FY 2016-17	Budgeted FY 2017-18	Total Requested FY 2018-19	Total Requested FY 2019-20
EXPENDITURES BY FUND SOURCE:					
General Fund	0	0	0	0	0
Tobacco Settlement-Phase I	0	0	0	0	0
Restricted Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Road Fund	0	0	0	0	0
Highway Bonds	0	0	0	0	0
TOTAL EXPENDITURES BY FUND SOURCE	0	0	0	0	0
EXPENDITURES BY UNIT (At Consolidation Levels Only)					
----	0	0	0	0	0
----	0	0	0	0	0
----	0	0	0	0	0
----	0	0	0	0	0
----	0	0	0	0	0
----	0	0	0	0	0
TOTAL EXPENDITURES BY UNIT	0	0	0	0	0

2018-2020 KENTUCKY BRANCH BUDGET
Total Request: Expenditure Detail Summary Record
(All requested columns rounded to the nearest \$100)

OPERATING BUDGET RECORD C-3-p1

Governmental Branch:
Cabinet/Function:

Agency: _____
Appropriation Unit: _____
Program/Service Unit: _____
Sub Program: _____
Posting Unit: _____

	Actual FY 2015-16	Actual FY 2016-17	Budgeted FY 2017-18	Total Requested FY 2018-19	Total Requested FY 2019-20
EXPENDITURES BY FUND SOURCE					
General Fund	0	0	0	0	0
Tobacco Settlement-Phase I	0	0	0	0	0
Restricted Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Road Fund	0	0	0	0	0
Highway Bonds	0	0	0	0	0
TOTAL EXPENDITURES	0	0	0	0	0
EXPENDITURE CATEGORY					
PERSONNEL COSTS					
E111 Regular Salaries & Wages	0	0	0	0	0
Other Salaries & Wages	0	0	0	0	0
E121 Employer FICA	0	0	0	0	0
E122 Employer Retirement	0	0	0	0	0
E123 Health Insurance	0	0	0	0	0
E124 Life Insurance	0	0	0	0	0
Other Fringe Benefits	0	0	0	0	0
Subtotal Salaries/Fringes	0	0	0	0	0
E131 Worker's Compensation	0	0	0	0	0
Other Personnel Costs (E132-E139)	0	0	0	0	0
E141 Legal Services	0	0	0	0	0
E142 Auditing Services	0	0	0	0	0
All Other Professional Services Contracts	0	0	0	0	0
Other (E154,E160-E166)	0	0	0	0	0
E162 Security Services	0	0	0	0	0
T1XX Transfers-Personnel	0	0	0	0	0
Non-Breakdown Personnel	0	0	0	0	0
TOTAL PERSONNEL COSTS	0	0	0	0	0
OPERATING EXPENSES					
E210 Utilities & Heating Fuels	0	0	0	0	0
State-Owned Building charges	0	0	0	0	0
Other Rentals	0	0	0	0	0
E230 Maintenance & Repairs	0	0	0	0	0
E240 Postage & Related Services	0	0	0	0	0
E250 Miscellaneous Services	0	0	0	0	0
E260 Telecommunications	0	0	0	0	0
E270 Computer Services	0	0	0	0	0
E310 Items for Resale	0	0	0	0	0
E320 Supplies	0	0	0	0	0
E340 Commodities	0	0	0	0	0
E360 Travel	0	0	0	0	0
E370 Miscellaneous Commodities	0	0	0	0	0
E380 Highway Materials	0	0	0	0	0
T3XX Transfers-Operating	0	0	0	0	0
Non-Breakdown Operating	0	0	0	0	0
TOTAL OPERATING EXPENSES	0	0	0	0	0

2018-2020 KENTUCKY BRANCH BUDGET
Total Request: Expenditure Detail Summary Record
(All requested columns rounded to the nearest \$100)

OPERATING BUDGET RECORD C-3-p2

Governmental Branch: _____
 Cabinet/Function: _____

Agency: _____
 Appropriation Unit: _____
 Program/Service Unit: _____
 Sub Program: _____
 Posting Unit: _____

	Actual FY 2015-16	Actual FY 2016-17	Budgeted FY 2017-18	Total Requested FY 2018-19	Total Requested FY 2019-20
GRANTS/LOANS/BENEFITS					
E400 Claims	0	0	0	0	0
E410 Grants	0	0	0	0	0
E430 Fin'l Asstce.-Non-State Agencies	0	0	0	0	0
E440 Fin'l Asstce.-Non-State Employees	0	0	0	0	0
E450 Care & Support	0	0	0	0	0
E460 Subsidies	0	0	0	0	0
T4XX Transfers-Grants, Loans, Benefits	0	0	0	0	0
Non-Breakdown Grants, Loans, Benefits	0	0	0	0	0
TOTAL GRANTS/LOANS/BENEFITS	0	0	0	0	0
DEBT SERVICE					
Debt Service-General Fund	0	0	0	0	0
Tobacco Settlement-Phase I	0	0	0	0	0
Debt Service-Restricted Funds	0	0	0	0	0
Debt Service-Road Fund	0	0	0	0	0
TOTAL DEBT SERVICE	0	0	0	0	0
CAPITAL OUTLAY					
E601 Furniture, Fixtures & Ofc. Equip.	0	0	0	0	0
E602 Livestock	0	0	0	0	0
E603 Machinery & Implements	0	0	0	0	0
E604 Instruments & Apparatus	0	0	0	0	0
E605 Motor Vehicles	0	0	0	0	0
E606 Buildings/Fixed Equipment	0	0	0	0	0
E607 Library Books	0	0	0	0	0
E608 Athletic Equipment	0	0	0	0	0
E609 Other Capital Outlay	0	0	0	0	0
E610 Telephone/Telecomm. Equip.	0	0	0	0	0
E611 Lease/Purchase (Furn/Fixt/Equip)	0	0	0	0	0
E612 Indirect Capital Outlay	0	0	0	0	0
E613 Interest Expense	0	0	0	0	0
E615 Real Property Lease Purchase	0	0	0	0	0
E620 Computer Equip.	0	0	0	0	0
T6XX Transfers-Capital Outlay	0	0	0	0	0
Non-Breakdown Capital Outlay	0	0	0	0	0
TOTAL CAPITAL OUTLAY	0	0	0	0	0
CONSTRUCTION					
E624 Abandoned Mine Lands	0	0	0	0	0
T7XX Transfer-Capital Outlay	0	0	0	0	0
790 Hwy. Related	0	0	0	0	0
TOTAL CONSTRUCTION	0	0	0	0	0
TOTAL EXPENDITURES	0	0	0	0	0

OPERATING BUDGET REQUEST

Operating Budget Summary Records and Instructions

Priority Ranking Summary Record: (Operating Budget Summary Record P)

Each item for which funding above the Baseline Budget is requested, must be ranked in priority order by the Cabinet or independent agency officer on the Operating Budget Request: Priority Ranking Summary Record (P) as defined in the previous paragraph.

The Cabinet/Independent Agency Priority Ranking on this record must correspond to the numbers indicated for the identical item in the Additional Budget Requests: Financial Record (B-1/B-2).

Rank numbers will be ordered in priority sequence as described in the above paragraph. **Each Additional Budget Request must have a discrete sequential priority ranking number.** Omission of a rank number for an item will indicate the absence of priority value.

Since all Defined Calculations Budget Request records (DCB Records) must carry the designation as the **number one priority**, summarize all of them into single entries on the Priority Ranking Summary displayed at the top of this listing. One entry at the Cabinet level and one entry at the appropriation unit level. Other Additional Funding Request items shall start at the number **TWO** at both the appropriation unit level and cabinet level when prioritizing individual request items.

OPERATING BUDGET SUMMARY RECORD P

Agency: _____

Appropriation Unit: _____

Cabinet / Function:

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OPERATING BUDGET REQUEST

Operating Budget Summary Records and Instructions

Off-Budget Accounts Exhibit: (Operating Budget Exhibit-1)

Agencies which have Off-Budget Accounts established, or anticipate doing so, shall complete an Off-Budget Exhibit (Exhibit-1), as a separate attachment at the Appropriation Unit Level, to record each Off-Budget Account assigned to an agency.

If necessary, agencies may use a different form if approved in advance by GOPM and LRC.

Section I- Fund Source Data

- Account (Fund) Number;
- Account Title;
- Authority for the Account (including, but not limited to, Kentucky statutes, judicial or administrative orders, etc.).

Section II - Fund Description

Provide the Source of Receipts (for example, Provider Tax receipts in the Medicaid Program, or unclaimed lottery prize funds) and specific types of activities funded with the receipts. Indicate restricted purposes for the receipts. Agencies are encouraged to provide as much detail as necessary to fully explain the purpose for the establishment of the Account and any limitations that may be assigned to the Account as it relates to its usage. Agencies should identify any significant obligations or commitments of the year-end balances that are not apparent by reviewing the purposes or restrictions to the usage of the account.

The Fund Description should identify any Off-Budget funds that have been utilized, or are projected to be utilized to support or supplant On-Budget Funds, including identification of amounts, purposes, and the related On-Budget Fund account. In addition, all On-Budget Funds that were transferred or are anticipated to be transferred, to an Off-Budget Account **must** be identified by amount and authority for the transfer.

Section III Restricted Funds Budget Summary

- Actual or estimated receipts and expenditures for each fiscal year
- Actual or estimated balance forward for each fiscal year

ALL REQUESTED DOLLAR AMOUNTS MUST BE ROUNDED TO THE NEAREST \$100.

2018-2020 KENTUCKY BRANCH BUDGET
Operating Budget Request: Off-Budget Accounts Record
(All requested columns rounded to the nearest \$100)

OPERATING BUDGET RECORD - EXHIBIT 1

Agency: _____
 Appropriation Unit: _____

Governmental Branch: _____
 Cabinet/Function: _____

I. FUND SOURCE DATA

Account Title: _____
 eMARS Fund Code: _____
 Legal Authority Citation: _____
 Statute _____
 Administrative Regulation _____
 Other _____

II. FUND DESCRIPTION (including source) Yes _____ No _____ (If uses are restricted, include explanation below.)

**IV. RESTRICTED FUNDS
 BUDGET SUMMARY**

	Actual FY 2015-16	Actual FY 2016-17	Budgeted FY 2017-18	Requested FY 2018-19	Requested FY 2019-20
(A) Resources:					
Balance Forward	0	0	0	0	0
Receipts	0	0	0	0	0
Non-revenue Receipts	0	0	0	0	0
Total Resources	0	0	0	0	0

(B) Expenditures:

OPERATING BUDGET REQUEST

Operating Budget Summary Records and Instructions

Summary of Accounts Payable Exhibit: (Operating Budget Exhibit-2)

Agencies shall provide information, at the appropriation unit level, on Accounts Payable values from the prior three actual fiscal years. The information shall be reflected on a Summary of Accounts Payable Exhibit (Exhibit-2). This information is displayed in the same format as it was submitted to the Commonwealth's Controller's Office (accrual statement of accounts payable as of June 30, 2015, June 30, 2016, and June 30, 2017).

2018-2020 KENTUCKY BRANCH BUDGET
Operating Budget Request: Summary of Accounts Payable Exhibit-Exhibit 2
(All requested columns rounded to the nearest \$100)

OPERATING BUDGET EXHIBIT-2

Governmental Branch:
Cabinet/Function:

Agency: _____
Appropriation Unit: _____

	FY 2015	FY 2016	FY 2017
TOTAL ALL FUNDS			
Personal Services			
Utilities, Rentals and Other Services			
Commodities and Supplies			
Grants and Subsidies			
Capital Outlay			
Travel			
Other			
TOTAL ALL FUNDS	-	-	-
TOTAL - BY FUND			
General Fund			
Tobacco Settlement-Phase I			
Restricted Funds			
Federal Funds			
Road Fund			
GRAND TOTAL - BY FUND	-	-	-

OPERATING BUDGET REQUEST

Operating Budget Summary Records and Instructions

Retirement Contributions Exhibit: (Operating Budget Exhibit-3A)

Agencies which are responsible for employer contributions to any public retirement system — including but not limited to Kentucky Retirement Systems, Teachers' Retirement System, and the Judicial Form Retirement System — shall complete Exhibit 3A, as a separate attachment, to record the employer contributions to each retirement system by fund source.

The highest aggregate levels at which these records would be completed is the standard appropriation unit, and summarized at the cabinet/agency unit.

The Exhibit 3A form shall list the employer contributions made by fund source and by retirement system. These amounts shall include only employer contributions based on regular wages and salaries. No supplemental payments shall be included. Supplemental payments include but are not limited to employer retirement contributions based on supplemental wages or payments, termination payouts for sick or annual leave, and "spiking" payments. These amounts should equal the retirement amounts provided by GOPM on the baseline personnel run.

In addition, the number of employees in each retirement system shall be listed. For both employer contributions and employee numbers, each year of the 2018-2020 fiscal biennium shall be a straight-line budget based on the 2017-2018 enacted budget as revised.

2018-2020 KENTUCKY BRANCH BUDGET
Operating Budget Request: Retirement Contributions Exhibit-Exhibit 3A
(All dollar figures rounded to the nearest \$100)

OPERATING BUDGET EXHIBIT - 3A-p1

Agency: _____
Appropriation Unit: _____

Governmental Branch:
Cabinet/Function:

<u>Fund Source by Retirement System</u>	<u>Actual FY 2015-16</u>	<u>Actual FY 2016-17</u>	<u>Budgeted FY 2017-18</u>	<u>Requested FY 2018-19</u>	<u>Requested FY 2019-20</u>
GENERAL FUND					
KERS Nonhazardous	-	-	-	-	-
KERS Hazardous	-	-	-	-	-
CERS Nonhazardous	-	-	-	-	-
CERS Hazardous	-	-	-	-	-
SPRS	-	-	-	-	-
TRS	-	-	-	-	-
JRP	-	-	-	-	-
LRP	-	-	-	-	-
Other (Identify)	-	-	-	-	-
None	-	-	-	-	-
TOBACCO SETTLEMENT-PHASE I					
KERS Nonhazardous	-	-	-	-	-
KERS Hazardous	-	-	-	-	-
CERS Nonhazardous	-	-	-	-	-
CERS Hazardous	-	-	-	-	-
SPRS	-	-	-	-	-
TRS	-	-	-	-	-
JRP	-	-	-	-	-
LRP	-	-	-	-	-
Other (Identify)	-	-	-	-	-
None	-	-	-	-	-
RESTRICTED FUNDS					
KERS Nonhazardous	-	-	-	-	-
KERS Hazardous	-	-	-	-	-
CERS Nonhazardous	-	-	-	-	-
CERS Hazardous	-	-	-	-	-
SPRS	-	-	-	-	-
TRS	-	-	-	-	-
JRP	-	-	-	-	-
LRP	-	-	-	-	-
Other (Identify)	-	-	-	-	-
None	-	-	-	-	-

2018-2020 KENTUCKY BRANCH BUDGET
Operating Budget Request: Retirement Contributions Exhibit-Exhibit 3A
(All dollar figures rounded to the nearest \$100)

OPERATING BUDGET EXHIBIT - 3A-p2

Agency: _____
 Appropriation Unit: _____

Governmental Branch:
 Cabinet/Function:

<u>Fund Source by Retirement System</u>	<u>Actual FY 2015-16</u>	<u>Actual FY 2016-17</u>	<u>Budgeted FY 2017-18</u>	<u>Requested FY 2018-19</u>	<u>Requested FY 2019-20</u>
FEDERAL FUNDS					
KERS Nonhazardous	-	-	-	-	-
KERS Hazardous	-	-	-	-	-
CERS Nonhazardous	-	-	-	-	-
CERS Hazardous	-	-	-	-	-
SPRS	-	-	-	-	-
TRS	-	-	-	-	-
JRP	-	-	-	-	-
LRP	-	-	-	-	-
Other (Identify)	-	-	-	-	-
None	-	-	-	-	-
ROAD FUND					
KERS Nonhazardous	-	-	-	-	-
KERS Hazardous	-	-	-	-	-
CERS Nonhazardous	-	-	-	-	-
CERS Hazardous	-	-	-	-	-
SPRS	-	-	-	-	-
TRS	-	-	-	-	-
JRP	-	-	-	-	-
LRP	-	-	-	-	-
Other (Identify)	-	-	-	-	-
None	-	-	-	-	-
TOTAL CONTRIBUTIONS BY RETIREMENT SYSTEM					
KERS Nonhazardous	-	-	-	-	-
KERS Hazardous	-	-	-	-	-
CERS Nonhazardous	-	-	-	-	-
CERS Hazardous	-	-	-	-	-
State Police Retirement System	-	-	-	-	-
Teachers' Retirement System	-	-	-	-	-
Judicial Retirement Plan	-	-	-	-	-
Legislators Retirement Plan	-	-	-	-	-
Other	-	-	-	-	-
None	-	-	-	-	-

2018-2020 KENTUCKY BRANCH BUDGET
Operating Budget Request: Retirement Contributions Exhibit-Exhibit 3A
(All dollar figures rounded to the nearest \$100)

OPERATING BUDGET EXHIBIT - 3A-p3

Agency: _____
Appropriation Unit: _____

Governmental Branch:
Cabinet/Function:

<u>Fund Source by Retirement System</u>	<u>Actual FY 2015-16</u>	<u>Actual FY 2016-17</u>	<u>Budgeted FY 2017-18</u>	<u>Requested FY 2018-19</u>	<u>Requested FY 2019-20</u>
TOTAL CONTRIBUTIONS BY FUND SOURCE					
General Fund	-	-	-	-	-
Tobacco Settlement-Phase I	-	-	-	-	-
Restricted Funds	-	-	-	-	-
Federal Funds	-	-	-	-	-
Road Fund	-	-	-	-	-
TOTAL EMPLOYEES BY RETIREMENT SYSTEM					
KERS Nonhazardous	-	-	-	-	-
KERS Hazardous	-	-	-	-	-
CERS Nonhazardous	-	-	-	-	-
CERS Hazardous	-	-	-	-	-
State Police Retirement System	-	-	-	-	-
Teachers' Retirement System	-	-	-	-	-
Judicial Retirement Plan	-	-	-	-	-
Legislators Retirement Plan	-	-	-	-	-
Other	-	-	-	-	-
None	-	-	-	-	-

OPERATING BUDGET REQUEST

Operating Budget Summary Records and Instructions

Retirement Contributions Exhibit: (Operating Budget Exhibit-3B)

Agencies which are responsible for employer contributions to any public retirement system — including but not limited to Kentucky Retirement Systems, Teachers' Retirement System, and the Judicial Form Retirement System — shall complete Exhibit 3B, as a separate attachment, to record the employer contributions to each retirement system by fund source.

The highest aggregate levels at which these records would be completed is the standard appropriation unit, and summarized at the cabinet/agency unit.

The Exhibit 3B form shall list the employer contributions made by fund source and by retirement system for any increased cost in the employer contribution due to an increase in wages and salaries or any increase in the actuarially required contribution as determined by the retirement system. These amounts shall include only employer contributions based on regular wages and salaries. No supplemental payments shall be included. Supplemental payments include but are not limited to employer retirement contributions based on supplemental wages or payments, termination payouts for sick or annual leave, and "spiking" payments. These amounts should equal the retirement amounts provided by GOPM on the defined calculations personnel run.

In addition, the number of employees in each retirement system shall be listed. For both employer contributions and employee numbers, each year of the 2018-2020 fiscal biennium shall be a straight-line budget based on the 2017-2018 enacted budget as revised.

2018-2020 KENTUCKY BRANCH BUDGET
Operating Budget Request: Retirement Contributions Exhibit-Exhibit 3B
(All dollar figures rounded to the nearest \$100)

OPERATING BUDGET EXHIBIT - 3B-p1

Agency: _____
Appropriation Unit: _____

Governmental Branch:
Cabinet/Function:

Fund Source by Retirement System	Requested FY 2018-19	Requested FY 2019-20
GENERAL FUND		
KERS Nonhazardous	-	-
KERS Hazardous	-	-
CERS Nonhazardous	-	-
CERS Hazardous	-	-
SPRS	-	-
TRS	-	-
JRP	-	-
LRP	-	-
Other (Identify)	-	-
None	-	-
TOBACCO SETTLEMENT-PHASE I		
KERS Nonhazardous	-	-
KERS Hazardous	-	-
CERS Nonhazardous	-	-
CERS Hazardous	-	-
SPRS	-	-
TRS	-	-
JRP	-	-
LRP	-	-
Other (Identify)	-	-
None	-	-
RESTRICTED FUNDS		
KERS Nonhazardous	-	-
KERS Hazardous	-	-
CERS Nonhazardous	-	-
CERS Hazardous	-	-
SPRS	-	-
TRS	-	-
JRP	-	-
LRP	-	-
Other (Identify)	-	-
None	-	-

2018-2020 KENTUCKY BRANCH BUDGET
Operating Budget Request: Retirement Contributions Exhibit-Exhibit 3B
(All dollar figures rounded to the nearest \$100)

OPERATING BUDGET EXHIBIT - 3B-p2

Agency: _____
Appropriation Unit: _____

Governmental Branch:
Cabinet/Function:

<u>Fund Source by Retirement System</u>	<u>Requested FY 2018-19</u>	<u>Requested FY 2019-20</u>
FEDERAL FUNDS		
KERS Nonhazardous	-	-
KERS Hazardous	-	-
CERS Nonhazardous	-	-
CERS Hazardous	-	-
SPRS	-	-
TRS	-	-
JRP	-	-
LRP	-	-
Other (Identify)	-	-
None	-	-
ROAD FUND		
KERS Nonhazardous	-	-
KERS Hazardous	-	-
CERS Nonhazardous	-	-
CERS Hazardous	-	-
SPRS	-	-
TRS	-	-
JRP	-	-
LRP	-	-
Other (Identify)	-	-
None	-	-
TOTAL CONTRIBUTIONS BY RETIREMENT SYSTEM		
KERS Nonhazardous	-	-
KERS Hazardous	-	-
CERS Nonhazardous	-	-
CERS Hazardous	-	-
State Police Retirement System	-	-
Teachers' Retirement System	-	-
Judicial Retirement Plan	-	-
Legislators Retirement Plan	-	-
Other	-	-
None	-	-

2018-2020 KENTUCKY BRANCH BUDGET
Operating Budget Request: Retirement Contributions Exhibit-Exhibit 3B
(All dollar figures rounded to the nearest \$100)

OPERATING BUDGET EXHIBIT - 3B-p3

Agency: _____

Appropriation Unit: _____

Governmental Branch:

Cabinet/Function:

Fund Source by Retirement System	Requested FY 2018-19	Requested FY 2019-20
TOTAL CONTRIBUTIONS BY FUND SOURCE		
General Fund	-	-
Tobacco Settlement-Phase I	-	-
Restricted Funds	-	-
Federal Funds	-	-
Road Fund	-	-
TOTAL EMPLOYEES BY RETIREMENT SYSTEM		
KERS Nonhazardous	-	-
KERS Hazardous	-	-
CERS Nonhazardous	-	-
CERS Hazardous	-	-
State Police Retirement System	-	-
Teachers' Retirement System	-	-
Judicial Retirement Plan	-	-
Legislators Retirement Plan	-	-
Other	-	-
None	-	-

Section IV

Capital Budget Request

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SECTION IV

CAPITAL BUDGET REQUEST

Capital Budget Records and Instructions

Each capital project must be requested as part of the Capital Budget Request. A Capital Project, regardless of the source of funds, whether in cash or other consideration, is defined by KRS 45.750 (1)(f) as:

1. Any capital construction item, as that term is defined at KRS 45.750(1)(b), or any combination of capital construction items necessary to make a building or utility installation complete, estimated to cost six hundred thousand dollars (\$600,000) or more in cash or other consideration; and, in the case of postsecondary education institutions, \$1,000,000 or more in cash or other consideration.
2. Any lease, as that term is defined at KRS 45.750(1)(c), of real property space with an annual rental cost exceeding two hundred thousand dollars (\$200,000);
3. The use allowance paid by the Judicial Branch for a real property space pursuant to KRS 26A.090(2) and 26A.115 when the use allowance for the space exceeds two hundred thousand dollars (\$200,000) on an annual basis;
4. Any item of equipment, as that term is defined at KRS 45.750(1)(d), estimated to cost two hundred thousand dollars (\$200,000) or more in cash or other consideration;
5. Any lease of an item of movable equipment if the total cost of the lease, lease-purchase, or lease with an option to purchase is two hundred thousand dollars (\$200,000) or more; and
6. Any new acquisition, upgrade, or replacement of an information technology system, as that term is defined at KRS 45.750(1)(e), estimated to cost six hundred thousand dollars (\$600,000) or more in cash or other consideration; and, in the case of postsecondary education institutions, \$1,000,000 or more in cash or other consideration.

It is important that each agency be thoroughly familiar with the provisions of KRS 45.750 – 45.818 prior to beginning the Capital Budget Request process. A copy is reprinted in Appendix F.

REQUEST STRUCTURE - All Capital Budget Requests must be submitted at the appropriation unit level.

CAPITAL REQUESTS LESS THAN \$600,000 - If the proposed project is less than \$600,000, the project may still be requested for specific authorization in the Capital Budget Request, or it may be requested as part of a pool. If appropriate, it may be requested in the Operating Budget under Capital Outlay Expenses.

RELATIONSHIP BETWEEN CAPITAL AND OPERATING BUDGETS - If resources in the Operating Budget are proposed for any Capital Project Request, these fund sources **must** be clearly cross-referenced.

If any Operating Budget program change is requested which may affect any Capital Project Request, the corresponding budget records **must** note the relationship.

GENERAL INSTRUCTIONS

Facilities and Support Services Review

Capital Planning-Budgeting

Please note that any capital project listed in the Capital Budget Request must also have been included in the 2018-2024 Six-Year Capital Plan submitted by the agency. If a capital item is requested and is not in the Plan, the Plan must be amended by October 1, 2017, to reflect this item. (See 2018-2024 Six-Year Capital Planning Instructions.)

All Executive Branch agencies are directed to furnish a copy of each Capital Project Request estimated to cost \$1,000,000 or more to the Finance and Administrations Cabinet's Department for Facilities and Support Services for review and analysis. Projects should be submitted to the Department for Facilities and Support Services no later than September 1, 2017, to provide sufficient time for review of cost estimates for inclusion in each agency's Capital Budget Request, unless agencies have already conferred with the Department during the Capital Planning process. Projects are reviewed to provide realistic project cost estimates and for consultation regarding the availability of feasible alternatives such as an existing state-owned structure or property suitable for the project purpose. Requested projects costing less than \$1,000,000 do not require this review, but agencies are still urged to consult with Facilities and Support Services.

Agencies should identify any idle or surplus buildings, property, or major equipment in its possession, and furnish such listings to the Department for Facilities and Support Services, and the branch budget office for review.

Project requests must include all estimated costs associated with the projects, i.e., site acquisition, utilities and design, construction, movable equipment and furnishings, service roads, and price contingency allowances.

Expiration of Capital Authorizations – (When is Reauthorization Not Required?)

State and/or Postsecondary Institution Administered Capital Construction Projects

A construction contract for the project has been awarded or is expected to be awarded by June 30, 2018.

A debt financed (bond) capital construction item is properly authorized and does not require further action by the 2018 General Assembly if either permanent or short-term line of financing has been obtained provided that an initial draw has been made on the short-term line of financing within the biennium immediately subsequent to the original authorization.

Grant or loan agreements have been or are expected to be finalized and properly signed by all parties by June 30, 2018.

Equipment purchase authorizations, excluding executed lease or lease/purchase agreements, expire on June 30, 2018. If no purchase order will be executed by that date, the equipment must be requested as a new authorization to the 2018 General Assembly. (Equipment purchase reauthorizations are not allowed.)

Other Capital Projects

All other capital project authorizations expire on June 30, 2018. All funds, except bond funds, remaining in a maintenance pool will lapse at the end of the biennium and may not be reauthorized.

If a Project has Been Reauthorized – Request as New Project

Capital Request Requirement - Any project that has been appropriated by the General Assembly for two consecutive biennial budgets shall not be requested again as a reauthorized project. It shall be requested as a new project which shall not rely on past appropriations. Example: a capital project that was reauthorized in the 2016-2018 biennial budget, was also appropriated in the 2014-2016 biennial budget. If that capital project will expire due to insufficient project activity on June 30, 2018, then that capital project shall not be requested in the 2018-2020 agency budget request to be reauthorized. It shall be requested as a new project. No changes to the 2018-2024 Six-Year Capital Plan are needed to comply with this new requirement.

Capital Project Record (CBR-02)

Capital projects defined under KRS 45.750(1)(f) 1 and 3 (see definitions in Appendix F) must be requested on the Capital Budget Request: Capital Project Record (CBR-02).

Agencies are encouraged to provide additional narrative if the Capital Project Record is not sufficient to include all of an agency's description or justification. Agencies must identify any potential new projects, which may be required pursuant to judicial or administrative order from the state or federal government.

Capital Equipment Record (CBR-03)

Capital projects defined under KRS 45.750(1)(f) 4 and 5 (see definitions in Appendix F) must be requested on the Capital Budget Request: Capital Equipment Record (CBR-03).

Previously authorized Capital Equipment items procured through a multi-year lease or lease/purchase agreement may not require the completion of Capital Budget Request records. Annual lease payments consistent with the previous authorization should be included in the Operating Budget Request if funded from Restricted Funds or Federal Funds.

Newly-requested Capital Equipment items procured through a multi-year lease or lease/purchase agreement requires the completion of Capital Budget Request records based on the total cost to include ancillary expenses such as shipping, installation, interest and finance charges, structural modification costs, and any necessary expenses to make the equipment functional and operational. Annual lease payments for the project should also be included in the Operating Budget if funded from Restricted Funds or Federal Funds. **If funding is requested from any other fund source, the annual lease payments must be included in the Capital Budget Request.**

Capital Information Technology System Record (CBR-04)

Capital projects defined under KRS 45.750(1)(f) 6 (see definitions in Appendix F) must be requested on the Capital Budget Request: Capital Information Technology System Record (CBR-04).

Previously authorized Capital Information Technology System line-item projects procured through a multi-year lease or lease/purchase agreement may not require the completion of Capital Budget Request records. Annual lease payments consistent with the previous authorization should be included in the Operating Budget Request if funded from Restricted Funds or Federal Funds.

Newly-requested Capital Information Technology System items procured through a multi-year lease or lease/purchase agreement require the completion of Capital Budget Request records based on the total cost to include ancillary expenses such as shipping, installation, interest and finance charges, structural modification costs, and any necessary expenses to make the equipment functional and operational. Annual lease payments for the project should also be included in the Operating Budget if funded from Restricted Funds or Federal Funds. **If funding is requested from any other fund source, the annual lease payments must be included in the Capital Budget Request.**

Real Property Lease Record (CBR-05)

Capital projects defined under KRS 45.750(1)(f) 2 (see definitions in Appendix F) must be requested on the Capital Budget Request: Real Property Lease Record (CBR-05).

Agencies are encouraged to provide additional narrative if the Real Property Lease Record is not sufficient to include all of an agency's description or justification. Agencies must identify any potential new projects, which may be required pursuant to judicial or administrative order from the state or federal government.

The Capital Budget Request also includes the recommended program for major space rental. In accordance with KRS 48.111, the rental of any space for which the annual rental cost will exceed \$200,000 **must** be included in the Governor's executive branch budget recommendation to the

2018 Regular Session of the General Assembly; therefore major space rental items must be included on the Capital Budget Request: Real Property Lease Record (CBR-05). Funding for the lease costs must be included and identified in the Operating Budget Request. If new funds are requested to pay for the lease, funds should also be requested as an Additional Budget Request in the Operating Budget.

Project Amounts

Each capital project to be funded totally with state funds, other than an agency's own Restricted Funds or Agency Bonds, should be requested to be supported with General Fund dollars if the project is estimated to cost under \$1,000,000, or Bond Funds if the project is estimated to cost \$1,000,000 or more. If requesting Bond Funds, the associated debt service must be included within an Additional Budget Request in the Operating Budget.

ALL REQUESTED DOLLAR AMOUNTS MUST BE ROUNDED TO THE NEXT \$1,000.

CAPITAL BUDGET REQUEST

Project Summary Record - Record CBR-01

Capital Budget Request: Project Summary Record (CBR-01) is a comprehensive summary listing, in priority order by fund source, of all capital construction, capital equipment, information technology equipment, and lease projects requested for 2018-2020. It also provides totals by fund source for each fiscal year of the biennium.

The information on this Report is generated based on the data entered on Records CBR-02, CBR-03, CBR-04, and CBR-05.

Please note that all project requests require a rank preference selection by the Agency head and the appropriate Cabinet/Branch Officer.

Newly approved capital projects authorized in the first year of biennium do not expire until the close of the 2018-2020 biennium – June 30, 2020. Current biennial projects expire June 30, 2018, with the exceptions noted previously.

ALL REQUESTED DOLLAR AMOUNTS MUST BE ROUNDED TO THE NEXT \$1,000.

**2018-2020 KENTUCKY BRANCH BUDGET
CAPITAL BUDGET REQUEST: PROJECTS SUMMARY RECORD
(All dollar amounts rounded to the next \$1,000)**

Capital Budget Record CBR-01

Branch:
Cabinet/Function:
Agency:
Appropriation Unit:

SUMMARY BY FUND SOURCE	Requested FY 2017-18	Requested FY 2018-19	Requested FY 2019-20	Requested Total
General Fund	0	0	0	0
Restricted Funds	0	0	0	0
Federal Funds	0	0	0	0
Bond Funds	0	0	0	0
Road Fund	0	0	0	0
Agency Bonds	0	0	0	0
Other	0	0	0	0
Total Funds	0	0	0	0

PROJECT LISTING

Priority	KBUD	Project Name	Total Request	Fund Source(s)
Cabinet	Agency	Project Number		
1	1	Project #1		
2	1	Project #2		
3	1	Project #3		
4	2	Project #4		
5	2	Project #5		
6	2	Project #6		
7	3	Project #7		
8	3	Project #8		
9	3	Project #9		
10	4	Project #10		
Total Requested				

CAPITAL BUDGET REQUEST

Capital Project Record - Record CBR-02

Each capital project request is reported on the Capital Budget Request: Capital Project Record (CBR-02) for the following:

- Each capital construction project costing \$1,000,000 or more for postsecondary education institutions only, and in the case of all other entities \$600,000 or more, unless specified below.
- Each maintenance or other pool to fund multiple construction projects costing less than \$600,000 each, or \$1,000,000 or more each for postsecondary education institutions. (Any individual project costing \$600,000 or more may not be included in a pool, but must be submitted as a separate project).
- Each pool containing multiple environmental projects (such as wetland and stream mitigation), infrastructure projects (such as water and sewer grant, state-owned dam repair, flood control projects), Guaranteed Energy Savings Performance Contract projects, land acquisition projects, and economic development projects, even if the individual projects cannot be identified at this time and if the individual project amounts may exceed \$600,000, or \$1,000,000 for postsecondary education institutions.
- Postsecondary Education Institutions Only – a pool to accommodate the grouping of like projects (such as repair, upgrade or improvement of electrical systems, mechanical systems, or other building systems) that may cost \$1,000,000 or more but are not identified at this time.
- Each new, expanded, or modified local court facility space, regardless of cost, paid for by the Judicial Branch through use allowance payments in accordance with KRS 26A.

CAPITAL BUDGET REQUEST PRIORITY - Each project is to be assigned a separate Capital Budget Request priority number.

Agencies and postsecondary education institutions are to enter priority numbers only on the "Agency" line. The "Cabinet/Function" line is reserved for cabinet level roll-up priorities and the Council on Postsecondary Education system-wide priorities.

List also the project priority as contained in the agency's Six-Year Capital Plan submitted to the Capital Planning Advisory Board.

PROJECT DOCUMENTATION

Project Title – If the project is currently authorized, cite the project title in the eMARS Financial System. If the project is new, use the same title as identified in the Six-Year Capital Plan.

County Location – Identify the county in which the project will be located. If not county-specific, use the appropriate code for the following designations:

- “Undetermined” is to be used if the location has not yet been specified.
- “Multi-County” is to be used if the location has been determined and the project will be located at sites in more than one county, including statewide.
- “Out-of-State” is to be used if the location is not in Kentucky.

Reauthorization – Is this an authorized project newly appropriated in the 2016-2018 biennium that is being requested for reauthorization or reauthorized with additional funding? (See Capital Budget Request General Instructions.)

- **Current Project, Reauthorization, No Additional Budget** - A project that is set to expire on June 30, 2018, due to one of the following reasons:
 1. A construction contract for a state- and/or postsecondary institution-administered project will not be awarded by June 30, 2018;
 2. A debt financed (bond) capital construction project will not have obtained permanent financing or a short-term line of credit sufficient to cover the total authorized project scope amount and an initial draw will not have been made on the short-term line of credit within the fiscal biennium immediately subsequent to the biennium in which the project was originally authorized;
 3. Grant or loan agreements will not be finalized and properly signed by all parties by June 30, 2018; and
 4. Equipment purchase authorizations will not have an executed purchase order by June 30, 2018, with the exception of executed lease or lease/purchase agreements.

(Note: With the exception of Bond Funds, all other funds authorized and remaining in maintenance pools will lapse at the end of the biennium and may not be reauthorized.)

- **Current Project, Reauthorization, Additional Budget** – A project newly appropriated in the 2016-2018 biennium for which there are not sufficient funds available for completion and for which the agency requests additional funds from the 2018 General Assembly. Only the amount of additional funds should be requested.
- If the request is for a currently authorized project, then the current project account number and the new project estimate including this request is also required.

Capital Project Type – Identify the project type from the list of categories below:

GL Capital Grant/Loan Program

A special purpose funding project that provides financial assistance to non-state agencies or entities, including development and public infrastructure projects, even if the individual projects cannot be identified at this time and if the individual project scopes might exceed \$600,000, or \$1,000,000 for postsecondary education institutions:

- Economic and community development grant and loan projects.
- State and federally-supported drinking water and wastewater loan and grant projects and local government agency infrastructure projects.
- Public school facilities in local school districts.
- Flood control projects.

DM Demolition

A project to raze a building because it is considered unsafe or structurally unsound and for which it is considered cost prohibitive to make the repairs necessary for occupancy. If the "Demolition" project is separate from, but related to, a "New Construction" project, the agency must make clear reference to the planned "New Construction" project in the description of the "Demolition" project.

MA Major Alteration

A project which may or may not enlarge an existing structure, but which will prepare the facility for a new and different purpose or function.

ME Major Expansion/Addition

A project which will enlarge an existing structure, but the current use is retained.

MM Major Maintenance

A non-routine improvement which will maintain a facility's condition and use, the cost of which equals or exceeds \$600,000, or \$1,000,000 for postsecondary education institutions.

MR Major Renovation

A project which will not enlarge an existing structure, and the current use is retained.

PP Multiple Projects Pool

A pool of funds to finance multiple projects, including:

- Multiple minor capital construction projects - projects estimated to cost less than \$600,000 each, or \$1,000,000 each for postsecondary education institutions. These minor projects may be similar to the major projects categories outlined above in the type of work performed; however, they qualify as minor projects by virtue of their limited costs. (Any individual project costing \$600,000 or more, or \$1,000,000 or more for postsecondary education institutions, may not be included in a pool, but must be submitted as a separate project.)
- Multiple environmental projects (such as hazardous waste cleanup and underground storage tank projects), even if the individual projects cannot be identified at this time and if the individual scopes might exceed \$600,000, or \$1,000,000 for postsecondary education institutions.

CS New Construction

A new, free standing facility. If a "New Construction" project requires the demolition of an existing structure, and the "Demolition" project is planned as a project separate from the "New Construction" project, the agency must make clear reference to the separate "Demolition" project in its description of the "New Construction" project.

AS Property/Structure Acquisition

The purchase or lease-purchase of land or a facility or other structure for the benefit of the agency's use in its operation.

Project Description – Describe the project to be undertaken. Information provided in this section should be comparable to the "Additional Description/Justification," "Existing Facility," "Existing Program Relocation," Phased Project," and "Explanation of Project Budget" responses included in the agency's Six-Year Capital Plan and should include square footage amounts if applicable. Itemized lists of projects, including individual project scopes, are to be provided to the extent practicable for project pools. Postsecondary education institutions are to indicate whether the project addresses an item or items listed in the institution's campus facilities maintenance plan. Indicate the planned method of procurement: purchase, lease, lease-purchase or other.

KRS 45.763 Projects - Any capital project to be financed with Other Funds through a third-party financing arrangement as described in KRS 45.763 must include information in the Project Description that specifies the type of financing arrangement planned and the source of funds the budget unit plans to use to make the payments. This includes public-private partnership and built-to-suit financing arrangements. For postsecondary education institutions, indicate whether the source of funds used to make the payments is pledged within the General Receipts Trust Indenture.

Agency Bond Projects – Projects requested to be financed with Agency Bonds shall indicate whether new or existing revenues will be dedicated to the repayment of the bonds. For postsecondary education institutions, indicate if any actions have already been taken by the Board of Regents/Board of Trustees regarding new revenues or the reallocation of existing revenue streams for the requested Agency bond project. Also, indicate if no action has been taken.

PROJECT BUDGET

(All dollar amounts must be rounded to the next \$1,000.)

Has this project been reviewed by the Department for Facilities and Support Services? (Yes, No, N/A)

All Executive Branch agencies are directed to furnish a copy of each capital project request estimated to cost \$1,000,000 or more to the Finance and Administration Cabinet's Department for Facilities and Support Services for review and analysis. Projects should be submitted to the Department for Facilities and Support Services no later than September 15, 2017, to provide sufficient time for review of cost estimates for inclusion in each agency's budget request, unless agencies have already conferred with the Department during the Capital Planning process. Projects are reviewed to provide realistic project cost estimates and for consultation regarding the availability of feasible alternatives such as an existing state-owned structure or property suitable for the project purpose. Requested projects costing less than \$1,000,000 do not require this review, but agencies are urged to consult with Facilities and Support Services.

Do not include Operating Budget expenses, such as personnel, utilities, and maintenance.

Fixed equipment is to be included in the "Construction Costs" cost element as well as utilities, roadway, and communications/network infrastructure.

Each project to be funded totally with state funds is to indicate source(s) of state funds; that is, identify General Fund, Phase I Tobacco Settlement funds, Road Fund, Restricted Funds, Bond Funds, or Agency Bonds for the project. If the most likely source for the requested state-funded project cannot be precisely determined, apply the following guideline:

Estimated to cost less than \$1,000,000 – General Fund, Phase I Tobacco Settlement funds, Road Fund, or Restricted Funds.

Estimated to cost \$1,000,000 or more – Bond Funds.

The following may **not** be used as fund sources for requested projects: General Fund Surplus, Capital Construction Surplus, or Investment Income.

Identify the source of funds for debt service for Agency Bonds. Include revenue source, fee type/amount if applicable, and estimated annual revenue, even if financed as General Receipts Indenture at postsecondary education institutions.

IMPACT ON OPERATING BUDGET

(All dollar amounts must be rounded to the next \$1,000.)

Provide the best estimate of the project completion date by month and year. Estimate, for the first five years of operations, the impact of the project on the agency's Operating Budget [personnel, operating, grants/loans/benefits, and capital costs] if it is funded and completed as requested. The impact may be: 1) increased costs, 2) cost savings, or 3) a combination of increased costs and savings. Report the estimated amounts by cost elements. Enter eliminated costs as negative numbers. Please identify the percentage share of the total impact that is related to programmatic expenses rather than basic operations and maintenance expenses. Identify the fund sources for the Impact on Operating Budget.

NOTE: The impact of a capital project on the Operating Budget may result in savings or additional costs.

**2018-2020 KENTUCKY BRANCH BUDGET
CAPITAL BUDGET REQUEST: CAPITAL PROJECT RECORD
(All dollar amounts rounded to the next \$1,000)**

Capital Budget Record CBR-02-p1

Branch:
Cabinet/Function:
Agency:
Appropriation Unit:
Project Title:
KBUD Project Number:

<u>PRIORITY</u>	<u>Capital Budget Request</u>	<u>Six-Year Capital Plan 2018-20</u>
Cabinet:		
Agency:		

PROJECT DOCUMENTATION

Location (County):

Reauthorization - Regular Capital Project: Is this a currently authorized project which is being requested for reauthorization and/or additional funding?

(No | Yes, Reauthorization Only | Yes, Additional Funding)

If "Yes, Additional Funding", provide the following information:

eMARS Project Number (Agency, Fund):

New Total Project Cost: \$

Capital Project Type:

Project Description

(Narrative)

**2018-2020 KENTUCKY BRANCH BUDGET
CAPITAL BUDGET REQUEST: CAPITAL PROJECT RECORD
(All dollar amounts rounded to the next \$1,000)**

Capital Budget Record CBR-02-p2

Branch:
Cabinet/Function:
Agency:
Appropriation Unit:
Project Title:
KBUD Project Number:

PROJECT BUDGET

Has this project been reviewed by the Department for Facilities and Support Services? (Yes | No | N/A)

	Requested FY 2017-18	Requested FY 2018-19	Requested FY 2019-20	Requested Total
Fund Source	0	0	0	0
General Fund	0	0	0	0
Restricted Funds	0	0	0	0
Federal Funds	0	0	0	0
Bond Funds	0	0	0	0
Road Fund	0	0	0	0
Agency Bonds	0	0	0	0
Other-Cash	0	0	0	0
Other-Third Party Financing	0	0	0	0
Total Funds	0	0	0	0
Cost Elements	0	0	0	0
Land Acquisition	0	0	0	0
Site Survey/Preparation	0	0	0	0
Project Design	0	0	0	0
Construction Costs	0	0	0	0
Movable Equipment/Furniture	0	0	0	0
Contingency Expense	0	0	0	0
Other	0	0	0	0
Total Costs	0	0	0	0

Method of Procurement (Acquisitions Only): (Purchase | Lease-Purchase | Other)

IMPACT ON OPERATING BUDGET

Completion Date: (Mo/Yr)	FY 1 Amount	FY 2 Amount	FY 3 Amount	FY 4 Amount	FY 5 Amount
Fund Source	0	0	0	0	0
General Fund	0	0	0	0	0
Tobacco Settlement-Phase I	0	0	0	0	0
Restricted Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Road Fund	0	0	0	0	0
Total Funds	0	0	0	0	0
Cost Element					
Personnel	0	0	0	0	0
Operating	0	0	0	0	0
Grants/Loans/Benefits	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Costs to be Eliminated	(0)	(0)	(0)	(0)	(0)
Total Expenditures	0	0	0	0	0

CAPITAL BUDGET REQUEST

Capital Equipment Record - Record CBR-03

Capital Budget Request: Capital Equipment Record (CBR-03) is to be submitted for the following, regardless of whether the equipment is procured through direct purchase (lump-sum or installment payments), lease-purchase, or rental arrangements.

- Each equipment item estimated to cost \$200,000, or more.
- Each pool totaling \$200,000, or more, to fund multiple (but not identical) equipment items costing less than \$200,000 each. (Any individual item costing \$200,000, or more may not be included in a pool, but must be submitted separately.)
- Postsecondary Education Institutions Only – each Postsecondary Education Institution may request a Capital Equipment Pool for the purchase of equipment items costing \$200,000 or more, and provide a listing of capital items of equipment that would make up that pool. Any equipment pool appropriated would likely be required to have each equipment item costing \$200,000 or more reported to the LRC Capital Projects and Bond Oversight Committee.

Multiple, identical items of equipment costing at least \$200,000 each should be submitted on a single Capital Equipment Record (CBR-03).

CAPITAL BUDGET REQUEST PRIORITY - Each project is to be assigned a separate Capital Budget Request priority number.

Agencies and postsecondary education institutions are to enter priority numbers only on the "Agency" line. The "Cabinet/Function" line is reserved for Cabinet-level roll-up priorities and the Council on Postsecondary Education system-wide priorities.

In addition, list the equipment item priority as contained in the agency's Six-Year Capital Plan submitted to the Capital Planning Advisory Board.

EQUIPMENT DOCUMENTATION

Equipment Title – Identify the equipment by generic label, **not** by brand name or model number. Use the same title as identified in the agency's Six-Year Capital Plan.

Location – Identify the county in which the equipment will be located. Otherwise, use the appropriate code for following designations:

- "Undetermined" is to be used if the location has not yet been specified.
- "Multi-County" is to be used if the location has been determined and the equipment will be placed in sites in more than one county, including statewide.
- "Out-of-State" is to be used if the location is not in Kentucky.

Equipment Description and Justification – Describe the equipment to be acquired. Information provided in this section should be comparable to the "Additional Description/Justification," "Replace/Enhance/Expand Existing Equipment," and "Explanation of Project Budget" responses included in the agency's Six-Year Capital Plan. For equipment pools, itemized lists of equipment, including individual project scopes (costs), are to be provided to the extent practicable. Explain why the equipment is needed; its relationship to the agency's mission and programs should be clearly stated, including references to the Kentucky Revised Statutes as appropriate.

Equipment Budget

(All dollar amounts must be rounded to the next \$1,000.)

Quantity of Identical Units – Agencies may aggregate multiple quantities of identical units of equipment having the same unit cost estimate. Unit cost should include all ancillary costs. If the Capital Equipment Record (CBR-03) is being submitted for multiple items which are **not identical** (a pool or system), enter "0" (zero).

Equipment Price per Unit – If the Capital Equipment Record (CBR-03) reflects multiple quantities of identical units (previous item), indicate the price per unit.

Fund Sources – The estimated cost should reflect the agency's best estimate of all capital costs necessary to make the item or system operational and complete. Do **not** include Operating Budget expenses, such as personnel, training, utilities, and maintenance.

Previously-authorized equipment procured through a multi-year lease or lease/purchase agreement **may not** require the completion of capital records. Annual lease payments consistent with the previous authorization should be included in the Operating Budget Request if funded from Restricted Funds or Federal Funds. General Fund Surplus, Capital Construction Surplus, or Investment Income may **not** be used as fund sources for planned equipment.

IMPACT ON OPERATING BUDGET

(All dollar amounts must be rounded to the next \$1,000.)

Estimate, for the first five years of operations, the impact of the item or system on the agency's Operating Budget [personnel, operating, grants/loans/benefits, and capital outlay] if it is funded and completed as planned. The impact may be: 1) increased costs, 2) cost savings, or 3) a combination of increased costs and cost savings. Report the estimated amounts by cost elements. Enter eliminated costs as negative numbers. Identify the fund source(s) for the Impact on Operating Budget. Please identify the percentage share of the total impact that is related to programmatic expenses rather than basic operating and maintenance expenses.

NOTE: The impact of an equipment project on the Operating Budget may result in either savings or additional costs. If the impact is negative, enter negative dollar values.

**2018-2020 KENTUCKY BRANCH BUDGET
CAPITAL BUDGET REQUEST: CAPITAL EQUIPMENT RECORD
(All dollar amounts rounded to next \$1,000)**

Capital Budget Record CBR-03-p1

Branch:
Cabinet/Function:
Agency:
Appropriation Unit:
Equipment Title:
KBUD Project Number:

<u>PRIORITY</u>	Capital Budget	Six-Year Capital Plan
	<u>Request</u>	<u>2018-20</u>
Cabinet:		
Agency:		

EQUIPMENT DOCUMENTATION

Location (County):

Equipment Documentation

(Narrative)

EQUIPMENT BUDGET

	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>FY 2019-20</u>	
Quantity of Identical Units:				
Equipment Price per Unit:				
	<u>Requested</u>	<u>Requested</u>	<u>Requested</u>	<u>Requested</u>
	<u>FY 2017-18</u>	<u>FY 2018-19</u>	<u>FY 2019-20</u>	<u>Total</u>
Fund Source				
General Fund	0	0	0	0
Restricted Funds	0	0	0	0
Federal Funds	0	0	0	0
Bond Funds	0	0	0	0
Road Fund	0	0	0	0
Agency Bonds	0	0	0	0
Other-Cash	0	0	0	0
Other-Third Party Financing	0	0	0	0
Total Funds	0	0	0	0

2018-2020 KENTUCKY BRANCH BUDGET
CAPITAL BUDGET REQUEST: CAPITAL EQUIPMENT RECORD
(All dollar amounts rounded to next \$1,000)

Capital Budget Record CBR-03-p2

Branch:
Cabinet/Function:
Agency:
Appropriation Unit:
Equipment Title:
KBUD Project Number:

IMPACT ON OPERATING BUDGET

Acquisition Date: (Mo/Yr)	FY 1 Amount	FY 2 Amount	FY 3 Amount	FY 4 Amount	FY 5 Amount
Fund Source	0	0	0	0	0
General Fund	0	0	0	0	0
Restricted Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Road Fund	0	0	0	0	0
Total Funds	0	0	0	0	0
Expenditures					
Personnel	0	0	0	0	0
Operating	0	0	0	0	0
Grants/Loans/Benefits	0	0	0	0	0
Capital Outlay	0	0	0	0	0
Costs to be Eliminated	(0)	(0)	(0)	(0)	(0)
Total Expenditures	0	0	0	0	0

CAPITAL BUDGET REQUEST

Capital Information Technology System Record - Record CBR-04

Capital Budget Request: Capital Information Technology System Record (CBR-04) is to be submitted for any capital information technology system, regardless of the method of procurement. A capital information technology system means any related computer or telecommunications components that provide a functional system for a specific business purpose and contains one or more of the following: hardware, software, professional services, or digital data products. Please see the definition of a capital information technology system in Appendix F.

CAPITAL BUDGET REQUEST PRIORITY - Each information technology system project is to be assigned a separate Capital Budget Request priority number.

Agencies and postsecondary education institutions are to enter priority numbers only on the "Agency" line. The "Cabinet/Function" line is reserved for cabinet level roll-up priorities and the Council on Postsecondary Education system-wide priorities.

List also the project priority as contained in the agency's Six-Year Capital Plan submitted to the Capital Planning Advisory Board.

SYSTEM PROJECT DOCUMENTATION

Information Technology System Project Title – If the project is currently authorized, cite the project title in the eMARS Financial System. If project is new, use the same title as identified in the Six-Year Capital Plan.

Reauthorization – Is this an authorized project newly appropriated in the 2016-2018 biennium that is being requested for reauthorization or reauthorized with additional funding? (See Capital Budget Request General Instructions.)

- Current Project, Reauthorization, Additional Budget – A project newly appropriated in the 2016-2018 biennium for which there are not sufficient funds available for

completion and for which the agency requests additional funds from the 2018 General Assembly. Only the amount of additional funds should be requested.

- If the request is for a currently authorized project, then the current project account number and the new project estimate including this request is required.

Project Description – Describe the project to be undertaken. Information provided in this section should be comparable to the “Additional Description/Justification”, “Expand/Enhance/Replace an Existing System”, “Phased Project”, “Primary Program Purpose” (for Postsecondary Education institutions only), and “Explanation of Project Budget” responses included in the agency’s Six-Year Capital Plan.

PROJECT BUDGET

(All dollar amounts must be rounded to the next \$1,000.)

Identify the estimated cost of the system project by fund source and cost element. If the system is to be financed over time (other than with bond funds), use the Other category. The expenditure elements include: hardware services provided by the Commonwealth Office of Technology (COT) during the project (hardware services provided after implementation should be categorized as an operating expenditure); software, provided from a vendor or from COT; professional/implementation services, contract worker costs, and other. Indicate the planned method of procurement: purchase, lease, lease-purchase or other.

IMPACT ON OPERATING BUDGET

(All dollar amounts must be rounded to the next \$1,000.)

The Impact on Operating Budget section requires a five-year projection after implementation. The focus of the information is on the various cost elements associated with the implementation, support, and upgrade of new information technology systems. If the information technology system will have an impact on the agency’s operating budget after it is implemented, report that impact. The impact may be: 1) increased costs, 2) savings, or 3) a combination of increased costs and savings. Report the estimated amounts for the first five years of operations by cost element. Enter the eliminated costs as negative numbers.

Completion Date - Identify the anticipated date of full installation and utilization of the system.

**2018-2020 KENTUCKY BRANCH BUDGET
CAPITAL BUDGET REQUEST: CAPITAL INFORMATION TECHNOLOGY SYSTEM RECORD
(All dollar amounts rounded to next \$1,000)**

Capital Budget Record CBR-04-p1

Branch:
Cabinet/Function:
Agency:
Appropriation Unit:
Equipment Title:
KBUD Project Number:

PRIORITY

**Capital Budget
Request**

**Six-Year Capital Plan
2018-20**

Cabinet:
Agency:

SYSTEM PROJECT DOCUMENTATION

Reauthorization - Regular Capital Project: Is this a currently authorized project which is being requested for reauthorization and/or additional funding?

(No | Yes, Reauthorization Only | Yes, Additional Funding)

If "Yes, Additional Funding", provide the following information:

eMARS Project Number (Agency, Fund):

New Total Project Cost: \$

Project Description

(Narrative)

**2018-2020 KENTUCKY BRANCH BUDGET
CAPITAL BUDGET REQUEST: CAPITAL INFORMATION TECHNOLOGY SYSTEM RECORD
(All dollar amounts rounded to next \$1,000)**

Capital Budget Record CBR-04-p2

Branch:
Cabinet/Function:
Agency:
Appropriation Unit:
Equipment Title:
KBLD Project Number:

PROJECT BUDGET

	Requested FY 2017-18	Requested FY 2018-19	Requested FY 2019-20	Requested Total
Fund Source	0	0	0	0
General Fund	0	0	0	0
Restricted Funds	0	0	0	0
Federal Funds	0	0	0	0
Bond Funds	0	0	0	0
Road Fund	0	0	0	0
Agency Bonds	0	0	0	0
Other-Cash	0	0	0	0
Other-Third Party Financing	0	0	0	0
Total Funds	0	0	0	0
Cost Elements	0	0	0	0
Hardware-Vendor Supplied	0	0	0	0
Hardware-COT Services during project	0	0	0	0
Software-Vendor Supplied	0	0	0	0
Software-COT Supplied	0	0	0	0
Professional/Implementation Services	0	0	0	0
Other Infrastructure Costs	0	0	0	0
Contract Workers	0	0	0	0
Contingency	0	0	0	0
Other	0	0	0	0
Total Costs	0	0	0	0

2018-2020 KENTUCKY BRANCH BUDGET
CAPITAL BUDGET REQUEST: CAPITAL INFORMATION TECHNOLOGY SYSTEM RECORD
(All dollar amounts rounded to next \$1,000)

Capital Budget Record CBR-04-p3

Branch:
 Cabinet/Function:
 Agency:
 Appropriation Unit:
 Equipment Title:
 KBUD Project Number:

IMPACT ON OPERATING BUDGET

Completion Date: (Mo/Yr)	FY 1 Amount	FY 2 Amount	FY 3 Amount	FY 4 Amount	FY 5 Amount
Fund Source	0	0	0	0	0
General Fund	0	0	0	0	0
Restricted Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Road Fund	0	0	0	0	0
Total Funds	0	0	0	0	0
Cost Elements	0	0	0	0	0
Hardware Services/Maintenance	0	0	0	0	0
Software Maintenance	0	0	0	0	0
Software Support	0	0	0	0	0
Infrastructure Costs	0	0	0	0	0
Employee/Contract Worker Cost	0	0	0	0	0
Other	0	0	0	0	0
Cost to be Eliminated	(0)	(0)	(0)	(0)	(0)
Total Expenditures	0	0	0	0	0

CAPITAL BUDGET REQUEST

Real Property Lease Record - Record CBR-05

Capital Budget Request: Real Property Lease Record (CBR-05) is to be submitted for the following:

- Each lease of real property space with an annual rental cost exceeding two hundred thousand dollars (\$200,000).

CAPITAL BUDGET REQUEST PRIORITY - Each lease is to be assigned a separate Capital Budget Request priority number.

Agencies and postsecondary education institutions are to enter priority numbers only on the "Agency" line. The "Cabinet/Function" line is reserved for Cabinet-level roll-up priorities and the Council on Postsecondary Education system-wide priorities.

LEASE DOCUMENTATION

Lease Title – Provide a descriptive title, which differentiates each lease from others submitted by the agency.

Facilities and Support Services # – Identify the PR # in the Facilities and Support Services Database if existing lease.

Location – Identify the county in which the project will be located. Otherwise, use the appropriate code for the following designations:

- "Undetermined" is to be used if the location has not yet been specified.
- "Out-of-State" is to be used if the location is not in Kentucky.

Lease Type – Identify the type of lease using the following categories:

EI Existing

A lease for a location housing agency offices/activities under a lease agreement in effect as of July 1, 2016.

EE Existing/Expansion

A lease to increase the square footage in a location housing agency offices/activities under a lease agreement in effect as of July 1, 2016.

NE New

A lease for space which the agency did not occupy as of July 1, 2016. This lease will not replace an existing lease.

NR New/Replacement

A lease, for space which the agency did not occupy as of July 1, 2016, which will replace a single existing lease. The lease may or may not involve an increase in square footage over that occupied under the existing lease.

NC New/Consolidation

A lease, for space which the agency did not occupy as of July 1, 2016, which will replace multiple existing leases in order to consolidate offices/activities of the agency currently housed in multiple locations. The lease may or may not involve an increase in square footage over that occupied under the existing leases.

Lease Description and Justification – Describe the lease including its location, if available, and funding information such as Fund Source(s), Fiscal Year(s), and Amount(s). If the lease type is other than "New," PR#(s) of the lease should be identified. Explain why the lease is needed. The relationship of the lease to the agency's mission and programs should be clearly stated, including references to the Kentucky Revised Statutes as appropriate.

LEASE FEATURES

Specialized Requirements – Describe any special requirements of the planned lease such as an upgrade of utilities or modifications to accommodate information technology.

Relationship to Existing Space – Describe both the physical and programmatic relationship of the new or expanded lease space to existing program space. The description should include whether the program or activity to be housed in the space is a new or existing program. If the space will house an existing program or activity, indicate where that program or activity is presently housed and how that space will subsequently be used. (Reference other projects in this plan, if applicable.)

**2018-2020 KENTUCKY BRANCH BUDGET
CAPITAL BUDGET REQUEST: REAL PROPERTY LEASE RECORD
(All dollar amounts rounded to next \$1,000)**

Capital Budget Record CBR-05

Branch:
Cabinet/Function:
Agency:
Appropriation Unit:
Lease Title:
KBUD Project Number:

PRIORITY

Capital Budget
Request

Cabinet:
Agency:

LEASE DOCUMENTATION

Lease Title:

Facilities and Support Services PR#: (If Applicable for Existing Lease)

Location (County): (From Table 1)

Lease Type: (From Table 6)

Lease Description and Justification:

(Narrative)

LEASE FEATURES

Specialized Project Requirements

(Narrative)

Relationship to Existing Space

(Narrative)

SECTION V

APPENDICES

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Appendix A

Budget Calendar

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APPENDIX A

BUDGET CALENDAR 2018 General Assembly

DEADLINE	ACTION
April 1, 2017	<ul style="list-style-type: none">• Draft uniform budget preparation forms are proposed by representatives of the Governor, Chief Justice, and Legislative Research Commission, for adoption by the Legislative Research Commission (LRC).
April 15, 2017	<ul style="list-style-type: none">• State agencies submit six-year capital improvement plans and projects requests to the Capital Planning Advisory Board for review and approval.
July 1, 2017	<ul style="list-style-type: none">• LRC prescribes uniform forms, records, and instructions for use by all branch budget units in preparation of agency requests and all branch heads in submission of budget recommendations.
August 15, 2017	<ul style="list-style-type: none">• The Office of the State Budget Director (in conjunction with the consensus forecasting group) provides a budget planning report. Includes baseline five-year economic projections and preliminary revenue planning estimates for budget unit requests.
September 1, 2017	<ul style="list-style-type: none">• The Finance and Administration Cabinet issues uniform forms, instructions and expenditures statements, and supplies each branch with sets of these documents.

BUDGET CALENDAR
2018 General Assembly

<u>DEADLINE</u>	<u>ACTION</u>
<u>October 16, 2017</u>	<ul style="list-style-type: none"> The Office of the State Budget Director provides preliminary revenue estimates for the General Fund and Road Fund, based upon revenue forecast from the consensus forecasting group for FY 2017-18, FY 2018-19, and FY 2019-20.
<u>November 1, 2017</u>	<ul style="list-style-type: none"> The Capital Planning Advisory Board submits the 2018-2024 state capital improvement plan, containing its proposals for state spending and funding for capital projects, to the Governor, Chief Justice, and LRC.
November 2017 (Projected Date)	<ul style="list-style-type: none"> The Council on Postsecondary Education submits its recommendations for Institutional funding levels to the Strategic Committee on Postsecondary Education (SCOPE).
November 15, 2017 (Statutory Date)	<ul style="list-style-type: none"> Statutory deadline for Budget Unit Heads to submit agency budget requests to LRC and specified branch officer.
10 th Legislative Day	<ul style="list-style-type: none"> Branch heads submit branch budget recommendations to the 2018 General Assembly.
On or before the 10 th Legislative Day	<ul style="list-style-type: none"> The Office of the State Budget Director certifies and presents the official revenue estimates for the General Fund and Road Fund to the 2018 General Assembly made by the consensus forecasting group.

Appendix B

Calculations Guidelines

NOTE: To be provided.

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Appendix C

Organization/Program Chart and Crosswalk of Fund Structure

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APPENDIX C

ORGANIZATION/PROGRAM CHART

The chart below identifies the basic characteristics of the Kentucky State government program structure. Shown parenthetically are the organizational units, which generally most closely correspond to the various levels of the program structure.

Program Structure (Corresponding Programmatic/Organizational Entity)	<u>Characteristics</u>
Branch	One of the three Branches of State Government established by the Constitution of the Commonwealth of Kentucky.
Cabinet/Function	The broad mission toward which a major component of state government is directed.
Agency	The Department, Office, Agency, Institution, or parent entity of an Appropriation Unit.
Appropriation Unit	A grouping of programs which is directed toward accomplishing various related aspects of a state government function. In most instances, this is the level at which appropriations are requested (budget unit) and appropriations enacted. This can be the same as the Agency.
Program/Service Unit	A set of related objectives directed toward the achievement of a specific goal with an identifiable beneficiary group. In some instances, this is an appropriation unit. In most instances, this is the level at which allotments are made.
Sub Program	A group of discrete, related activities aimed at achieving a specific program objective.
Posting Unit	The operational activities developed to carry out subprograms. The aggregate effort of the individual elements comprising a subprogram should result in the achievement of the subprogram objective.

This chart depicts the organization/program relationships in most of the areas of the Executive Branch in Kentucky State government. However, in a limited number of instances certain cabinets may have programs and/or subprograms, which cut across organization lines. In these cases, the crosswalk required in this manual will explain these variances.

eManagement Administrative and Reporting System

The eManagement Administrative and Reporting System (eMARS) utilizes a fund structure that enables the Commonwealth to prepare financial statements that are in compliance with generally accepted accounting principles (GAAP). The current eMARS fund structure consists of three "fund types"; governmental, proprietary, and fiduciary, which in turn, include the following different funds. The "fund types" and the fund titles, with attendant fund numbers for the governmental and proprietary funds, include the following.

Governmental Funds involve expendable resources and are used to finance most of the Commonwealth's operations.

General Fund (0100) - accounts for financial resources appropriated by the General Assembly which are not required to be accounted for in another fund.

Capital Projects Fund (0200) - formerly the Capital Construction Fund; accounts for financial resources appropriated by the General Assembly and used to acquire and construct major capital facilities, except those financed by proprietary and certain trust funds.

Debt Service Fund (0300) - formerly the Bond Redemption and Interest Fund; accounts for the payment of general long-term principal and interest, and also for the accumulation of financial resources transferred from other funds to make such payments.

Road Fund (1100) - accounts for General Fund transfers, agency receipts, federal receipts, and related expenditures of the Transportation Cabinet including the constitutional Road Fund.

Federal Fund (1200) - accounts for moneys received from the Federal Government.

Agency Revenue Fund (1300) - accounts for receipts and disbursements of restricted taxes, fees, and charges related to a particular function or activity and usually appropriated by the General Assembly.

Other Special Revenue Fund (1400) - accounts for receipts and disbursements of restricted taxes, fees, and charges related to a particular function or activity, which are not usually appropriated by the General Assembly.

Proprietary Funds involve the Commonwealth's ongoing operations that are similar to private business.

State Parks Fund (2100) - accounts for the revenues earned and expenses incurred in the commercial operations of the Department of Parks.

State Fair Board Fund (2200) - accounts for the revenues earned and expenses incurred in the commercial operations of the State Fair Board.

Insurance Administration Fund (2400) - accounts for insurance risk pools operated by the state.

Health Self-Insurance Fund (2500) - accounts for public employees' health insurance program.

Kentucky Horse Park Commission Fund (2900) - accounts for the revenues earned and expenses incurred in the commercial operations of the Kentucky Horse Park.

Fleet Management Fund (3100) - accounts for expenditures related to purchase and operations of the state motor pool.

Computer Services Fund (3200) - accounts for expenses incurred and reimbursements received by the Commonwealth Office for Technology for computer and other communication related services.

Prison Industries Fund (3500) - accounts for expenses incurred and reimbursements received by the Department of Corrections' industrial prison operations.

Central Printing Fund (3600) - accounts for expenses incurred and reimbursements received by the Kentucky Transportation Cabinet.

Property Management Fund (3700) - accounts for expenses incurred and reimbursements received by the Finance and Administration Cabinet's space rental and maintenance operation.

Risk Management Fund (3800) - accounts for the claims, judgments, and self-insurance operations of the state.

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Appendix D

Appropriation Unit Structure

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APPENDIX D

2018-2020 APPROPRIATION UNIT STRUCTURE

LEGISLATIVE BRANCH

General Assembly
Legislative Research Commission

JUDICIAL BRANCH

Court of Justice
Court Operations and Administration
Local Facilities Fund
Local Facilities Use Allowance Contingency Fund
Judicial Form Retirement System

EXECUTIVE BRANCH

General Government

Office of the Governor
Office of State Budget Director
State Planning Fund
Homeland Security
Veterans' Affairs
Governor's Office of Agricultural Policy
Kentucky Infrastructure Authority
Military Affairs
Commission on Human Rights
Commission on Women
Department for Local Government
Local Government Economic Assistance Fund
Local Government Economic Development Fund
Area Development Fund
Executive Branch Ethics Commission
Secretary of State
Board of Elections
Registry of Election Finance
Attorney General
Unified Prosecutorial System
Commonwealth's Attorneys
County Attorneys
Treasury
Agriculture
Auditor of Public Accounts
Personnel Board

Kentucky Retirement Systems

Kentucky Communications Network Authority

Occupational and Professional Boards and Commissions

Accountancy

Certification of Alcohol and Drug Counselors

Applied Behavior Analysis Licensing

Architects

Certification for Professional Art Therapists

Barbering

Chiropractic Examiners

Dentistry

Licensed Diabetes Educators

Licensure and Certification for Dietitians and Nutritionists

Embalmers and Funeral Directors

Licensure for Professional Engineers and Land Surveyors

Certification of Fee-Based Pastoral Counselors

Registration for Professional Geologists

Hairdressers and Cosmetologists

Specialists in Hearing Instruments

Interpreters for the Deaf and Hard of Hearing

Examiners and Registration of Landscape Architects

Licensure of Marriage and Family Therapists

Licensure for Massage Therapy

Medical Imaging and Radiation Therapy

Medical Licensure

Nursing

Licensure for Nursing Home Administrators

Licensure for Occupational Therapy

Ophthalmic Dispensers

Optometric Examiners

Pharmacy

Physical Therapy

Podiatry

Private Investigators

Licensed Professional Counselors

Prosthetics, Orthotics and Pedorthics

Examiners of Psychology

Respiratory Care

Social Work

Speech-Language Pathology and Audiology

Veterinary Examiners

Kentucky River Authority

School Facilities Construction Commission
Teachers' Retirement System
Judgments
Appropriations Not Otherwise Classified

Cabinet for Economic Development
Economic Development

Department of Education

Operations and Support Services
Learning and Results Services
Support Education Excellence in Kentucky (SEEK)

Education and Workforce Development Cabinet

General Administration and Program Support
Proprietary Education
Deaf and Hard of Hearing
Kentucky Educational Television
Environmental Education Council
Libraries And Archives
 General Operations
 Direct Local Aid
Office for the Blind
Employment and Training

Vocational Rehabilitation
Education Professional Standards Board

Energy and Environment Cabinet

Secretary
Environmental Protection
Natural Resources
Energy Development and Independence

Kentucky Nature Preserves Commission
Public Service Commission

Finance and Administration Cabinet

General Administration

Inspector General
Controller

Debt Service
Facilities and Support Services
County Costs
Commonwealth Office of Technology
Revenue
Property Valuation Administrators

Health and Family Services

General Administration and Program Support
Commission for Children with Special Health Care Needs
Medicaid Services
 Medicaid Administration
 Medicaid Benefits
Behavioral Health, Developmental and Intellectual Disabilities
Public Health
Health Benefits Exchange
Health Policy
Family Resource Centers and Volunteer Services
Income Support
Community Based Services
Aging and Independent Living

Justice and Public Safety Cabinet

Justice Administration
Criminal Justice Training
Juvenile Justice
State Police
Corrections
 Corrections Management
 Adult Correctional Institutions
 Community Services and Local Facilities
 Local Jail Support
Public Advocacy

Labor Cabinet

Secretary
General Administration and Program Support
Workplace Standards
Workers' Claims
Occupational Safety and Health Review Commission
Workers' Compensation Funding Commission

Personnel Cabinet

General Operations
Public Employees Deferred Compensation Authority

Workers' Compensation Benefits and Reserve

State Group Health Insurance Fund

Postsecondary Education

Council on Postsecondary Education

Kentucky Higher Education Assistance Authority

Eastern Kentucky University

Kentucky State University

Morehead State University

Murray State University

Northern Kentucky University

University of Kentucky

University of Louisville

Western Kentucky University

Kentucky Community and Technical College System

Postsecondary Education Performance Fund

Public Protection Cabinet

Secretary

Professional Licensing

Kentucky Claims Commission

Boxing and Wrestling Authority

Alcoholic Beverage Control

Charitable Gaming

Financial Institutions

Horse Racing Commission

Housing, Buildings and Construction

Insurance

Tourism, Arts and Heritage Cabinet

Secretary

Artisans Center

Tourism

Parks

Horse Park Commission

State Fair Board

Fish and Wildlife Resources

Historical Society

Arts Council

Heritage Council

Kentucky Center for the Arts

Transportation Cabinet

General Administration and Support

Aviation

Debt Service

Highways

Judgments

Public Transportation

Revenue Sharing

Vehicle Regulation

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Appendix E

Personnel Position Numbers

(Authorized Positions)

NOTE: To be provided.

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Appendix F

Budget-Related Statutes

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APPENDIX F BUDGET-RELATED STATUTES

The following printing of various sections from the *Kentucky Revised Statutes* was generated from the official statutory database maintained by the Legislative Research Commission on July 1, 2017. These statutes are provided for informational purposes only, and this printing does not constitute an official or certified version of the statutes presented.

KRS CHAPTER 7A CAPITAL PLANNING

Capital Planning Advisory Board

7A.010 Definitions.

7A.100 Capital Planning Advisory Board of the General Assembly established.

7A.110 Membership of board--Meetings--Vote required to act.

7A.120 State capital improvement plan.

7A.130 Public hearings.

7A.140 Administrative regulations.

7A.150 Legislative Research Commission's responsibility for staffing and operating cost of board.

7A.160 Use of existing studies, surveys, plans, and data.

7A.170 Advisory committees.

Capital Planning Advisory Board

7A.010 Definitions for chapter.

As used in this chapter, unless the context otherwise requires:

(1) "Capital project" means:

- (a) Any undertaking which is to be financed or funded through an appropriation by the General Assembly of general fund, road fund, bond fund, trust and agency

fund, or federal fund moneys, where the expenditure is a capital expenditure pursuant to statute or under standards prescribed by the Legislative Research Commission under the authority of KRS Chapter 48;

- (b) Any undertaking which is to be financed by a capital expenditure for use by the state government or one of its departments or agencies, as defined in KRS 12.010 or enumerated in KRS 12.020, including projects related to the construction or maintenance of roads, and including projects of institutions of higher education as defined in KRS 164A.550(2);

- (c) Any capital construction item, or any combination of capital construction items necessary to make a building or utility installation complete, estimated to cost:

- 1. a. In the case of institutions of higher education, one million dollars (\$1,000,000) or more, regardless of the source of funds; and
- b. In the case of all other entities, six hundred thousand dollars (\$600,000) or more regardless of the source of funds; or

2. Any item of movable equipment, estimated to cost two hundred thousand dollars (\$200,000) or more, regardless of the source of funds;
- (d) Any lease of real property whose value is two hundred thousand dollars (\$200,000) or more;
- (e) Any lease of an item of movable equipment if the total cost of the lease, lease-purchase, or lease with an option to purchase is two hundred thousand dollars (\$200,000) or more; or
- (f) Any new acquisition, upgrade, or replacement of an information technology system estimated to cost:
 1. In the case of institutions of higher education, one million dollars (\$1,000,000) or more; and
 2. In the case of all other entities, six hundred thousand dollars (\$600,000) or more;
- (2) "Board" means the Capital Planning Advisory Board of the Kentucky General Assembly created by KRS 7A.110;
- (3) "Plan" means the state capital improvement plan provided for by KRS 7A.120;
- (4) "State agency" means any department, commission, council, board, bureau, committee, institution, legislative body, agency, government corporation, or other entity of the executive, judicial, or legislative branch of the state government; and
- (5) "Information technology system" means any related computer or telecommunications components that provide a functional system for a specific business purpose and contain one (1) or more of the following:
 - (a) Hardware;
 - (b) Software, including application software, systems management software, utility software, or communications software;
 - (c) Professional services for requirements analysis, system

integration, installation, implementation, or data conversion services; or

- (d) Digital data products, including acquisition and quality control.

7A.100 Capital Planning Advisory Board of the General Assembly established.

The Capital Planning Advisory Board of the Kentucky General Assembly is established. The members of this board shall represent all three (3) branches of government and are empowered to prepare a comprehensive state capital improvement plan and to make funding recommendations to each branch head as to state spending for capital projects.

7A.110 Membership of board--Meetings.

- (1) The Capital Planning Advisory Board of the Kentucky General Assembly shall consist of sixteen (16) members. The manner of appointment and terms of the members of the board shall be as follows:
 - (a) Four (4) members shall be appointed by the Governor to represent the executive branch of state government. These members shall serve for a term of four (4) years and until their successors are appointed.
 - (b) Four (4) members shall be appointed by the Chief Justice of the Supreme Court to represent the judicial branch of state government. These members shall serve for a term of four (4) years and until their successors are appointed.
 - (c) Four (4) members shall represent the legislative branch of state government and shall be appointed and serve as follows:
 1. The Speaker of the House of Representatives shall appoint two (2) members, each of whom shall serve while a member of the House for the term for which he has been elected, and one (1) of whom shall be designated co-chair; and
 2. The President of the Senate shall appoint two (2) members, each of whom

shall serve while a member of the Senate for the term for which he has been elected, and one (1) of whom shall be designated co-chair.

- (d) Four (4) public members shall be appointed from the Commonwealth at large, one (1) by the Governor, one (1) by the Chief Justice, one (1) by the President of the Senate, and one (1) by the Speaker of the House of Representatives. The public members shall serve for a term of four (4) years and until their successors are appointed.
- (2) Any vacancy on the board shall be filled in the same manner as the original appointment.
- (3) The co-chairs shall have joint responsibilities for board meeting agendas and presiding at board meetings.
- (4) On an alternating basis, each co-chair shall have the first option to set the monthly meeting date. A monthly meeting may be canceled by agreement of both co-chairs. The board shall meet at least twice during each calendar year.
- (5) Members of the board shall be entitled to reimbursement for expenses incurred in the performance of their duties.
- (6) A majority of the entire membership of the Capital Planning Advisory Board shall constitute a quorum, and all actions of the board shall be by vote of a majority of its entire membership.

7A.120 State capital improvement plan.

- (1) Every two (2) years, the board shall prepare a state capital improvement plan containing its proposals for state spending for capital projects.
- (2) Copies of the plan shall be submitted to the Governor, the Chief Justice, and the Legislative Research Commission no later than November 1 of each odd-numbered year. The plan shall provide:
 - (a) A detailed list of all capital projects of the state, including transportation projects as submitted by the Kentucky Transportation Cabinet and approved by the Joint Transportation Committee, which the board recommends be

undertaken or continued by any state agency during the six (6) fiscal year period commencing with the upcoming biennial budget, together with information as to the effect of these capital projects on future operating expenses of the Commonwealth, and with recommendations as to the priority of these capital projects and the means of funding them;

- (b) The forecast of the board as to the requirements for capital projects of state agencies during the six (6) fiscal year period and for those additional periods, if any, necessary or desirable for adequate presentation of particular capital projects, and a schedule for the planning and implementation or construction for these additional periods;
 - (c) A schedule for the next biennial budget of recommended appropriations of bond funds from issues of bonds previously authorized;
 - (d) A review of capital projects which have recently been implemented or completed or are in process of implementation or completion;
 - (e) Recommendations as to the maintenance of physical properties and equipment of state agencies; and
 - (f) Any other information that the board deems relevant to the foregoing matters.
- (3) Each state agency, excluding the Department of Highways, shall no later than April 15 of each odd-numbered year provide the board with information described in subsection (2) of this section in the form that shall be prescribed by the board.
 - (4) In addition to information available to the board under the computerized record keeping of the Finance and Administration Cabinet, each state agency shall, when requested, provide the board with supplemental information concerning any real property owned or leased by the agency, including its current or future availability for other state uses.

7A.130 Public hearings.

The board may conduct public hearings in furtherance of its general purposes at places designated by it, at which hearings it may request the appearance of officials of any state agency and solicit the testimony of interested groups and the general public.

7A.140 Administrative regulations.

The board may adopt any administrative regulations necessary to carry out its planning and advisory functions as provided by this chapter.

7A.150 Legislative Research Commission's responsibility for staffing and operating costs of board.

The Legislative Research Commission shall have exclusive jurisdiction over the employment of personnel necessary to carry out the provisions of KRS Chapter 7A. Staff and operating costs of the Capital Planning Advisory Board shall be provided from the budget of the Legislative Research Commission.

7A.160 Use of existing studies, surveys, plans, and data.

The board may make use of existing studies, surveys, plans, data, and other materials in the possession of any state agency. Upon request by the board, an agency shall make these materials available to the board so that the board may have current information on the capital plans and programs of the agency.

7A.170 Advisory committees.

The officers and personnel of any state agency and any other person may serve at the request of the board upon any advisory committees that the board may create. State officers and personnel may serve upon these advisory committees without forfeiture of office or employment and with no loss or diminution in the compensation, status, rights, and privileges which they otherwise enjoy.

KRS CHAPTER 26A COURT OF JUSTICE (selected statutes)

Facilities and Services

26A.090 Definitions for KRS 26A.090 to 26A.115.

26A.115 Operating costs allowance and use allowance payments.

Facilities and Services

26A.090 Definitions for KRS 26A.090 to 26A.115.

As used in KRS 26A.090 to 26A.115, unless the context otherwise requires:

- (1) "Operating costs allowance" means compensation equivalent to the annual expenses borne by the unit of government for utilities, janitorial service, rent, insurance, and necessary maintenance, repair, and upkeep of the court facility which do not increase the permanent value or expected life of the court facility, but keeps it in efficient operating condition, and, at the election of the Administrative Office of the Courts, capital costs of interior or mechanical renovations for the benefit of the court.
- (2) "Use allowance" means compensation equal to four percent (4%) annually of the total original capital costs and the cost of capitalized renovation of the court facility, except that if indebtedness has been incurred in respect to such capital costs at an interest rate equal to or greater than seven percent (7%), compensation shall be at a rate of eight percent (8%) annually of that portion of the capital costs for which the rate applies. For refinanced projects constructed or renovated prior to July 1, 1994, the use allowance payment shall not change for the term of the original bond issue, unless there is a change in the space occupied. For court facilities renovated or constructed after July 1, 1994, "use allowance" means the court's proportional share of the annual principal and interest cost in connection with the renovation or construction, but not to exceed eight percent (8%) annually of capital costs, or, if there is no debt, four percent (4%) annually of capital costs. Beginning with court facility construction or renovation

projects authorized by the 2000 Regular Session of the General Assembly, "use allowance" means the court's proportional share of the annual principal and interest costs in connection with the construction or renovation of the facility, not to exceed the authorized annual use allowance.

- (3) "Capital costs" means the costs borne by the unit of government, excluding grants, conditioned by the grantor agency specifically for court facility construction or renovation, for acquisition of property and for construction and capitalized renovation including interest accruing during construction or renovation, but no other interest of each court facility. If capital costs are not documented, reasonable estimates provided by qualified appraisers will suffice. After July 14, 2000, capital costs, for the purpose of computing the maximum annual use allowance, shall not exceed the project scope as authorized by the General Assembly in the judicial branch budget or as increased and approved under KRS 26A.164.
- (4) "Capitalized renovation" means all remodeling involving the structural or mechanical systems, except for remodeling that involves substantial demolition of the original structure. Remodeling involving substantial demolition of the original structure shall constitute construction resulting in a new court facility.
- (5) "Unit of government" means a county, city, urban-county government, special district, or corporate entity created for the purpose of constructing or holding title to a court facility.
- (6) "Court facility" means the land and buildings owned or operated by a unit of government in which space for the court of justice is provided. Judges' benches, jury and witness boxes, and fixed seating shall be considered as permanent building fixtures.
- (7) "Court facilities standards committee" means a committee consisting of the Chief Justice or his designee; one (1) judge each of the Court of Appeals, the Circuit Court, and the District Court appointed by the Supreme Court; the president of the Circuit Clerks' Association; the chairmen of the House and Senate Judiciary Committees of the General Assembly; the secretary of the

Finance and Administration Cabinet; the director of the Administrative Office of the Courts; and a county judge/executive appointed by the Governor. Each appointed member shall serve for a term of four (4) years from the date of his appointment or until he vacates the office in respect to which he was appointed, whichever is earlier.

26A.115 Operating costs allowance and use allowance payments.

- (1) Each unit of government providing space in a court facility to the Court of Justice under the provisions of KRS 26A.100 shall be paid an operating costs allowance plus a use allowance to be administered by the Administrative Office of the Courts.
- (2) The precise amount paid for operating costs allowance and use allowance shall be computed by allocating to the Court of Justice its proportionate share of each category according to the relative portion of the floor space in the facility which is occupied by the Court of Justice. Compensation shall be calculated on an annualized basis, may be in the form of rental per square footage, and shall be paid quarterly. Should the availability of space provided to the Court of Justice be limited by the governmental unit to a part-time basis, the compensation shall be apportioned according to the number of days or partial days per week in which it is made available, one (1) day or partial day per week being considered as one-fifth (0.2) of the time.
- (3) If requested by a unit of government, operating costs allowance and use allowance payments due in accordance with subsection (2) of this section shall be due and payable to the unit of government not less than ten (10) days prior to the interest due date for the bonds, notes, or other debt obligations issued to finance the capital costs for court facility space provided to the Court of Justice by the requesting unit of government.

KRS CHAPTER 45 BUDGET AND FINANCIAL ADMINISTRATION

(selected statutes)

45.229 Appropriations--Lapsing.

45.247 Highway construction contingency account.

Capital Projects and Bonds

**45.750 Definitions for KRS 45.760 to 45.810--
Application of KRS 45.760 to 45.810.**

**45.760 Limitations on project and equipment
expenditures in State Capital
Construction Program.**

**45.763 Requirement for General Assembly
authorization before state agencies,
institutions of higher education, or
affiliated corporations enter into certain
real property agreements -- General
Assembly approval of capital projects
using public-private delivery method.**

45.765 Branch budget bills.

45.770 Contingency account.

45.775 Capital construction surplus account.

**45.777 Sale of property purchased with
capital construction funds.**

**45.780 Emergency repair, maintenance, and
replacement account.**

45.782 Statewide deferred maintenance fund.

**45.790 Capital Projects and Bond Oversight
Committee--Membership--Meetings--
Vote required to act.**

**45.793 Quarterly status reports on
incomplete capital projects to Capital
Projects and Bond Oversight
Committee.**

**45.794 Semiannual status reports by
Kentucky Public Transportation
Infrastructure Authority.**

**45.795 Determinations to be made in
reviewing project--Request for
Legislative Research Commission to
seek injunction.**

**45.800 Prerequisites to transfer of money
from contingency account or other
sources.**

**45.810 Procedure for review of proposed
bond issue--Annual report to committee.**

**45.812 Listing of costs relating to issuance of
revenue bonds authorized by
appropriation of school district.**

**45.814 Itemized listing of costs associated
with issuance of revenue bonds or notes
authorized by branch budget bill.**

**45.816 Listing of costs relating to issuance of
revenue bonds by state agency.**

**45.818 Status report on information
technology systems.**

Nuclear Waste Disposal Site

**45.850 Appropriations for capital
construction, operating budget,
regulating, and monitoring of nuclear
waste disposal site.**

Penalties

45.990 Penalties.

45.229 Appropriations--Lapsing.

- (1) No state officer or budget unit shall, after
the close of any fiscal year, incur, or vote,
order, or approve the incurring of, any
obligation or expenditure under any
appropriation for that fiscal year, and no
expenditure shall be made from or charged
to any appropriation for any fiscal year that
has expired at the time the obligation of the
expenditure was incurred.**
- (2) The Finance and Administration Cabinet
may, for a period of thirty (30) days after
the close of any fiscal year, draw warrants
against the available balances of
appropriations made for that fiscal year, for
the payment of expenditures incurred
during that year or in fulfillment of
contracts properly made during that year,
but for no other purpose. Except as
provided in KRS 48.705, after the
expiration of thirty (30) days from the
beginning of each fiscal year, all balances
of appropriations for the prior fiscal year**

shall lapse to the surplus account of the general fund or road fund unless a branch budget bill provides that the appropriation from which the expenditures shall be paid does not lapse. No further payments shall be made on any claims on account of expenditures of the prior fiscal year.

45.247 Highway construction contingency account.

There is created within the road fund the highway construction contingency account. The account shall consist of moneys appropriated to the account by the General Assembly. The Transportation Cabinet may transfer money from the highway construction contingency account to a highway construction project, for expenditure thereon. These moneys may be authorized by the secretary of the Transportation Cabinet for:

- (1) Projects of an emergency nature;
- (2) Promotion of economic or industrial development;
- (3) Relief of a hazardous condition;
- (4) Other purposes that the secretary determines to be a priority;
- (5) Provision of required state match for any unanticipated federal funds made available by the Federal Highway Administration to the Commonwealth as a result of other states not utilizing their total federal obligation;
- (6) The funding of any nonfederal share of a project in a previous or the current biennial highway construction programs that exceeds its cost estimate;
- (7) The nonfederal share of federal emergency highway projects, federal discretionary projects, and federal demonstration projects; and
- (8) The nonfederal share of projects due to an increase in the federal apportionment or federal obligation limits.

Capital Projects and Bonds

45.750 Definitions for KRS 45.760 to 45.810 - - Application of KRS 45.760 to 45.810.

- (1) As used in KRS 45.760 to 45.810:
 - (a) "Committee" means the Capital Projects and Bond Oversight

Committee;

(b) "Capital construction item" means:

1. The construction, reconstruction, acquisition, and structural maintenance of buildings;
2. The installation of utility services, including roads and sewers;
3. The acquisition or improvement of real property;
4. The purchase and installation initially or during major renovation of equipment, facilities, and furnishings of a permanent nature for buildings; or
5. The acquisition of any building to be occupied by any:
 - a. Subdivision of state government as defined in KRS 12.010 or enumerated in KRS 12.020;
 - b. Municipal corporation which exercises its authority on a statewide basis including, but not limited to, the Kentucky Employees Retirement System, Teachers' Retirement System of the State of Kentucky, Kentucky Higher Education Student Loan Corporation, Kentucky Lottery Corporation, Kentucky Housing Corporation, or any entity with a governing body whose membership is substantially similar to the membership of the governing body of a municipal corporation which exercises its authority on a statewide basis;

- and
- c. Institution of higher education;
- (c) "Lease" means any lease, lease-purchase, or lease with an option to purchase of any real property space occupied by:
1. Any entity listed in paragraph (b)5. of this subsection;
 2. The legislative branch; or
 3. The judicial branch when leased from a private sector landlord;
- (d) "Equipment" means:
1. Any major item of equipment, including aircraft;
 2. Any movable furnishing, appurtenance, or other equipment, necessary to make a building operable; and
 3. Equipment purchased or otherwise acquired, or equipment to be purchased or otherwise to be acquired, under a lease or lease-purchase contract or agreement or an arrangement equivalent to a lease or lease-purchase contract or agreement;
- (e) "Information technology system" means any related computer or telecommunications components that provide a functional system for a specific business purpose and contain one (1) or more of the following:
1. Hardware;
 2. Software, including application software, systems management software, utility software, or communications software;
 3. Professional services for requirements analysis, system integration, installation, implementation, or data conversion services; or
4. Digital data products, including acquisition and quality control;
- (f) "Capital projects" means, regardless of the source of cash or other consideration:
1. Any capital construction item, or any combination of capital construction items necessary to make a building or utility installation complete, estimated to cost:
 - a. In the case of institutions of higher education, one million dollars (\$1,000,000) or more in cash or other consideration; and
 - b. In the case of all other entities, six hundred thousand dollars (\$600,000) or more in cash or other consideration;
 2. Any lease of real property space with an annual rental cost exceeding two hundred thousand dollars (\$200,000);
 3. The use allowance paid by the judicial branch for a real property space pursuant to KRS 26A.090(2) and 26A.115 when the use allowance for the space exceeds two hundred thousand dollars (\$200,000) on an annual basis;
 4. Any item of equipment estimated to cost two hundred thousand dollars (\$200,000) or more in cash or other consideration;
 5. Any lease of an item of movable equipment if the annual cost of the lease is two hundred thousand dollars (\$200,000) or more or if the total cost of the lease-purchase or lease with an option to purchase is two hundred thousand dollars (\$200,000) or more; and

6. Any new acquisition, upgrade, or replacement of an information technology system estimated to cost:
 - a. In the case of institutions of higher education, one million dollars (\$1,000,000) or more in cash or other consideration; and
 - b. In the case of all other entities, six hundred thousand dollars (\$600,000) or more in cash or other consideration;
 - (g) "Emergency repair, maintenance, or replacement project" means the maintenance, repair, or reconstruction of a capital construction project or the maintenance, repair, or replacement of a major item of equipment that is:
 1. Necessitated by injury or damage resulting from a disaster;
 2. Necessary to maintain government operations or to prevent or minimize injury or damage that could reasonably be expected to result from an impending disaster; or
 3. Necessitated by an unforeseen mechanical breakdown, electrical breakdown, or structural defect that must be corrected to make a facility or item of equipment usable;
 - (h) "Disaster" means a fire, flood, tornado, other natural disaster, riot, enemy attack, sabotage, explosion, power failure, energy shortage, transportation emergency, or other man-caused disaster;
 - (i) "Capital construction funds" means any funds used for capital construction, including, but not limited to, appropriated capital construction funds, agency funds, federal funds, private funds, or funds from any source held by an agency for management or investment purposes; and
 - (j) "Entity head" means the Chief Justice of the Supreme Court, the President of the Senate and the Speaker of the House of Representatives, the secretary of the Finance and Administration Cabinet, the president of any university which complies with KRS 164A.585, 164A.595, and 164A.600, the board of trustees of the Kentucky Employees Retirement System, the board of trustees of the Teachers' Retirement System of the State of Kentucky, the board of directors of the Kentucky Higher Education Student Loan Corporation, the board of directors of the Kentucky Lottery Corporation, or the board of directors of the Kentucky Housing Corporation.
- (2) Except as provided in subsection (3) of this section, KRS 45.760 to 45.810 shall apply to capital projects and bonds for use by:
 - (a) The state government;
 - (b) One of its departments or agencies, as defined in KRS 12.010 or enumerated in KRS 12.020;
 - (c) A municipal corporation which exercises its authority on a statewide basis, including but not limited to the Kentucky Employees Retirement System, Teachers' Retirement System of the State of Kentucky, Kentucky Higher Education Student Loan Corporation, Kentucky Lottery Corporation, and Kentucky Housing Corporation; and
 - (d) Institutions of higher education.
 - (3) KRS 45.760 to 45.810 shall not apply to:
 - (a) Capital projects or bonds used directly in or for the construction or maintenance of roads, including but not limited to bulldozers, graders, earth movers, and real estate purchased for rights-of-way; and
 - (b) Political subdivisions, except for those defined in KRS 12.010, enumerated in KRS 12.020, or created as a municipal corporation

which exercises its authority on a statewide basis including, but not limited to, the Kentucky Employees Retirement System, Teachers' Retirement System of the State of Kentucky, Kentucky Higher Education Student Loan Corporation, Kentucky Lottery Corporation, Kentucky Housing Corporation, or any entity with a governing body whose membership is substantially similar to the membership of the governing body of a municipal corporation which exercises its authority on a statewide basis. However, the provisions of KRS 45.750 to 45.810 shall not apply to acquisition or maintenance of any building or land which is purchased as a legal investment by any of the state retirement systems, which is not to be occupied by the retirement system, and which is financed solely with those assets of the retirement system used for investment purposes.

45.760 Limitations on project and equipment expenditures in State Capital Construction Program.

The provisions of any other law notwithstanding:

- (1) During any biennium the amount allotted, from all sources, for expenditure on any project in the state capital construction program for that biennium shall not exceed the estimated cost of the project during that biennium, as shown in any branch budget bill enacted by the General Assembly, except as provided in this section and KRS 45.770 and 45.780.
- (2) When the General Assembly disapproves a capital project or item of equipment that was previously approved, it shall be eliminated as a capital project or major item of equipment in the Capital Projects Program. General fund moneys appropriated for that project or item of equipment but not allotted, and general fund moneys allotted but not expended to the project or equipment account, shall be transferred to the capital construction and equipment purchase contingency account in the capital construction fund. Agency or federal funds for a disapproved project or

item, that have been appropriated but unallotted or allotted but unexpended, shall be returned to the appropriate agency fund. Road fund moneys for a disapproved project or item that have been appropriated but unallotted or allotted but unexpended, shall be returned to the Road Fund Surplus Account.

- (3) Capital projects and major items of equipment disapproved under subsection (2) of this section shall be terminated.
- (4) During any biennium, the amount allotted from all sources for expenditure for the purchase of any major item of equipment shall not exceed the estimated cost of the item as shown in any branch budget bill enacted by the General Assembly and authorizing the purchase, except as provided in subsections (5) and (6) of this section and in KRS 45.770 and 45.780.
- (5) A major item of equipment to be used for medical, scientific, or research purposes, excluding computer equipment and aircraft, may be authorized even though it is not specifically listed in any branch budget bill enacted for the current biennium, subject to the following conditions and procedures:
 - (a) Moneys specifically budgeted and appropriated by the General Assembly for another purpose shall not be reallocated for expenditure on the item; moneys utilized shall not jeopardize any existing program and shall not require the use of any current general funds specifically dedicated to existing programs;
 - (b) Funds are available for the purchase and the method of financing the purchase will not require an additional appropriation of state funds to acquire the item; and
 - (c) The purchasing agency shall, within thirty (30) days after making the purchase, report the purchase to the Capital Projects and Bond Oversight Committee. The report shall include a description of the item, the purpose for which it will be used, the necessity for the purchase, and the amount expended for the purchase from each source of funds used.
- (6) Moneys from any source may be

transferred to the allotment account of any capital project authorized by the General Assembly under this section, subject to the following conditions and procedures:

- (a) The total amount transferred shall not exceed fifteen percent (15%) of the amount authorized by the General Assembly unless:
 - 1. The source of funds is private or federal; or
 - 2. An unforeseen decision by a federal or state court or regulatory agency requires the transfer.
- (b) Moneys specifically budgeted and appropriated by the General Assembly for another purpose shall not be allotted or reallocated for expenditure on the capital project.
- (c) Moneys utilized shall not jeopardize any existing program and shall not require the use of any current general funds specifically dedicated to existing programs.
- (d) The relevant entity head, or his designee, shall submit the capital project to the Capital Projects and Bond Oversight Committee at least fourteen (14) days prior to the committee meeting. The submission shall include a written certification to the committee that the transfer, in excess of fifteen percent (15%) of the amount authorized by the General Assembly, is:
 - 1. Paid for out of private or federal funds; or
 - 2. Required by an unforeseen decision by a federal or state court or regulatory agency; and
 - 3. Not allotted or reallocated from moneys specifically budgeted and appropriated by the General Assembly for another purpose; and
 - 4. Not jeopardizing any existing program and not requiring the use of any current general funds specifically dedicated to existing programs.
- (e) If a capital project is financed with

road funds, the cost overruns or scope increases shall be paid out of the highway contingency account established pursuant to KRS 45.247.

- (7) A capital construction project or a major item of equipment may be authorized even though it is not specifically listed in any branch budget bill, subject to the following conditions and procedures:
 - (a) Fifty percent (50%) or more of the actual cost shall be funded by federal or private funds, and fifty percent (50%) or less of the actual cost shall be funded by moneys appropriated to the capital construction and equipment purchase contingency account or, if the purpose of the project or equipment is to reduce energy costs, the relevant entity head certifies projected energy cost savings associated with the project or equipment are reasonable and sufficient to produce an aggregate simple payback period, as defined by KRS 56.770, of five (5) years or less;
 - (b) Moneys specifically budgeted and appropriated by the General Assembly for another purpose shall not be allotted or reallocated for expenditure on the project or major item of equipment; moneys utilized shall not jeopardize any existing program and shall not require the use of any current general funds specifically dedicated to existing programs; and
 - (c) The relevant entity head, or his designee, shall submit the project or major item of equipment to the committee for review as provided by KRS 45.800.
- (8) The capital construction and equipment purchase contingency fund may be used to advance funds to projects authorized to be financed by bonds, to finance feasibility studies for projects which may be contemplated for future funding, or to audit the capital projects program when authorized by the General Assembly.
- (9) On or before October 1, each branch of government shall submit to the committee

the following information:

- (a) A complete list and summary description of every capital construction project and major item of equipment not completed as of June 30 of the prior fiscal year; and
- (b) For each project and major item of equipment, as of July 1, of the current fiscal year:
 - 1. The project phase;
 - 2. The project account number, project name, and any other term employed to identify the project or major item of equipment;
 - 3. The available balance in the project or major item of equipment account, and any sums considered available for that project or major item of equipment;
 - 4. A statement of the transfers of funds to or from the project or major item of equipment account; and, any account to which transfers from each project or major item of equipment has been made;
 - 5. The year in which the project or major item of equipment was approved, with specific reference to the legislation by which the project or item was approved;
 - 6. Total expenditure on the project or major item of equipment;
 - 7. The current estimated completion cost, including the amount required for annual inflation; and
 - 8. A statement that additional funds for the completion of the project or major item of equipment are or are not required; and, if required, why sufficient funds for completion are not available; and
- (c) The balance in the appropriated, but unallotted account; and the balance in any account, however designated,

that contains appropriated, but unallotted funds for capital construction.

- (10) When the General Assembly authorizes a capital construction item in the capital construction section of a branch budget bill, the entity head charged with executing the branch budget shall construct the capital construction item according to the requirements set forth in the branch budget bill, supporting documentation considered by the General Assembly, and branch budget records. The entity head shall not deviate from these requirements with regard to:

- (a) Purpose or location to the extent that the capital construction item no longer meets the identified needs; or
- (b) Configuration for reasons other than practical accommodation to the construction site or specific program to be accommodated within that capital construction item.

45.763 Requirement for General Assembly authorization before state agencies, institutions of higher education, or affiliated corporations enter into certain real property agreements -- General Assembly approval of capital projects using public-private delivery method.

- (1) Notwithstanding any statutory provisions to the contrary, any state agency as defined in KRS 7A.010, institution of higher education defined as an institution in KRS 164A.550, or affiliated corporation as defined in KRS 164A.550, shall obtain authorization from the General Assembly prior to entering into an agreement identified in subsection (2) of this section. The General Assembly authorization shall occur only when the General Assembly enacts legislation specifically authorizing the agreement.
- (2) General Assembly authorization shall be required for an agreement for the use, purchase, or acceptance of real property of any value, or equipment with a value in excess of four hundred thousand dollars (\$400,000), if:
 - (a) The agreement provides that the state, a state agency, institution of higher education, or affiliated

corporation will become the owner of the real property or equipment at any time; and

- (b) All or any portion of the purchase price of the real property or equipment is funded through the issuance of a financial instrument which requires payment of principal and interest over time, including, but not limited to, notes, bonds, securities, and certificates of participation, regardless of the identity of the issuer.
- (3) For any capital projects authorized by KRS 45A.077 and utilizing the public-private partnership delivery method, the General Assembly has authorization through the Capital Projects and Bond Oversight Committee to review and approve a project in accordance with KRS 45.800. The contracting body shall report a capital project to the Capital Projects and Bond Oversight Committee after negotiations are complete with the project partner but prior to beginning work on the project for review and approval by the committee.

45.765 Branch budget bills.

The draft branch budget bills submitted to the General Assembly, and the branch budget bills enacted by the General Assembly, shall comply with the provisions of KRS 45.750 to 45.810. Expressions of general exclusion, including but not limited to, "any act or statute to the contrary notwithstanding," and "the provisions of any other law notwithstanding," shall not be effective as an exemption from the provisions of KRS 45.750 to 45.810. Exemptions from the provisions of KRS 45.750 to 45.810 shall include the specific projects exempted.

45.770 Contingency account.

- (1) There is created within the capital construction fund the capital construction and equipment purchase contingency account. The account shall consist of moneys appropriated to the account by the General Assembly.
- (2) Money in the capital construction and equipment purchase contingency account may be transferred to the allotment account of a capital construction project, authorized by the General Assembly under

KRS 45.760, subject to the following conditions and procedures:

- (a) Except as provided in paragraphs (b) and (c) of this subsection, during any biennium, the amount that may be transferred from the capital construction and equipment purchase contingency account to the allotment account of an authorized project shall not exceed an amount equal to fifteen percent (15%) of the estimated cost of the project, for that biennium, approved by the General Assembly in the manner provided by KRS 45.760.
- (b) Subject to paragraph (c) of this subsection, if the cost of an authorized project exceeds, by more than fifteen percent (15%), its estimated cost, as approved by the General Assembly, due to an unforeseen decision by a federal or state court or regulatory agency, moneys in excess of fifteen percent (15%) of the estimated cost of the project may be transferred from the capital construction and equipment purchase contingency account to the allotment account of the project.
- (c) The Finance and Administration Cabinet shall, prior to making any transfer under this subsection, present the proposed transfer to the Capital Projects and Bond Oversight Committee, at least fourteen (14) days prior to the committee meeting, for review as provided by KRS 45.800. Presentation of a proposed transfer under paragraph (b) of this subsection shall include written certification to the committee from the commissioner of the Department for Facilities and Support Services, Finance and Administration Cabinet, that the transfer is necessitated by cost increases resulting from an unforeseen decision by a federal or state court or regulatory agency.
- (3) Money in the capital construction and equipment purchase contingency account may be transferred to the allotment account of a major item of equipment, authorized by the General Assembly under KRS

45.760, for expenditure on that item subject to the following conditions and procedures:

- (a) Except as provided in paragraphs (b) and (c) of this subsection, during any biennium, the amount that may be transferred from the capital construction and equipment purchase contingency account to the allotment account of an authorized major item of equipment shall not exceed an amount equal to fifteen percent (15%) of the estimated cost of the item, for that biennium, approved by the General Assembly in the manner provided by KRS 45.760.
 - (b) If the cost of an authorized major item of equipment exceeds, by more than fifteen percent (15%), its estimated cost, as approved by the General Assembly, due to an unforeseen decision by a federal or state court or regulatory agency, moneys in excess of fifteen percent (15%) of the estimated cost may be transferred from the capital construction and equipment purchase contingency account to the allotment account of the item.
 - (c) The Finance and Administration Cabinet shall, prior to making any transfer under this subsection, present the proposed transfer to the Capital Projects and Bond Oversight Committee, at least fourteen (14) days prior to the committee meeting, for review as provided by KRS 45.800. Presentation of a proposed transfer under paragraph (b) of this subsection shall include written certification to the committee from the secretary of the Finance and Administration Cabinet that the transfer is necessitated by cost increases resulting from an unforeseen decision by a federal or state court or regulatory agency.
- (4) Money in the capital construction and equipment purchase contingency account may be transferred to a capital project account to be used for nonrecurring moving expenses of state agencies to address issues of public health and safety

or governmental efficiency, subject to the following conditions and procedures:

- (a) The Finance and Administration Cabinet shall, prior to making any transfer under this subsection, present the proposed transfer to the Capital Projects and Bond Oversight Committee, at least fourteen (14) days prior to the committee meeting, for review as provided by KRS 45.800.
 - (b) Presentation of a proposed transfer shall include written certification to the committee from the secretary of the Finance and Administration Cabinet that the moving costs are nonrecurring, and describing the specific benefits, including but not limited to fiscal and efficiency savings associated with the proposal.
 - (c) No transfer shall be used for capital improvements.
- (5) No later than thirty (30) days after a project has been accepted by the Commonwealth of Kentucky and the contracts encumbered against that project have been closed, moneys constituting the available balance in the project or equipment account shall be transferred as follows:
- (a) If the project was a line item in the budget and not funded with road funds, then the balance shall be transferred to the capital construction surplus account.
 - (b) If the project was a line item in the budget and funded with road funds, then the balance shall be transferred to the road fund surplus account.
 - (c) If the project was completed within the biennium in which it was authorized, and if the project was funded from a major maintenance pool, then the balance shall be transferred to that major maintenance pool.
 - (d) If the project was not completed within the biennium in which it was authorized, without being expressly reauthorized by a succeeding session of the General Assembly, then the balance shall be transferred to the capital construction surplus

account.

45.775 Capital construction surplus account.

There is created within the capital construction fund the capital construction surplus account. This account shall consist of income derived from the investment of moneys appropriated to the capital construction fund, including income derived from the investment of moneys appropriated to any capital construction account, and shall be appropriated and allotted as provided in KRS 45.750 through 45.800. Moneys and income derived from bond proceeds shall not be included.

45.777 Sale of property purchased with capital construction funds.

- (1) The proceeds from the sale of major items of equipment or real property, purchased in whole or in part with capital construction funds, shall be deposited into the general fund unless federal funding restraints require otherwise.
- (2) The provisions of this section shall not apply to:
 - (a) The sale of real property held as right-of-way;
 - (b) The sale of equipment by the Transportation Cabinet; or
 - (c) The sale of confiscated firearms.

45.780 Emergency repair, maintenance, and replacement account.

- (1) There is created within the capital construction fund the emergency repair, maintenance, and replacement account. The account shall consist of moneys appropriated to the fund by the General Assembly.
- (2) The Finance and Administration Cabinet may transfer money from the emergency repair, maintenance, and replacement account to the allotment account of an emergency repair, replacement, or maintenance project, for expenditure thereon, even though the specific project is not included in any branch budget bill enacted for that biennium. Moneys may be transferred from the emergency repair, maintenance, and replacement account to the allotment account of an emergency repair, replacement, or maintenance

project only if no other funding source is available.

- (3) The Finance and Administration Cabinet shall report each transfer, including the necessity, purpose, and amount of the transfer, to the Capital Projects and Bond Oversight Committee not later than thirty (30) days after the transfer.

45.782 Statewide deferred maintenance fund.

- (1) There is created within the capital construction fund the "Statewide Deferred Maintenance Fund". The fund shall be used as a supplemental source for funding deferred maintenance and government mandate needs of state agencies. Maintenance includes equipment used primarily for maintenance purposes and expenditures related to deferred maintenance of infrastructure and capital assets. The balance of any moneys remaining in the fund at the close of any fiscal year shall not lapse but shall be carried forward to the next fiscal year.
- (2) Priority for the funding from the statewide deferred maintenance fund shall be determined by the secretary of the Finance and Administration Cabinet in consultation with the state budget director and the commissioner of the Department for Facilities Management. State agencies that do not have separate agency-specific maintenance funds or that have inadequate maintenance funds shall be given priority for access to moneys in the statewide deferred maintenance fund.
- (3) Moneys from the statewide deferred maintenance fund shall not be expended for:
 - (a) New capital projects; or
 - (b) Additional funding for any capital project that received line item authorization by the General Assembly in any branch budget bill.
- (4) The secretary shall, by September 1 of each year, report to the Legislative Research Commission all transfers from the fund, including the purpose and amount of each transfer and the amount of funds carried forward for the fiscal year ending on June 30 of that year.

45.790 Capital Projects and Bond Oversight Committee.

- (1) There is created a permanent subcommittee of the Legislative Research Commission to be known as the Capital Projects and Bond Oversight Committee. The subcommittee shall be composed of eight (8) members appointed as follows: three (3) members of the Senate appointed by the President of the Senate; one (1) member of the minority party in the Senate appointed by the Minority Floor Leader in the Senate; three (3) members of the House of Representatives appointed by the Speaker of the House of Representatives; and one (1) member of the minority party in the House of Representatives appointed by the Minority Floor Leader in the House of Representatives. The members of the subcommittee shall serve for terms of two (2) years, and the members appointed from each chamber shall elect one (1) member from their chamber to serve as co-chair. Any vacancy which may occur in the membership of the subcommittee shall be filled by the appointing authority who made the original appointment.
- (2) On an alternating basis, each co-chair shall have the first option to set the monthly meeting date. A monthly meeting may be canceled by agreement of both co-chairs. The co-chairs shall have joint responsibilities for subcommittee meeting agendas and presiding at subcommittee meetings. The members of the subcommittee shall be compensated for attending meetings as provided in KRS 7.090(3).
- (3) Any professional, clerical, or other employees required by the subcommittee shall be provided in accordance with KRS 7.090(4) and (5).
- (4) A majority of the entire membership of the Capital Projects and Bond Oversight Committee shall constitute a quorum, and all actions of the subcommittee shall be by vote of a majority of its entire membership.

45.793 Quarterly status reports on incomplete capital projects to Capital Projects and Bond Oversight Committee.

The Finance and Administration Cabinet and any

institution that manages its own capital construction under KRS 164A.580 shall provide to the committee at its January, April, July, and October regular meetings a status report of any capital project, excluding items of equipment, not yet completed which received line item authorization by the Kentucky General Assembly or was authorized pursuant to KRS 45.760(7). The Capital Projects and Bond Oversight Committee shall prescribe data elements to be included in the quarterly status reports. For each capital project, the status report shall include but not be limited to the:

- (1) Project title;
- (2) County or counties in which the project is located;
- (3) Current phase of the project;
- (4) Estimated completion date of the project;
- (5) Explanation of any delay or major change in the project, including deletion or modification of project components; and
- (6) Any other information that the committee requests.

45.794 Semiannual status reports by Kentucky Public Transportation Infrastructure Authority.

The Kentucky Public Transportation Infrastructure Authority created pursuant to KRS 175B.015 shall provide to the committee at its January and July regular meetings a status report of any proposed or active project pursuant to KRS 175B.030 or 175B.035. The report shall contain the same information as reports required by KRS 45.793.

45.795 Determinations to be made in reviewing projects--Request for Legislative Research Commission to seek injunction.

- (1) In reviewing a project, the committee shall determine whether the project has met all the relevant requirements of:
 - (a) KRS 45.750 to 45.816;
 - (b) KRS 56.800 to 56.823; and
 - (c) Any other statutes relating to the committee's oversight of:
 1. Capital projects;
 2. The allotment and expenditure of funds from

- the emergency repair, maintenance, and replacement account and the capital construction and equipment purchase contingency account;
 - 3. The state's acquisition of capital assets, including the lease of real property;
 - 4. The issuance of bonds by the Commonwealth, and the related individual projects; and
 - 5. Bonds issued by or on behalf of local school districts.
- (2) If the committee determines that any of the requirements in subsection (1) of this section have not been met, the committee may, by majority vote, request that the Legislative Research Commission file a civil court proceeding to seek an injunction to prohibit further action on the capital project, the acquisition of the capital asset, the initiation or modification of the lease of real property, the bond issue, or the allotment or expenditure of funds from the capital construction emergency or contingency accounts.
- (3) The committee may take action requesting the Legislative Research Commission to seek an injunction before, during, or after its compliance with the provisions of KRS 45.800(2) or KRS 45.810(3), where applicable.
- 45.800 Prerequisites to transfer of money from contingency account or other sources.**
- (1) Except as otherwise provided in KRS 45.770(2)(b), prior to transferring funds from any source to the allotment account of a capital construction project or major item of equipment, the relevant entity head, or his designee, shall present to the Capital Projects and Bond Oversight Committee, at least fourteen (14) days prior to the committee meeting, for its review, specification of the amount of the proposed transfer, documentation of the necessity for the transfer, and, with respect to capital construction projects, documentation of:
- (a) The amount already expended on the project prior to and during the current biennium; and
 - (b) Any alterations made or planned in the project since its consideration by the General Assembly during the most recent even-numbered-year regular session.
- (2) Within thirty (30) days after submission to the committee of a proposed capital construction and equipment purchase contingency account transfer, the committee shall determine whether the amount of the proposed transfer is reasonable and consistent with KRS 45.770, whether the proposed transfer is necessary, and whether any alterations made or planned in a project materially change the project as considered and authorized by the General Assembly. If the committee does not approve a proposed transfer or other proposed action, the committee, unless the Legislative Research Commission directs otherwise, shall promptly transmit its findings and determination to the head of the entity that presented the proposal.
- (3) If the committee does not approve a proposed transfer or other proposed action, the transfer shall not be made nor the action taken unless the relevant entity head, or his designee, shall:
- (a) Revise the transfer or action to comply with the objections of the committee;
 - (b) Cancel the transfer or action; or
 - (c) Determine to make the transfer or take the action not approved by the committee.
- (4) The decision made by the relevant entity head, or his designee, under the preceding subsection shall be communicated to the committee in writing within thirty (30) days of the committee's not approving the proposed transfer or other proposed action.
- (5) The committee, unless the Legislative Research Commission directs otherwise, shall maintain records of its findings and determinations and the relevant entity head's, or his designee's, report of his action on each proposed transfer from the capital construction and equipment purchase contingency account. If the committee determines that the amount of a proposed transfer is not reasonable or is not consistent with KRS 45.770, or that the

transfer is not necessary, or if the committee finds that any alteration in a project materially changes the project as considered and approved by the General Assembly, the committee's determination and the action of the secretary of the Finance and Administration Cabinet, or other appropriate entity head, on the transfer shall be transmitted to the appropriate interim joint committees of the Legislative Research Commission and to the General Assembly when next convened.

- (6) The committee, unless the Legislative Research Commission directs otherwise, shall maintain reports of purchases made under KRS 45.760(5), reports of transfers made under KRS 45.760 to this section, reports of transfers made from the emergency repair, maintenance, and replacement account, and a record of any committee finding or recommendation relating to such purchases and transfers.
- (7) The committee shall monitor the costs of state capital construction projects in comparison with the costs of construction for the private sector to determine whether the costs are comparable and, if not comparable, the reasons for any difference. The committee shall consider contractors' charges to the state, land acquisition costs, costs and availability of materials, cost and availability of labor, and laws, regulations, and purchasing procedures pertaining to state capital construction projects that are not applicable to construction for the private sector. The committee's findings and recommendations shall be transmitted to the appropriate interim joint committee of the Legislative Research Commission and to the General Assembly when convened.

45.810 Procedure for review of proposed bond issue--Annual report to committee.

- (1) Any state agency authorized to issue bonds shall, prior to the issuance of any bonds, submit the proposed bond issue to the Capital Projects and Bond Oversight Committee, at least fourteen (14) days prior to the committee meeting, for review and recommendation. The Turnpike Authority shall be exempt from this review.

- (2) The Capital Projects and Bond Oversight Committee shall require documentation of the following:

- (a) That the proposed bond project or subsequent use of bond funds is in compliance with all applicable regulatory or statutory provisions;
- (b) That the debt service fund source has been identified and approved by all applicable authorities as provided by statute; and
- (c) That the bond issue, if supported by appropriation, is consistent with the branch budget bill.

- (3) If the committee does not recommend a proposed project for the use of bond proceeds as provided in subsection (1) of this section, the project shall be referred to the secretary of the Finance and Administration Cabinet, who shall:

- (a) Revise the project in consideration of the committee's objections; or
- (b) Cancel the project or the use of bond proceeds for the project; or
- (c) Determine to proceed with the project.

- (4) The decision of the secretary of the Finance and Administration Cabinet with respect to the project or the bond funding for the project shall be transmitted to the committee within thirty (30) days.

- (5) Any changes in the bond project after review and approval by the committee shall be transmitted to the next regularly scheduled meeting of the committee.

- (6) The bonding authorities designated in subsection (1) of this section shall submit an annual report to the committee at the end of each fiscal year, which shall include:

- (a) The principal amount of the bonds outstanding at the beginning of the fiscal year;
- (b) The amount of any bonds issued during the fiscal year;
- (c) All payments of principal, interest, trustee fees, and any other fees, during the fiscal year; and
- (d) The principal balance of bonds outstanding at the end of the fiscal year.

45.812 Listing of costs relating to issuance of revenue bonds authorized by appropriation of school district.

- (1) Prior to the issuance of the revenue bonds or notes authorized by an appropriation of the General Assembly, or by or on behalf of any Kentucky school district, the agency, corporation, or school district authorized to issue the bonds or notes shall furnish to the Capital Projects and Bond Oversight Committee and the Interim Joint Committee on Appropriations and Revenue, and make available to the public, a listing of all costs associated, either directly or indirectly, with the issuance of the revenue bonds or notes. The costs shall be itemized as to amount and name of payee, and shall include fees or commissions paid to, or anticipated to be paid to, issuers, underwriters, placement agents and advisors, financial advisors, remarketing agents, credit enhancers, trustees, accountants, and the counsel of all these persons, bond counsel, and special tax counsel, and shall include the economic benefits received or anticipated to be received by any other persons from any source in return for services performed relating to the issuance of the bonds or notes. Changes in amounts or names of payees or recipients, or additions of amounts or names of payees or recipients, to the listing furnished and made available pursuant to this subsection, shall be furnished to the Capital Projects and Bond Oversight Committee and the Interim Joint Committee on Appropriations and Revenue and made available to the public within three (3) days following the change.
- (2) The costs required to be furnished under the provisions of subsection (1) of this section shall not include the payment of wages or expenses to full-time, permanent employees of the Commonwealth of Kentucky.

45.814 Itemized listing of costs associated with issuance of revenue bonds or notes authorized by branch budget bill.

Prior to the issuance of the revenue bonds or notes authorized by a branch budget bill, the agency authorized to issue the bonds or notes shall furnish to the Capital Projects and Bond Oversight Committee and the Interim Joint Committee on

Appropriations and Revenue, and make available to the public, a listing of all costs associated, either directly or indirectly, with the issuance of the revenue bonds or notes. The costs shall be itemized as to amount and name of payee, and shall include fees or commissions paid to, or anticipated to be paid to issuers, underwriters, placement agents and advisors, financial advisors, remarketing agents, credit enhancers, trustees, accountants, and the counsel of all these persons, bond counsel, and special tax counsel, and shall include the economic benefits received or anticipated to be received by any other persons from any source in return for services performed relating to the issuance of the bonds or notes. Changes in amounts or names of payees or recipients, or additions of amounts or names of payees or recipients, to the listing furnished and made available pursuant to this section shall be furnished to the Capital Projects and Bond Oversight Committee and the Interim Joint Committee on Appropriations and Revenue and made available to the public within three (3) days following the change.

45.816 Listing of costs relating to issuance of revenue bonds by state agency.

Prior to the issuance of the revenue bonds or notes, the agency authorized to issue the bonds or notes shall furnish to the Capital Projects and Bond Oversight Committee and the Interim Joint Committee on Appropriations and Revenue, and make available to the public, a listing of all costs associated, either directly or indirectly, with the issuance of the revenue bonds or notes. The costs shall be itemized as to amount and name of payee, and shall include fees or commissions paid to, or anticipated to be paid to, issuers, underwriters, placement agents and advisors, financial advisors, remarketing agents, credit enhancers, trustees, accountants, and the counsel of all such persons, bond counsel and special tax counsel, and shall include the economic benefits received or anticipated to be received by any other persons from any source in return for services performed relating to the issuance of the bonds or notes. Changes in amounts or names of payees or recipients, or additions of amounts or names of payees or recipients, to the listing furnished and made available pursuant to this section, shall be furnished to the Capital Projects and Bond Oversight Committee and the Interim Joint Committee on Appropriations and Revenue and made available to the public within three (3) days following the change.

45.818 Status report on information technology systems.

The executive director of the Commonwealth Office of Technology shall provide to the Capital Projects and Bond Oversight Committee at its January, April, July, and October regular meetings a status report on any information technology system not yet completed which received line item authorization by the Kentucky General Assembly or was authorized pursuant to KRS 45.760(7), excluding systems of an institution as defined under KRS 164.001. The committee shall prescribe data elements to be included in the quarterly status reports.

Nuclear Waste Disposal Site

45.850 Appropriations for capital construction, operating budget, regulating, and monitoring of nuclear waste disposal site.

- (1) Appropriations for the capital construction and for the operating budget of a nuclear waste disposal site owned by the Commonwealth shall be set forth as a major program cost in the executive budget document for the Energy and Environment Cabinet.
- (2) Appropriations for the regulating and monitoring of a nuclear waste disposal site owned by the Commonwealth shall be set forth as a major program cost in the executive budget document for the Cabinet for Health and Family Services. Monitoring and water sampling and analyses shall be maintained and budgeted for at a level to provide frequent and continuing evidence of the safety of the site.
- (3) Operating costs associated with the daily maintenance of the site in excess of allocations budgeted to the Energy and Environment Cabinet, regulating and monitoring costs associated with normal surveillance of the site in excess of allocations budgeted to the Cabinet for Health and Family Services, and costs associated with an emergency at the site so declared by the Governor shall be deemed necessary governmental expenses.
- (4) In the event a request for funds is made pursuant to subsection (3) of this section, a

copy of the request and the justification for additional funds shall be forwarded to the office of the Legislative Research Commission and to the Governor at the time the request is made but no later than fifteen (15) days prior to the actual expenditure of additional funds. The Legislative Research Commission or its designated subcommittee may request further explanation of the need for additional funds.

- (5) Subsections (3) and (4) of this section shall apply only to sites located in the Commonwealth prior to July 15, 1980.

Penalties

45.990 Penalties.

- (1) Any officer, agent, or employee of any budget unit who willfully fails or refuses to comply with any of the provisions of KRS 45.011 to 45.031, 45.121, 45.142, 45.151, 45.242, 45.244, 45.251, 45.253, 45.305, or 45.313, or who expends any money in violation of any of the provisions of those sections, shall be subject to prosecution in the Franklin Circuit Court, and upon conviction shall be guilty of a violation.
- (2) If any person incurs, or orders or votes for the incurrence of, any obligations in violation of any of the provisions of KRS 45.244, he and his sureties shall be jointly and severally liable therefor.
- (3) Any employee of the Office of Material and Procurement Services established within the Office of the Controller, or any official of the Commonwealth of Kentucky, elective or appointive, who shall take, receive, or offer to take or receive, either directly or indirectly, any rebate, percentage of contract, money, or other things of value, as an inducement or intended inducement in the procurement of business, or the giving of business, including, but not limited to, personal service contracts, for, or to, or from, any person, partnership, firm, or corporation, offering, bidding for, or in open market seeking to make sales to the Commonwealth of Kentucky, shall be deemed guilty of a Class C felony.
- (4) Every person, firm, or corporation offering to make, or pay, or give, any rebate,

percentage of contract, money, or any other thing of value, as an inducement or intended inducement, in the procurement of business, or the giving of business, including, but not limited to, personal service contracts, to any employee of the Office of Material and Procurement Services or to any official of the Commonwealth, elective or appointive, in his efforts to bid for, or offer for sale, or to seek in the open market, shall be deemed guilty of a Class C felony.

KRS CHAPTER 48 BUDGET

48.005 Public accountability for funds or assets recovered by duly elected statewide constitutional officers through judgment or settlement -- Applicability of Open Records and Open Meetings Laws -- Administration and disbursement of trust funds or assets by Office of the Controller -- Exceptions -- Costs of litigation -- Limitation regarding constitutional challenge.

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48.030 Preparation of branch budget recommendations--Legislative assistance to judicial branch.

48.040 Budget forms -- Projections of actuarially required contribution rates -
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48.050 Submission of budget unit requests.

48.060 Governor-elect and statewide constitutional officers-elect to be informed.

Branch Budget Recommendations

48.100 Submission of branch budget recommendations.

48.110 Contents of branch budget recommendations.

48.111 Governor to include in executive budget recommendation a recommended program for rental of space costing more than \$200,000 annually--Restriction on certain leases--Exception.

48.115 Planning report, preliminary revenue estimates, and official revenue estimates required by KRS 48.120 to be developed by consensus forecasting group -- Revision of official revenue estimates -- Threshold for implementation of enacted budget reduction plan.

48.120 Budget planning report and preliminary and official revenue estimates to be provided by Office of State Budget Director -- Appropriations to be based on official revenue estimates.

48.130 Budget reduction plan for revenue shortfall of five percent or less to be included in each enacted branch budget bill -- Shortfalls over five percent require legislative action.

48.140 Surplus expenditure plan to be included in each enacted branch budget bill -- Surplus in excess of two and one-half percent to accrue to surplus account.

48.150 Appropriations to address unexpected emergencies and contingencies.

48.160 State matching for federal funds.

48.165 Restrictions as to "necessary government expense" or items without specified dollar amounts.

48.170 Additional information.

48.180 Financial information submitted as part of executive branch budget request.

48.185 Area development fund recommendations.

48.192 Commonwealth postsecondary prepaid tuition trust fund recommendations.

48.195 Financial information on salaries and on filing fees and costs to be submitted as part of the judicial branch budget recommendation--Treatment of salaries in judicial branch budget bill.

In-Session Procedure

- 48.200 Printing of budget recommendations--Copies for General Assembly members and clerks.
- 48.210 Assistance to General Assembly by representatives of each branch of government.
- 48.300 Adoption of branch budget bills -- Separate branch budget bill required for Transportation Cabinet -- Enactment of biennial highway construction plan.
- 48.310 Operation of budget bill.
- 48.311 Structure of branch budget bills-- Severability of provisions.
- 48.312 Duplicate appropriations.
- 48.313 Status of totals and subtotals--Priority of individual appropriations-- Correction of erroneous totals and subtotals.
- 48.315 Transfer of agency, special, and other funds to general fund in budget bill.
- 48.316 Temporary suspension or modification of statutory provisions due to conflict with provisions of budget bill.

Monitoring and Revision of Budget

- 48.400 Office of State Budget Director to monitor financial condition of Commonwealth -- Quarterly reports -- Notification of actual or anticipated surplus or decrease in tax receipts.
- 48.500 Interpretation of branch budget bills - - Legislative review.
- 48.600 Appropriation reductions in accordance with budget reduction plans upon actual or official revenue estimate shortfall of five percent or less.
- 48.605 Revision of allotments within appropriations.
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- 48.620 Revision of allotment schedule.
- 48.630 Allotment of unbudgeted appropriation--Legislative committee

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- 48.700 General fund--Surplus fund account.
- 48.705 General fund--Budget reserve trust fund account.
- 48.710 Road fund--Surplus fund account.
- 48.720 Lapse of appropriated general or road fund debt service for canceled projects and excess amounts.
- 48.730 Required notifications by state agency when declining entitlement to federal funds.
- 48.800 Fiscal reporting to branch of government--Annual financial and program status reports.
- 48.810 Strategic plan--Progress report-- Methodology--Training course-- Electronic database.

Automated Central Budget Information System

- 48.950 Continuous to budget information system--Contents--Responsibility for.
- 48.955 System to be prescribed by Legislative Research Commission--Data germane to appropriations to be included--Schedule for transmission of information-- Availability of data--Reports.
- 48.960 Conflicting provisions superseded-- Electronic imprint data as additional data--Ownership of data.

- 48.005 Public accountability for funds or assets recovered by duly elected statewide constitutional officers through judgment or settlement -- Applicability of Open Records and Open Meetings Laws -- Administration and disbursement of trust funds or assets by Office of the Controller -- Exceptions -- Costs of litigation -- Limitation regarding constitutional challenge.

(1) The General Assembly hereby finds and declares that:

- (a) Public accountability for funds or other assets recovered in a legal

- action by or on behalf of the general public, the Commonwealth, or its duly elected statewide constitutional officers is appropriate and required, whether the character of the assets or funds recovered is public or private;
- (b) Accountability for assets or funds recovered by duly elected statewide constitutional officers is essential to the public trust, and is even more critical when that officer was a party to the action that resulted in the recovery by virtue of the public office he or she holds;
 - (c) Public accountability demands the applicability of the Kentucky Open Records Law, KRS 61.870 to 61.884, and the Kentucky Open Meetings Law, KRS 61.805 to 61.850, so that the actions of individuals or agencies who are charged with the administration of funds or other assets are conducted in full view, and are open to public scrutiny; and
 - (d) The power to appropriate funds for public purposes is solely within the purview of the legislative branch of government, and the General Assembly, as a steward of the budgetary process, shall take steps to assure that future settlements are handled in a manner that assures maximum accountability to the citizens of the Commonwealth and their duly elected legislative representatives.
- (2) Therefore, any other provision of the common law or statutory law to the contrary notwithstanding:
- (a) The provisions of subsection (3) of this section shall apply whenever the Attorney General or other duly elected statewide constitutional officer is a party or has entered his appearance in a legal action on behalf of the Commonwealth of Kentucky, including ex rel. or other type actions, and a disposition of that action has resulted in the recovery of funds or assets to be held in trust by the Attorney General or other duly elected statewide constitutional officer or a person, organization, or entity created by the Attorney General or the Commonwealth, through court action or otherwise, to administer the trust funds or assets, for charitable, eleemosynary, benevolent, educational, or similar public purposes;
 - (b) Except as otherwise provided in paragraph (a) of this subsection, the provisions of subsection (4) of this section shall apply when any funds or assets of any kind or nature whatsoever, including but not limited to public funds as defined in KRS 446.010 and private funds or assets are recovered by judgment or settlement of a legal action by or on behalf of the Commonwealth of Kentucky, including ex rel. or other type actions filed by a duly elected statewide constitutional officer under that officer's statutory or common law authority.
- (3) Whenever the Attorney General or other duly elected statewide constitutional officer is a party to or has entered his appearance in, a legal action on behalf of the Commonwealth of Kentucky, including ex rel. or other type actions, and a disposition of that action has resulted in the recovery of funds or assets to be held in trust by the Attorney General or other duly elected statewide constitutional officer or by a person, organization, or entity created by the Attorney General, or the Commonwealth, through court action or otherwise, to administer the trust funds or assets, for charitable, eleemosynary, benevolent, educational, or similar public purposes, those funds shall be deposited in the State Treasury and the funds or assets administered and disbursed by the Office of the Controller.
- (4) The Office of Attorney General may first recover its reasonable costs of litigation, as determined by the court and approved by the secretary of the Finance and Administration Cabinet. After recovering the reasonable costs of litigation, any required consumer restitution or payments shall be made. All remaining funds shall be deposited in the general fund surplus account. Any costs recovered under this

subsection shall be reported to the Interim Joint Committee on Appropriations and Revenue.

- (5) The common law, including the common law authority of any duly elected statewide constitutional officer, is specifically abrogated to the extent it is inconsistent with the provisions of this section.
- (6) Notwithstanding any statute or common law to the contrary, and except as provided in this subsection, an elected statewide constitutional officer or any other state official or agency shall not file or participate as a plaintiff, petitioner, party, intervening party, attorney, or amicus curiae in any litigation challenging the constitutionality of this section. State funds and employee time shall not be expended by any person or agency in support of such a challenge. If the constitutionality of this section is challenged, the Finance and Administration Cabinet shall be the sole named respondent in that litigation, and shall consult with the Legislative Research Commission regarding defense of that litigation.

48.010 Definitions for chapter.

As used in this chapter, unless the context requires otherwise:

- (1) "Account" is a technical accounting term meaning a formal record in which related transactions and events, (i.e., expenditures, receipts, encumbrances, and inter-account charges or credits) which occur during a specific period of time, are summarized and accumulated;
- (2) "Activities" means those actions or services performed by a budget unit which depict in a quantitative manner the fulfillment of lawful purposes;
- (3) Appropriation-related terms are defined for procedures prescribed by this chapter as follows:
 - (a) "Appropriation" means an authorization by the General Assembly to expend a sum of money not in excess of the sum specified, for the purposes specified in the authorization and under the procedure prescribed in this chapter;

- (b) "Appropriation provision" means a section of any enactment by the General Assembly which is not provided for by this chapter and which authorizes the expenditure of funds other than by a general appropriation bill; and

- (c) "General appropriation bill" means an enactment by the General Assembly that authorizes the expenditure of funds in a branch budget bill as provided for by this chapter;

- (4) "Biennial highway construction plan" means the specifically identified individual transportation projects or portions thereof identified for funding during the upcoming biennium, which correspond to the first two (2) years of the six (6) year road plan;

- (5) "Budget" means the complete financial plan for each fiscal year contained in a branch budget bill provided for by this chapter;

- (6) "Branch budget bill" or "branch budget" means an enactment by the General Assembly which provides appropriations and establishes fiscal policies and conditions for the biennial financial plan for the judicial branch, the legislative branch, and the executive branch, which shall include a separate budget bill for the Transportation Cabinet;

- (7) "Branch budget recommendation" means the recommendations made to the General Assembly by:

- (a) The Governor for the executive branch, including a separate recommendation for the Transportation Cabinet;

- (b) The Chief Justice for the judicial branch; and

- (c) The Legislative Research Commission for the legislative branch;

- (8) "Budget unit request" means a detailed statement of the financial requirements of a budget unit by principal budget class, and an estimate of its receipts and expenditures for the next two (2) fiscal years, with the accompanying explanations provided for by this chapter;

- (9) "Budget unit" or "appropriation unit" means any subdivision of any branch of

government, however designated in any branch budget bill;

- (10) "Capital outlay" means the exchange of values involved in acquiring lands, buildings, equipment, or other permanent properties, or in their construction, development, or permanent improvement;
- (11) "Consensus forecasting group" means the group established by KRS 48.115 that is responsible for developing consensus revenue forecasts for the Commonwealth;
- (12) "Disbursement" means cash actually paid out for any purpose;
- (13) "Enacted estimates" means the revenue estimates used by the General Assembly as the basis for appropriations made in the enacted branch budget bills;
- (14) "Expenditure" means cash actually paid out or an exchange of value for any purpose;
- (15) "Fund" means an independent fiscal and accounting entity with a self-balancing set of accounts recording cash or other resources or both together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities in accordance with legal restrictions or other limitations, to include:
 - (a) "General Fund." This fund shall consist of all moneys, not otherwise restricted, available for the general operations of state government;
 - (b) "Bond Debt Related Fund." This fund shall consist of all outstanding bonded debt liability and related funds of state government, including all revenue bonds issued by or approved by the State Property and Buildings Commission. Accounts necessary to assure integrity of trust indentures shall be maintained. Funds appropriated for debt service shall be allotted to these accounts and any excess of appropriation over net requirements for principal, interest, and reserves for any issue shall lapse to the surplus account of the general fund if general funds are a part of the appropriation for that budget unit;
 - (c) "Capital Construction Fund." This

fund shall consist of moneys appropriated under the provision of KRS 45.750 to 45.800 for capital construction projects, except road construction projects, for all budget units of state government;

- (d) "Federal Fund." This fund shall include all receipts from the federal government for any purpose;
 - (e) "Fiduciary Fund." This fund shall consist of moneys held by a budget unit in a trustee capacity;
 - (f) "Restricted Fund." This fund shall consist of budget unit receipts restricted as to purpose by statute; and
 - (g) "Road Fund." This fund shall consist of money derived from excise or license taxation relating to gasoline and other motor fuels, and moneys derived from fees, excise or license taxation relating to registration, operation, or use of vehicles for use on public highways. A separate record of each source of receipt within this fund group shall be maintained;
- (16) "Principal budget class" includes the following:
- (a) "Capital outlay" means the exchange of values involved in acquiring lands, buildings, or other permanent properties, or in their construction, development, or permanent improvement estimated to cost less than six hundred thousand dollars (\$600,000), and items of equipment or other capital items estimated to cost less than two hundred thousand dollars (\$200,000);
 - (b) "Debt service" means the amount of money required to pay the interest, principal, and required contributions to accumulate moneys for future retirement of lawfully incurred debt;
 - (c) "Grants, loans, or benefits" means expenditures for any grant, aid, loan, or relief payment to individuals, organizations, or jurisdictions not otherwise classified pursuant to this chapter;

- (d) "Operating expenses" means expenditures directly attributable to the operation of state government not otherwise classified pursuant to this chapter; and
- (e) "Personnel costs" means the salaries, wages, benefits (including but not limited to, employer share of FICA, retirement contributions, insurance, unemployment insurance, workers' compensation), and increments of all officers and employees, and payment to persons awarded personal service contracts;
- (17) "Receipts" includes the following:
 - (a) "Nonrevenue receipts" means values accruing that either decrease an asset or create a liability;
 - (b) "Operating receipts" means cash received by a budget unit for services rendered, or from the sale of materials, goods, or supplies created by the budget unit or of items held for resale; and
 - (c) "Revenue receipts" means values accruing as a result of taxation or revenues, or both, and without resultant increase in liabilities or decrease in assets, whether such values are represented by cash actually received or by amounts due and payable, or partly by each;
- (18) "Revenue shortfall" means either:
 - (a) An official revenue estimate for either the general fund or road fund that is less than the enacted estimates; or
 - (b) Actual receipts at the end of the fiscal year for either the general fund or road fund that are less than the enacted estimates, as determined by the Office of State Budget Director;
- (19) "Surplus" means the undesignated fiscal year ending fund balance for the general fund or road fund, reduced by amounts designated to carry forward for appropriation in a subsequent fiscal year;
- (20) "Six (6) year road plan" means the road plan developed under KRS 176.430; and
- (21) "Writing" or "written" means letters, words, or numbers, or their equivalent, set down by handwriting, typewriting,

printing, photostating, photographing, magnetic impulse, mechanical or electronic recording, or other form of data compilation.

48.020 Continuous financial planning.

Each branch of government shall have in continuous process of preparation and revision, in the light of its direct studies of the operations, plans and needs of its budget units and of the existing and prospective sources of income, a branch budget recommendation for the next two (2) fiscal years for which a budget recommendation is required to be prepared. Upon receipt of the estimates from its budget units, each branch of government shall check these estimates in the light of its own information, and shall make such further inquiries and investigations and revise its branch budget recommendation as it deems warranted. The branch budget recommendation when approved shall be certified together with the budget statements provided for in KRS 48.110 and submitted as provided for in KRS 48.100.

Pre-Session Preparation of Requests

48.030 Preparation of branch budget recommendations--Legislative assistance to judicial branch.

- (1) Each branch of government, during the preparation of its budget recommendation and before its submission to the General Assembly, shall examine its statements and estimates and shall make or cause to be made such further investigations with such hearings as deemed advisable, and shall direct such changes or revisions as warranted.
- (2) Upon request, the Legislative Research Commission shall assist the judicial branch in the preparation of its budget.

48.040 Budget forms -- Projections of actuarially required contribution rates - Executive branch assistance in preparation of budgets.

- (1) On or before April 1 of each odd-numbered year, representatives designated by the Governor, the Chief Justice and the Legislative Research Commission for their

respective branches shall propose drafts of uniform forms to be used by all budget units in submitting their budget estimates, requests and recommendations, and shall recommend to the Legislative Research Commission such rules and regulations deemed necessary for the preparation of such budget estimates, requests and recommendations.

- (2) On or before July 1 of each odd-numbered year, the Legislative Research Commission shall prescribe uniform forms, records, and instructions to be used by branch budget units. Included in such forms shall be a section requiring budget units to identify the amount of funds to be spent on agency publications.
- (3)
 - (a) On or before August 15 of each odd-numbered year, each of the state-administered retirement systems as defined by KRS 6.350(5) shall submit to the state budget director's office and the Legislative Research Commission a preliminary projection of the actuarially required contribution rates payable for the budget biennium that begins in the following fiscal year.
 - (b) On or before November 15 of each odd-numbered year, the state-administered retirement systems as defined by KRS 6.350(5) shall submit revised projections to the state budget director's office and the Legislative Research Commission, based upon the most recently completed actuarial valuation, of the actuarially required contribution rates payable for the budget biennium that begins in the following fiscal year.
 - (c) The Legislative Research Commission shall distribute the information received under this subsection to the committee staff and co-chairs of any committee that has jurisdiction over a state-administered retirement system.
- (4) On or before September 1 of each odd-numbered year, the Finance and Administration Cabinet shall supply each branch of government with at least three (3) complete sets of the prescribed uniform forms and instructions for the preparation

of estimates and statements, and one (1) copy of the complete statement of the expenditures of each budget unit of the branch to aid each branch of government in preparing its estimates and statements.

- (5) Upon request, the Finance and Administration Cabinet shall provide such additional assistance to each branch of government as may be required.

48.050 Submission of budget unit requests.

The head of each budget unit shall submit its budget unit request to the Office of State Budget Director, in the case of the executive branch, to the Chief Justice, in the case of the judicial branch, to the director of the Legislative Research Commission, in the case of the legislative branch; and to the Legislative Research Commission, not later than November 15 of each odd-numbered year.

48.060 Governor-elect and statewide constitutional officers-elect to be informed.

- (1) The Governor-elect shall receive all budget unit requests and supporting documentation for the executive branch no later than November 10, of the year of his election. He and those persons named by him shall be entitled to participate in the budget making process for the executive branch.
- (2) Any statewide constitutional officers-elect shall, upon request, receive all budget requests and supporting documentation relating to their offices.

Branch Budget Recommendations

48.100 Submission of branch budget recommendations.

- (1) A branch budget recommendation shall be submitted to the General Assembly by the Governor for the executive branch, the Chief Justice for the judicial branch, and the Legislative Research Commission for the legislative branch. The budget recommendations shall be submitted to the General Assembly on or before the tenth legislative day of each even-numbered-year regular session, except in the year

when the budget recommendations shall be submitted not later than the fifteenth legislative day of an even-numbered-year regular session.

- (2) Budget recommendations shall be submitted on the first day of any extraordinary session called for the purpose of amending a branch budget bill.

48.110 Contents of branch budget recommendations.

Each branch budget recommendation shall contain a complete financial plan for the branch of government for each of the next two (2) fiscal years. Each branch budget recommendation shall include:

- (1) A budget message signed by:
 - (a) The Governor for the executive branch;
 - (b) The Chief Justice for the judicial branch; and
 - (c) The co-chairmen of the Legislative Research Commission for the legislative branch;
- (2)
 - (a) Statements of income and receipts for the two (2) fiscal years last concluded, and the estimated income and receipts, for each budget unit of the branch of government for the current fiscal year and each of the next two (2) fiscal years.
 - (b) The statements of income and estimated income shall be itemized by budget unit and fund, and shall show separately receipts from:
 1. Current income;
 2. Refunds and reimbursements of expenditures;
 3. The sale of assets; and
 4. Receipts on account of the income of prior years.
 - (c) Existing sources of income and receipts shall be analyzed as to their equity, productivity and need for revision, and any proposed new sources of income or receipts shall be explained;
- (3) A statement of the surplus in any account and in any special fund of the branch of

account of the branch of government the statement shall show the excess of all current assets over all current liabilities as of the beginning of each of the two (2) fiscal years last concluded, and all changes in these accounts during each of such two (2) fiscal years;

- (4) A statement as of the close of the last completed fiscal year and as of the close of the current fiscal year showing, for each budget unit the total funded debt, the value of sinking fund assets, the net funded debt, the floating liabilities as of the end of the current fiscal year, and the total debt as of the close of the last completed fiscal year and as of the close of the current fiscal year;
- (5) Summary and detailed comparative statements of expenditures itemized by budget unit for each of the two (2) fiscal years last concluded and requests for appropriations by funds or accounts, the budget of the current year, and the recommendations for appropriations for each of the next two (2) fiscal years. Following the lists of actual and proposed expenditures of each budget unit there shall be a detailed explanation of the actual and proposed expenditures, to include activities, beneficiaries and expected results of the programs or services of the budget units;
- (6) A draft of the proposed branch budget bill containing:
 - (a) Recommendations of the branch of government for appropriations for the next two (2) fiscal years, and drafts of such revenue and other acts as may be recommended for implementing the proposed financial plan;
 - (b) Recommended appropriations for extraordinary expenses and capital outlays, which shall be itemized in the proposed branch budget bill for the branch by budget unit. The title of each budget unit shall be worded to limit each appropriation to the specific use or purpose intended;
 - (c) A plan for the reduction of the branch budget if there is a revenue shortfall of five percent (5%) or less in the general fund or road fund. In

recommending budget reductions, the Governor, the Chief Justice, and the Legislative Research Commission shall not recommend universal percentage reductions, but shall weigh the needs of all budget units and shall strive to protect the highest possible level of service in their respective branches. Services which are not essential to constitutional functions shall be subject to reduction. Transfer of funds may be authorized by the budget reduction plan;

- (d) 1. A plan for the expenditure of a general fund or road fund surplus of up to two and one-half percent (2.5%).
- 2. The plan shall include provisions for the expenditure of a surplus, and may provide for additional moneys for nonrecurring expenditures for which an appropriation was not made in a branch budget bill, or for a program or service authorized by law for which an appropriation was not made, or which was not fully funded.
- 3. In lieu of recommending the appropriation of funds, the plan may instead recommend the retention of surplus funds in the surplus account of the general fund or road fund for investment until appropriated by the General Assembly;

- (e) 1. A recommended state capital projects program and a recommended program for the purchase of major items of equipment.
- 2. The recommended capital construction program shall include:
 - a. A complete list and summary description of each specific capital construction project recommended for funding during the

biennium; and

- b. For each project:

- i. The agency and purpose for which it will be used;

- ii. The justification for the project;

- iii. Its estimated completion date;

- iv. The total estimated cost of completing the project;

- v. The estimated cost of the project during the biennium;

- vi. The recommended sources of funds for the entire project; and

- vii. The dollar amounts recommended for appropriation and the dollar amounts, listed by source, that are anticipated

from every other source of funds for the biennium.

- 3. All information required by subparagraph 2. of this paragraph shall be included in each branch budget recommendation. Each branch budget bill shall contain only a complete list of the specific capital construction projects recommended for funding during the biennium and, for each project, the information specified in subparagraph 2.b.v., vi., and vii. of this paragraph.

- 4. A report which details the effect of recommended new debt on the debt position of the Commonwealth shall be

the recommended capital program is submitted. Information shall be presented separately, and in total, for the general fund, road fund, and any affected restricted fund account.

5. Information in the report shall include but not be limited to the following:

- a. Debt service on existing appropriation-supported debt, as a percentage of anticipated total revenues;
- b. Debt service on existing appropriation-supported debt, as a percentage of anticipated available revenues;
- c. The sum of debt service on existing appropriation-supported debt and debt service on recommended new appropriation-supported debt, as a percentage of anticipated total revenues;
- d. The sum of debt service on existing appropriation-supported debt and debt service on recommended new appropriation-supported debt, as a percentage of anticipated available revenues;
- e. The sum of debt service on existing appropriation-supported debt and debt service on recommended new appropriation-

percentage of estimated state total personal income; and

- f. The sum of existing appropriation-supported debt and recommended new appropriation-supported debt, as a percentage of estimated state total personal income.

6. The recommended program for the purchase of major items of equipment submitted by the head of each branch of government shall include:

- a. A complete list and summary description of each specific major item of equipment recommended for purchase during the biennium; and
- b. For each major item of equipment:
 - i. The agency and purpose for which it will be used;
 - ii. The justification for the purchase;
 - iii. The estimated cost of the item, including ancillary expenses and any expenses necessary to make the equipment functional and operational;
 - iv. The recommended sources of funds; and
 - v. The dollar amounts recommended for appropriation and anticipated from every other source of funds for the

7. All information required by subparagraph 5. of this paragraph shall be included in the executive branch budget recommendation. The branch budget bill for the executive branch shall contain only a complete list of each specific item of major equipment recommended for purchase during the biennium and, for each item, the information specified in subparagraph 6.b.iii., iv., and v. of this paragraph;

(f) The branch budget recommendation for the Transportation Cabinet shall include the following information:

1. A separate branch budget bill;
2. A recommended biennial highway construction plan, which shall be presented as a separate bill, and which shall include a list of individual transportation projects included in the last four (4) years of the six (6) year road plan, not to exceed ten percent (10%) of the recommended biennial highway construction appropriation, which can be advanced if:
 - a. Additional funds are received; and
 - b. All projects included in the biennial highway construction plan have been advanced or completed to the extent possible; and
3. The six (6) year road plan. The Governor shall have ten (10) working days after submission of the branch budget recommendation and the recommended biennial highway construction plan to submit the six (6) year road plan. The six (6) year road

form and format cooperatively developed by the Transportation Cabinet and the General Assembly and approved by the Legislative Research Commission; and

- (g) 1. In the executive branch budget recommendation, as a separate section, an amount sufficient to meet unexpected contingencies or emergencies, including but not limited to natural or man-made disasters, civil disorders, court orders requiring or resulting in the expenditure of state funds, or other related causes.
2. The amount shall be based on the nature, type, and frequency of named categories of events which may, from past experience, be reasonably anticipated.
 3. This portion of the budget recommendation shall detail similar incidents and the nature and amount of the expenditures for each during the ten (10) years immediately preceding.

The total amount of appropriations recommended from any fund shall not exceed the cash resources estimated to be available and to become available to meet expenditures under the appropriations;

- (7) A certificate of the branch of government as to the accuracy of the statements of financial condition, of income and receipts, and of expenditures; and
- (8) Such other information as is deemed desirable, or is required by law or regulation.

48.111 Governor to include in executive budget recommendation a recommended program for rental of space costing more than \$200,000 annually -- Restriction on certain leases -- Exception.

- (1) The Governor shall include in the

executive branch budget recommendation and in the draft branch budget bill for the executive branch submitted to each even-numbered-year regular session of the General Assembly pursuant to KRS 48.110, for the biennium period beginning July 1, 1992, and for each biennium thereafter, a recommended program for rental of any space for which the annual rental cost will exceed two hundred thousand dollars (\$200,000).

- (2) The recommended program for leased space shall include:
- (a) A summary description of each specific two hundred thousand dollar (\$200,000) lease project recommended for funding during the biennium; and
 - (b) For each project:
 - 1. The name of the agency for which space will be leased;
 - 2. The purpose and justification for the lease;
 - 3. Whether the lease contains a purchase option which will be exercised during the biennium pursuant to KRS 56.806(4) and the estimated purchase price;
 - 4.
 - a. Whether the lease contains a lease-purchase which will be completed during the biennium pursuant to KRS 56.806(5) prior to the total amortization, through lease payments, of the fair market value of the leased property as of the time the lessor and the Commonwealth entered into the lease; and
 - b. The estimated sum of money that will have to be paid in addition to rent paid to complete the purchase;
 - 5. The estimated cost of the lease; and

6. The recommended sources of funds.

- (3) All information required by subsection (2) of this section shall be included in the executive branch budget recommendation. The branch budget bill for the executive branch shall contain only the information specified in subparagraphs 1. and 2. of subsection (2)(b) of this section.
- (4) Except as provided in subsection (5) of this section, no lease with an annual rental cost which will exceed two hundred thousand dollars (\$200,000) shall be executed unless the lease has been identified and included in the branch budget bill. The branch budget bill for the executive branch shall authorize the expenditure by the budget unit that will occupy the premises.
- (5) A lease with an annual rental cost exceeding two hundred thousand dollars (\$200,000) may be authorized even though it is not specifically listed in the branch budget bill, subject to the following conditions and procedures:
- (a) A lease is awarded as the result of the consolidation of leases in which case, in addition to subsection (6) of this section, the provisions of KRS 56.803 and 56.823(2) or of KRS 56.805(2) and 56.823(3) shall apply, as appropriate; or
 - (b) A lease is awarded as the result of an agency occupying substantially less space than it should, under the standards for space set by the Department for Facilities Management, in which case, in addition to subsection (6) of this section, the provisions of KRS 56.803 and 56.823(2) or of KRS 56.805(2) and 56.823(3) shall apply, as appropriate. The space allocated under the new lease shall not exceed the space which should be allocated pursuant to the standards for space; or
 - (c) A lease with an annual rental cost of less than two hundred thousand dollars (\$200,000) is renewed or replaced for an annual rental cost that exceeds two hundred thousand dollars (\$200,000), but only if that request and subsequent renewal or replacement lease is:

1. From the same state agency lessee whose initial lease was under two hundred thousand dollars (\$200,000);
 2. For the same or substantially the same square footage as the initial lease that was under two hundred thousand dollars (\$200,000);
 3. The result of the competitive leasing process authorized by KRS 56.803;
 4. For an annual lease payment of less than two hundred and fifty thousand dollars (\$250,000); and
 5. Effective only until June 30 of the next even-numbered year unless authorized in the branch budget bill; or
- (d) A lease is awarded as the result of an emergency in which case the provisions of KRS 56.805(3) and (4) and KRS 56.823(5) shall apply; or
- (e)
1. Fifty percent (50%) or more of the actual cost shall be funded by federal or private funds; and
 2. Money specifically budgeted and appropriated by the General Assembly for another purpose shall not be allotted or reallotted for expenditure on the lease. Money utilized shall not jeopardize any existing program and shall not require the use of current general funds specifically dedicated to existing programs; and
 3. The Finance and Administration Cabinet shall comply with the requirements of subsection (6) of this section.
- (6) (a) No later than five (5) business days after an advertisement for lease proposals pursuant to paragraph (a) or (b) of subsection (5) of this section, the cabinet shall provide the Capital Projects and Bond Oversight Committee with a copy of the advertisement and shall state in writing to the committee that the copy is being provided in compliance with this paragraph.
- (b) Prior to final authorization of a lease pursuant to paragraph (e) of subsection (5) of this section, the cabinet shall report to the Capital Projects and Bond Oversight Committee:
1. The name of the agency for which space will be leased;
 2. The purpose and justification for the lease;
 3. The estimated cost of the lease;
 4. The source of funds; and
 5. Whether the requirements of paragraph (e) of subsection (5) of this section have been met.
- (c) Within thirty (30) days after the report required in paragraph (b) of this subsection has been submitted to the committee, the committee shall conduct its review and decide whether to approve or disapprove the proposed lease authorization. The Legislative Research Commission shall promptly transmit the committee's findings and determinations to the Finance and Administration Cabinet.
- (d) If the committee disapproves a proposed lease authorization, the secretary of the Finance and Administration Cabinet shall:
1. Revise the proposed lease authorization to comply with the objection of the committee; or
 2. Cancel the proposed lease authorization; or
 3. Determine to proceed with the proposed lease authorization disapproved by the committee.
- (e) The decision made by the secretary of the Finance and Administration Cabinet under paragraph (d) of this subsection shall be communicated to the committee in writing within thirty (30) days of the committee's

disapproval.

- (f) The Legislative Research Commission shall maintain records of the committee's disapproval of a proposed lease authorization and the cabinet's report of its actions on a disapproved proposed lease authorization. If the committee disapproves a proposed lease authorization, the Legislative Research Commission shall transmit the committee's disapproval and the cabinet's action on the disapproval to the appropriate interim joint committee of the Legislative Research Commission and to the General Assembly when next convened in an even-numbered-year regular session.
- (g) If, after committee review, a lease is authorized, the lease shall be awarded pursuant to this section and KRS 43.050 and 56.800 to 56.823 and shall be subsequently reviewed pursuant to the appropriate subsection of KRS 56.823.

48.115 Planning report, preliminary revenue estimates, and official revenue estimates required by KRS 48.120 to be developed by consensus forecasting group -- Revision of official revenue estimates -- Threshold for implementation of enacted budget reduction plan.

- (1) The revenue estimates for the general fund and the road fund required by KRS 48.120 shall be based on a consensus revenue forecast. The planning report, preliminary revenue estimates, and official revenue estimates required by KRS 48.120 shall be developed by the consensus forecasting group. The members of the consensus forecasting group shall be jointly selected by the state budget director and the Legislative Research Commission. The members shall be knowledgeable about the state and national economy and the revenue and financial conditions of the Commonwealth.
- (2) If the Legislative Research Commission or state budget director determines that a revision to the official revenue estimates is needed, the Legislative Research

Commission or state budget director shall request a revision from the consensus forecasting group. The revised revenue estimates shall become the official revenue estimates.

- (3) The enacted budget reduction plan required by KRS 48.130 shall be implemented only:
 - (a) Upon the issuance of an official revenue estimate from the consensus forecasting group reflecting a revenue shortfall of five percent (5%) or less; or
 - (b) At the end of a fiscal year, upon the existence of an actual revenue shortfall of five percent (5%) or less, as determined by the Office of State Budget Director.
- (4) The state budget director shall coordinate with the Department of Revenue and the Transportation Cabinet to ensure that the financial and revenue data required for the forecasting process is made available to the consensus forecasting group.
- (5) Staff for the consensus forecasting group shall be provided by the Legislative Research Commission.

48.120 Budget planning report and preliminary and official revenue estimates to be provided by Office of State Budget Director -- Appropriations to be based on official revenue estimates.

- (1) By August 15 of each odd-numbered year, the Office of State Budget Director, in conjunction with the consensus forecasting group, shall provide to each branch of government a budget planning report. The budget planning report shall include:
 - (a) A baseline analysis and projections of economic conditions and outlook;
 - (b) Any potential consequences of the analysis and projections for the Commonwealth's fiscal condition;
 - (c) The revenue estimates and implications for the general fund and road fund for the current fiscal year and next four (4) fiscal years; and
 - (d) Projections of personal income, employment, and economic

indicators that reflect economic conditions.

- (2) By October 15 of each odd-numbered year, the Office of State Budget Director shall provide to each branch of government preliminary revenue estimates made by the consensus forecast group for the general fund and road fund for the current and next two (2) fiscal years, including explanatory statements, and a comparative record of the actual revenues of these funds for each of the last two (2) years concluded.
- (3) On or before the fifteenth legislative day, the Office of State Budget Director shall certify and present to the General Assembly the official revenue estimates made by the consensus forecasting group for the general fund and road fund for the current and next two (2) fiscal years.
- (4) Appropriations made in the branch budget bills enacted for each branch of government shall be based upon the official revenue estimates presented to the General Assembly by the Office of State Budget Director under subsection (3) of this section, as modified by the General Assembly.
- (5) The enacted estimates shall become the official revenue estimates of the Commonwealth upon the branch budget bills becoming law, and shall remain the official revenue estimates of the Commonwealth until revised by the consensus forecasting group as provided in KRS 48.115.

48.130 Budget reduction plan for revenue shortfall of five percent or less to be included in each enacted branch budget bill -- Shortfalls over five percent require legislative action.

- (1) The General Assembly shall include in each enacted branch budget bill a budget reduction plan for a revenue shortfall in the general fund or road fund of five percent (5%) or less. The budget reduction plan shall direct how budget reductions shall be implemented if there is a revenue shortfall of five percent (5%) or less.
- (2) A layoff of state employees in the executive branch under the budget reduction plan enacted by the General Assembly shall comply with the provisions

of KRS 18A.1132.

- (3) Any revenue shortfall in the general fund or road fund of greater than five percent (5%) shall require action by the General Assembly.
- (4) Upon the issuance of an official revenue estimate by the consensus forecasting group reflecting a revenue shortfall in the general fund or road fund, or upon the existence of an actual revenue shortfall in the general fund or road fund at the close of a fiscal year as determined by the Office of State Budget Director, the Office of State Budget Director shall notify all branches of government. If the revenue shortfall is five percent (5%) or less, the following actions shall be taken:
 - (a) The unappropriated balance of funds in the surplus accounts of the general fund or road fund shall first be used to meet the shortfalls in those respective funds; and
 - (b) If the amounts described in paragraph (a) of this subsection are insufficient to address the revenue shortfall, the enacted budget reduction plan included in each branch budget bill shall be implemented.
- (5) The budget reduction plan for each branch of government may provide that the annual increment granted state employees under KRS 18A.355 shall be reduced as provided by KRS 18A.355. Any reduction of the annual increment shall be uniform for all employees.
- (6) No budget reduction action shall be taken by any branch head in excess of the actual or projected deficit.
- (7) If general fund or road fund tax receipts increase over the revenues estimated in the official revenue estimate that resulted in reductions, then services may be restored in the reverse order of the reduced services.

48.140 Surplus expenditure plan to be included in each enacted branch budget bill -- Surplus in excess of two and one-half percent to accrue to surplus account.

- (1) The General Assembly shall include in each enacted branch budget bill a plan for the expenditure of a general fund or road

fund surplus.

- (2) If there is a surplus, the Office of State Budget Director shall notify all branches of government.
- (3) Except as provided in KRS 48.705, any surplus in the general or road fund in excess of two and one-half percent (2.5%) of the enacted estimates shall not be expended but shall accrue to the surplus account of the general fund or road fund for investment until appropriated by the General Assembly.
- (4) Unless required by the budget reduction provisions in a branch budget bill, no funds shall be transferred from one budget unit to another budget unit.
- (5) Surplus funds in any account, unless a statute requires otherwise, shall lapse to the surplus account of the general fund for investment until appropriated by the General Assembly.
- (6) Funds in the surplus account of the general fund may be used for current expenditures as authorized by the budget reduction provisions of a branch budget bill.

48.150 Appropriations to address unexpected emergencies and contingencies.

- (1) As used in this section, "unexpected emergencies and contingencies" includes but is not limited to natural or man-made disasters, civil disorders, court orders requiring or resulting in the expenditure of state funds, or other related causes.
- (2) Any appropriations made in an enacted branch budget bill to address unexpected emergencies and contingencies:
 - (a) Shall not be expended for contingencies relating to capital construction projects or major items of equipment as defined by KRS 45.770; and
 - (b) Shall not be expended unless appropriations made for the same or similar purposes have been exhausted.
- (3) Each branch of government shall report expenditures for unexpected emergencies and contingencies, whether paid from appropriated funds or as a necessary governmental expenditure, to the standing appropriations committees of the General

Assembly or the Interim Joint Committee on Appropriations and Revenue, as appropriate.

48.160 State matching for federal funds.

Each branch, by budget unit, shall submit in its budget recommendation a request for funds reasonably necessary to match anticipated federal funds which may become available during the biennium. The amount of anticipated federal funds shall also be specified. These matching funds shall not be utilized for federal block grants as defined by the Federal Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35) and any subsequent amendments thereto, including federal block grants authorized after July 1, 1983, unless such block grant applications are in compliance with the applicable federal and state laws, as well as the standards and criteria prescribed in KRS 45.353.

48.165 Restrictions as to "necessary government expense" or items without specified dollar amounts.

In the submission of a branch budget recommendation to the General Assembly no branch of government shall submit any item as a "necessary government expense" or submit any item without a dollar amount affixed thereto, unless the entire proceeds of a particular trust and agency or other designated fund or account are to be assigned to specific budget units. In the event that all proceeds from a particular fund or account are to be assigned to specific budget units, an estimate of the receipts of each budget unit for each year of the biennium shall be provided together with the receipts from the previous two (2) bienniums.

48.170 Additional information.

In addition to the requirements set forth in this chapter, the appropriations committees of each house or the Legislative Research Commission, as appropriate, may require additional information and may prescribe the form in which such additional information shall be submitted as a part of, or in support of, a branch budget recommendation.

48.180 Financial information submitted as part of executive branch budget request.

In addition to the information required by KRS 48.110, the Governor shall submit the following information as a separate part of the branch budget request for the executive branch of government:

- (1) Summary statements of the financial condition of the state, which shall include such detailed schedules of revenues and summary of expenditures by fund as specified by law in addition to those the Governor deems desirable; and summary statements of the estimated fund balances for the current fiscal year and each of the next two (2) fiscal years; and statement of the surplus account for the general fund and the road fund, for the budget reserve trust fund account, and for each special fund. Each surplus account shall show the excess of all current revenues over all current expenditures as of the beginning of each of the two (2) fiscal years last concluded, and all changes in each surplus account during each of such two (2) fiscal years.
- (2) A statement as of the close of the last completed fiscal year and as of the close of the current fiscal year, showing for the Commonwealth the total funded debt, the value of sinking fund assets, the net funded debt, the floating liabilities as of the close of the last completed fiscal year and the estimated floating liabilities as of the end of the current fiscal year, and the total debt as of the close of the last completed fiscal year and as of the close of the current fiscal year.
- (3) A summary statement for each major fund of the cash resources estimated to be available at the beginning of each of the next two (2) fiscal years, and the estimated cash receipts of the fiscal year.
- (4) Such other information as is deemed desirable or is required by law or regulation.

48.185 Area development fund recommendations.

- (1) The provisions of any other law notwithstanding, the Governor shall include in the budget recommendation for the executive branch and in the draft branch budget bill for the executive branch submitted to each even-numbered-year regular session of the General Assembly

for the biennium period beginning July 1, 1980, and for each biennium thereafter, recommendations for appropriations from the general fund to be made by the General Assembly to the area development fund established by KRS Chapter 42.

- (2) The amount to be recommended for the appropriation to the area development fund shall be four and four-tenths percent (4.4%) of the severance tax estimate for each fiscal year of the biennium.

48.192 Commonwealth postsecondary prepaid tuition trust fund recommendations.

Notwithstanding any other provision of law, if the report of the actuary submitted in an odd-numbered year pursuant to KRS 164A.704(7)(b) reflects that there will be a real liability expected to accrue during the upcoming biennium that cannot be met with existing resources of the Commonwealth postsecondary education prepaid tuition trust fund created pursuant to KRS 164A.701, the Governor shall include in the budget recommendation for the executive branch and in the draft branch budget bill for the executive branch submitted to the General Assembly an appropriation to the board in an amount necessary to meet the real liability expected to accrue in each fiscal year of the biennium.

48.195 Financial information on salaries and on filing fees and costs to be submitted as part of the judicial branch budget recommendation--Treatment of salaries in judicial branch budget bill.

- (1) The General Assembly shall set the salaries of the justices and judges of the Court of Justice in the judicial branch budget bill. The Chief Justice shall include in the judicial branch budget recommendation the salaries of the justices and the judges. If the General Assembly concurs with the recommended judicial salaries contained in the judicial branch budget recommendation, then the judicial salaries shall be set in the judicial branch budget bill by incorporating by reference the judicial branch budget recommendation. If the General Assembly sets judicial salaries different from the judicial branch budget recommendation, then the General Assembly shall set forth the salaries of the

justices and judges or the incremental changes in the judicial branch budget bill.

- (2) The Chief Justice shall include in the judicial branch budget recommendation:
 - (a) The filing fees and costs, and any changes in the fees and costs, set under KRS 23A.200 or 24A.170 during the fiscal biennium immediately preceding the biennium for which the recommendation is submitted; and
 - (b) A statement of whether, and to what extent, the Supreme Court intends to raise or anticipates raising the fees and costs set under KRS 23A.200 or 24A.170 during the biennium for which the recommendation is submitted.

In-Session Procedure

48.200 Printing of budget recommendations-- Copies for General Assembly members and clerks.

Each branch of government shall have its budget recommendations printed in such number of copies thereof as to insure that each member of the General Assembly and the clerks of the House of Representatives and the Senate have individual copies.

48.210 Assistance to General Assembly by representatives of each branch of government.

From the time of the submission of the budget recommendation of each branch of government to the General Assembly until the enactment of all branch budget bills, representatives of each branch of government shall be at the disposal of the General Assembly and its appropriations committees and shall devote as much of their time as may be required to the work of those committees, under the direction of their respective chairmen. The Finance and Administration Cabinet and the Office of State Budget Director shall provide such additional assistance to each branch of government as may be required.

48.300 Adoption of branch budget bills -- Separate branch budget bill required for Transportation Cabinet --

Enactment of biennial highway construction plan.

- (1) The financial plan for each fiscal year as presented in the branch budget recommendation shall be adopted, with any modifications made by the General Assembly, by the passage of a branch budget bill for each branch of government, and any revenue and other acts as necessary.
- (2) With regard to the Transportation Cabinet, the General Assembly shall:
 - (a) Enact, as a separate bill, a branch budget for the Transportation Cabinet;
 - (b) Enact, as a separate bill, the biennial highway construction plan, as amended by the General Assembly, including identification of projects from the last four (4) years of the six (6) year road plan that may be moved forward, and the conditions and requirements under which the identified projects may be moved forward; and
 - (c) Adopt the last four (4) years of the six (6) year road plan, as amended by the General Assembly, as a joint resolution.

48.310 Operation of budget bill.

- (1) No provision of a branch budget bill shall be effective beyond the second fiscal year from the date of its enactment. A budget bill enacted at a special session or in an odd-numbered-year regular session of the General Assembly shall not be effective past July 1 of the year in which the next even-numbered-year regular session takes place.
- (2) A budget bill may contain language which exempts the budget bill or any appropriation or the use thereof from the operation of a statute for the effective period of the budget bill.

48.311 Structure of branch budget bills-- Severability of provisions.

Any branch budget bill enacted by the General Assembly shall be enacted so that each section, each subsection, and each appropriation sum by specified fund or funds accounts shall be a

separate and specific appropriation and law. If any section, any subsection, or any provision is found by a court of competent jurisdiction in a final, unappealable order to be invalid or unconstitutional, the decision of the courts shall not affect or impair any of the remaining sections, subsections, or provisions contained in that branch budget bill.

48.312 Duplicate appropriations.

Any appropriation in any branch budget bill and any other enactment by the General Assembly which contains an appropriation provision for the same purpose and in the same amount shall be construed as duplicate sums, and no additional moneys shall be provided for the duplicate appropriations. Questions of interpretation of duplicate appropriations shall be determined as prescribed by this chapter.

48.313 Status of totals and subtotals--Priority of individual appropriations--Correction of erroneous totals and subtotals.

Totals and subtotals given within any branch budget bill and any appropriation provision in any other enactment are provided as a convenience and shall not constitute appropriations of funds. If a total or subtotal conflicts with the sum of the appropriation figures of which it consists, the amounts of the individual appropriations shall control. If a conflict of this nature arises, either as a result of an inadvertent error in initial entry of a total or subtotal or through an amendment to any of its component appropriations, the director of the Legislative Research Commission shall apprise the reviser of statutes in writing of the existence of and reason for the variation and of the correct amount of the total or subtotal. If the requested change is within the scope of this section, the reviser of statutes shall cause that corrected total or subtotal to be substituted in the Acts and journals of the General Assembly and in the Kentucky Revised Statutes.

48.315 Transfer of agency, special, and other funds to general fund in budget bill.

- (1) The General Assembly may provide in a budget bill for the transfer to the general fund for the purpose of the general fund all or part of the agency funds, special funds, or other funds established under the provisions of KRS 15.430; 21.347; 21.540;

21.560; 42.500; 47.010; 48.010(15)(g); 56.100; 61.470; 64.345; 64.350; 64.355; 95A.220; 136.392; 138.510; 161.420; 161.430; 164A.020; 164A.110; 164A.800; 164A.810; 216A.110; 230.218; 230.400; 230.770; 248.540; 248.550; 278.130; 278.150; 286.1-485; 304.35-030; 311.450; 311.610; 312.019; 313.022; 314.161; 315.195; 316.210; 317.530; 317A.080; 319.131; 320.360; 321.320; 322.290; 322.330; 322.420; 323.080; 323.190; 323.210; 323A.060; 323A.190; 323A.210; 324.286; 324.410; 325.250; 326.120; 327.080; 330.050; 334.160; 334A.120; 335.140; 342.122; 342.480, etc.

- (2) The transfer of moneys from the agency funds, special funds, or other funds to the general fund provided for in subsection (1) of this section shall be for the period of time specified in the budget bill.
- (3) Any provisions of any statute in conflict with the provisions of subsections (1) and (2) of this section are hereby suspended or modified. Any suspension or modification shall not extend beyond the duration of the budget bill.

48.316 Temporary suspension or modification of statutory provisions due to conflict with provisions of budget bill.

To the extent that the provisions of a budget bill are in conflict with any provisions of KRS Chapters 12, 42, 56, 152, 177, or 341, the provisions of those chapters are hereby suspended or modified. Such suspension or modification shall not extend beyond the duration of the budget bill.

Monitoring and Revision of Budget

48.400 Office of State Budget Director to monitor financial condition of Commonwealth -- Quarterly reports -- Notification of actual or anticipated surplus or decrease in tax receipts.

- (1) The Office of State Budget Director shall continuously monitor the financial situation of the Commonwealth. Based upon reports from budget units and its own estimates, the office shall no later than the tenth day of each month or more often if necessary, report to the Governor, the

Chief Justice, and the Legislative Research Commission on the financial condition of the Commonwealth and its budget units.

- (2) Within thirty (30) days of the close of each fiscal quarter, the state budget director shall report to the head of each branch budget the actual revenue receipts from the just-concluded quarter, as well as the projected revenue receipts for the next three (3) fiscal quarters. The report shall include a comparison with the enacted estimates and shall note any potential consequences to the Commonwealth's fiscal condition as a result of revenue receipts that differ from those used in the enacted estimates.
- (3) If there is an actual or anticipated surplus or decrease in total estimated tax receipts, as reflected in the report required by subsection (2) of this section, immediate notification shall be given to all branches of government.

**48.500 Interpretation of branch budget bills -
- Legislative review.**

- (1) Subject to the provisions of this section, when the General Assembly is not in session, all questions that arise as to the meaning of items in a branch budget bill shall be decided by the Finance and Administration Cabinet for the executive branch budget bill and the Transportation Cabinet budget bill, and by the Chief Justice and the Legislative Research Commission for their respective branches of government.
- (2) The secretary of the Finance and Administration Cabinet, the Chief Justice, and the Legislative Research Commission shall transmit decisions made under subsection (1) of this section to the Interim Joint Committee on Appropriations and Revenue of the Legislative Research Commission and shall include, in detail, the reasons for such decisions.
- (3) If the Interim Joint Committee on Appropriations and Revenue disapproves a decision made under this section, the decision shall not be implemented unless it is:
 - (a) Revised to comply with the objections of the committee; or
 - (b) The committee is informed, in

writing, in detail, within thirty (30) days of the committee's disapproval, that a determination has been made not to comply with the objections of the committee.

48.600 Appropriation reductions in accordance with budget reduction plans upon actual or official revenue estimate shortfall of five percent or less.

- (1) If an official revenue estimate is issued reflecting a revenue shortfall in the general fund or road fund of five percent (5%) or less, or if there is an actual revenue shortfall at the close of a fiscal year in the general fund or road fund of five percent (5%) or less, as determined by the Office of State Budget Director, the Governor, the Chief Justice, and the Legislative Research Commission shall make any appropriation reductions for the budget units of their respective branches of government in accordance with the budget reduction plan included in the enacted branch budget bill.
- (2) No budget revision action shall be taken by any branch head in excess of the actual or projected revenue shortfall.
- (3) Appropriation reductions shall be reported to the standing Appropriations and Revenue Committees of each house or to the Interim Joint Committee on Appropriations and Revenue, as appropriate.

48.605 Revision of allotments within appropriations.

- (1) Allotments within appropriations for the activities and purposes contained in an enacted branch budget bill may be revised as follows:
 - (a) For the executive branch, upon authorization of the state budget director at the request of the head of a budget unit;
 - (b) For the judicial branch, upon authorization of the director of the Administrative Office of the Courts, or his designee; and,
 - (c) For the legislative branch, upon authorization of the director of the Legislative Research Commission, or his designee.

- (2) A copy of the request and determinations shall be transmitted to the Interim Joint Committee on Appropriations and Revenue prior to the implementation of the revision of the allotment.

48.610 Schedule of quarterly allotments of appropriations.

By June 1 of the preceding fiscal year, each branch of government shall submit to the Finance and Administration Cabinet a schedule of quarterly allotments of appropriations for each budget unit of the branch for the next fiscal year. Allotments shall conform with the appropriations in the enacted branch budget bills or other appropriation provisions.

48.620 Revision of allotment schedule.

- (1) Allotments shall be made as provided by the allotment schedule, and may be revised upon the written certification of the Governor, the Chief Justice, and the Legislative Research Commission for their respective branches of government. No revisions of the allotment schedule may provide for an allotment or allotments in excess of the amount appropriated to that budget unit in a branch budget bill, or for expenditure for any other purpose than specified in a branch budget bill.
- (2) Revisions of allotments under this section shall be reported and reviewed as provided by KRS 48.500(3).

48.630 Allotment of unbudgeted appropriation--Legislative committee review--Use of unanticipated restricted or federal funds--Exemptions.

- (1) An unbudgeted appropriation shall not be allotted without prior review and action by the Interim Joint Committee on Appropriations and Revenue as provided for in this section.
- (2) Except as otherwise provided in this section, any request for allotment of unbudgeted appropriations from any fund source shall be made in writing by the head of the budget unit and transmitted simultaneously to the state budget director and the Interim Joint Committee on Appropriations and Revenue.
- (3) The state budget director may recommend

a proposed revision to a specified appropriation in any branch budget bill to the Interim Joint Committee on Appropriations and Revenue by the seventh day of each month.

- (4) If the Interim Joint Committee on Appropriations and Revenue fails to review and act upon the proposed revision by the last day of the month, the proposed revision shall be deemed to have been reviewed and favorably acted upon.
- (5) The Interim Joint Committee on Appropriations and Revenue shall review the proposed expenditure of the unbudgeted appropriation for conformance with the purposes of the proposed appropriation and the enacted branch budget bill and any other relevant statute, by the last day of each month.
- (6) If the Interim Joint Committee on Appropriations and Revenue disapproves of the proposed revision of the enacted appropriation, the budget adjustment shall be invalid unless it is:
- (a) Revised to comply with the objections of the committee; or
- (b) The committee is informed, in writing, in detail, within thirty (30) days of the committee's disapproval, that a determination has been made not to comply with the objections of the committee.
- (7) If an emergency unbudgeted appropriation revision is required due to a declared natural disaster, calamity, or impending deficit in an enacted appropriation as certified by the Governor, the state budget director may effect an emergency revised appropriation, with the approval of the secretary of the Finance and Administration Cabinet, and with concurrent notification to the Interim Joint Committee on Appropriations and Revenue of the action and its justification.
- (8) If a budget unit not listed in any enacted branch budget bill receives unanticipated restricted funds or federal funds, the secretary of the Finance and Administration Cabinet, upon written request from the agency head with appropriate documentation of the amount, source, purpose, necessity, and use of the moneys, may authorize the credit and expenditure of these funds for statutory

purposes, upon recommendation of the state budget director and review and action by the Interim Joint Committee on Appropriations and Revenue pursuant to the conditions and procedures prescribed by this section. The secretary shall cause to be established a separate discrete restricted funds or federal funds account, as appropriate, for the receipt and disbursement of these funds and shall establish the maximum sum which may be credited and expended from the authorized account.

- (9) Institutions of higher education shall be exempt from all conditions and procedures in this section with respect to the authority of the state budget director and the secretary of the Finance and Administration Cabinet to review and approve unbudgeted restricted funds or federal funds or revisions to appropriations in excess of any enacted branch budget bill; however, in the event of a revision, an institution of higher education shall report unbudgeted restricted funds and federal funds to the state budget director and the Interim Joint Committee on Appropriations and Revenue.
- (10) Unbudgeted appropriations for expenditure in the judicial branch budget and the legislative branch budget shall be exempt from all conditions and procedures in this section, except that each branch head, or its designee, shall report unbudgeted restricted funds and federal funds to the Interim Joint Committee on Appropriations and Revenue and transmit an informational copy to the state budget director.
- (11) The Legislative Research Commission shall maintain records of the findings of the Interim Joint Committee on Appropriations and Revenue and the determinations and reports of actions by the state budget director and transmit these records to the General Assembly when next convened.

48.700 General fund -- Surplus fund

There is hereby created in the general fund of the State Treasury a surplus fund account subject to the following terms and conditions:

- (1) It shall contain all surplus tax receipts accruing to the general fund as provided by

KRS 48.140(3);

- (2) Except as provided in KRS 48.705, it shall contain all funds lapsed from general fund receipts not otherwise appropriated;
- (3) It shall contain all receipts from the sale of surplus property purchased with general fund tax receipts and not otherwise appropriated;
- (4) Except as provided in KRS 48.705, it shall contain all general fund tax revenues in excess of estimates;
- (5) It shall contain all moneys saved as a result of a reorganization of state government operations funded by the general fund;
- (6) Funds in the account shall be invested at interest and the interest shall also accrue to this account;
- (7) It shall contain any other funds which are required by law or regulation to accrue to the surplus account of the general fund; and
- (8) No expenditures shall be made from this account unless appropriated by the General Assembly or unless required by the budget reduction provisions of a branch budget bill, or as provided by KRS 48.130.

48.705 General fund -- Budget reserve trust fund account.

- (1) A budget reserve trust fund account is hereby created in the general fund, pursuant to KRS 45.305. The budget reserve trust fund account shall be funded through direct appropriations, and surplus amounts as provided in subsection (2) of this section. Moneys in the account shall remain unallotted unless required by the provisions of this section.
- (2) (a) Each fiscal year, except as provided in subsection (3) of this section, within thirty (30) days of the end of the fiscal year, the secretary of the Finance and Administration Cabinet shall cause to be deposited to the budget reserve trust fund account the lesser of the following amounts:
 1. Fifty percent (50%) of the general fund surplus; or
 2. The amount necessary from the general fund surplus to make the balance of the

budget reserve trust fund account equal to five percent (5%) of the actual general fund receipts collected during the fiscal year just ended, as determined by the Finance and Administration Cabinet.

- (b) Any amounts to be deposited to the budget reserve trust fund account from the general fund surplus shall be determined after the surplus has been reduced by the amount necessary to implement the provisions of any surplus expenditure plan authorized by KRS 48.140 and enacted as a part of a branch budget bill.
- (3) If, at the close of any fiscal year, the budget reserve trust fund account has a balance equal to or greater than five percent (5%) of the actual general fund receipts collected during the fiscal year just ended, as determined by the Finance and Administration Cabinet, the deposits required under subsection (2) of this section shall be suspended for that year.
- (4) Moneys in the budget reserve trust fund account may be appropriated by the General Assembly in a regular or special session.
- (5) Before authorizing any allotments from the budget reserve trust fund account, the secretary of the Finance and Administration Cabinet shall notify in writing the Interim Joint Committee on Appropriations and Revenue. The notice shall include the amount and purpose for the proposed allotment.
- (6) Within thirty (30) days of the close of each fiscal year, the secretary of the Finance and Administration Cabinet shall report to the Interim Joint Committee on Appropriations and Revenue the general fund receipts collected for the fiscal year just ended, the balance of the budget reserve trust fund account, and any amounts deposited to the budget reserve trust fund account pursuant to the provisions of subsection (2) of this section.
- (7) All sums appropriated or deposited to the budget reserve trust fund account shall not lapse at the close of the fiscal year but shall carry forward into the next fiscal year.

48.710 Road fund -- Surplus fund account.

There is hereby created in the road fund of the State Treasury a surplus fund account subject to the following terms and conditions:

- (1) It shall contain all surplus tax receipts accruing to the road fund as provided by KRS 48.140(3);
- (2) It shall contain all funds lapsed from moneys originating from road fund receipts;
- (3) It shall contain all receipts from the sale of surplus property purchased with road fund receipts;
- (4) It shall contain all road fund receipts in excess of estimates;
- (5) It shall contain all moneys saved as a result of a reorganization of state government operations funded by the road fund;
- (6) Funds in the account shall be invested at interest and the interest shall also accrue to this account;
- (7) It shall contain any other funds which are required by law or regulation to accrue to the surplus account of the road fund; and
- (8) No expenditures shall be made from this account unless appropriated by the General Assembly or unless required by budget reduction provisions of a branch budget bill, or as provided by KRS 48.130.

48.720 Lapse of appropriated general or road fund debt service for canceled projects and excess amounts.

In the event that any authorized capital construction or equipment purchase projects are canceled, or if conditions imposed by any branch budget bill are not met, any appropriated general or road fund debt service for those projects shall remain unallotted and lapse to the credit of the respective surplus account. In the event that general or road fund appropriated debt service is more than is required due to favorable interest rates, refinancing, or timing variances, the excess debt service in each fiscal year shall remain unallotted and lapse to the credit of the respective surplus account.

48.730 Required notifications by state agency when declining entitlement to federal funds.

No state agency entitled to federal funds which would represent one hundred percent (100%) of the cost of a program in which the state participates shall decline to accept or receive that entitlement without notification to the state budget director and the Interim Joint Committee on Appropriations and Revenue.

48.800 Fiscal reporting to branches of government--Annual financial and program status reports.

The Finance and Administration Cabinet shall prepare and submit to each branch of government:

- (1) Within ten (10) days after the close of each month copies of the accounts of the budget units of that branch of government with the appropriations and allotments in favor of its budget units and the balances as of the beginning and end of that month.
- (2) Within ten (10) days after the close of each month, prepare and transmit to each branch of government a report embodying a summary statement of the actual financial condition of each fund of the major fund groups as of the close of the previous month, a summary statement showing the receipts and payments of each such fund for the previous month and for the current fiscal year to the close of the previous month, a summary budget statement for each such fund showing the available cash balance as of the end of the previous month, the amount of cash estimated to be realized from each source during the remaining months of the fiscal year, the total means of financing, the amount of the unallotted balances of all appropriations, the estimated amount of unliquidated commitments, and the estimated cash surplus or deficit.
- (3) Within ninety (90) days of the close of a fiscal year, file with each branch of government a complete report of the financial transactions of the preceding fiscal year and of the financial condition of the Commonwealth as of the end of that fiscal year, with such comments and supplementary data necessary to make the report complete and easy to understand.
- (4) Each branch of government shall publish a financial and program status report, within ninety (90) days of the close of a fiscal year, detailing for that period, activities, appropriations, allotments, expenditures,

receipts, transfers, encumbrances and available balances of each budget unit of the branch, and an explanation of the programs and services provided by the branch.

- (5) In order to effectuate the budget review function of the General Assembly, each branch of government shall make available, on a continuing basis, records which detail activities, appropriations, allotments, expenditures, receipts, transfers, encumbrances and available balances of each budget unit of the branch. Such records shall be made available in the form necessary to facilitate their read only accession by means of electronic data processing procedures employed by the Legislative Research Commission.

48.810 Strategic plan--Progress report--Methodology--Training course--Electronic database.

Each program cabinet, the Department for Local Government, the Department of Military Affairs, and the Commonwealth Office of Technology shall develop and submit a four (4) year strategic plan to meet the broad goals outlined by the Governor and shall submit an electronic copy of the full plan and an electronic copy of a brief summary of that plan to the state budget director, the secretary of the Executive Cabinet, and the Legislative Research Commission with each biennial budget request.

- (1) Each strategic plan shall include but not be limited to:
 - (a) A statement of the cabinet or administrative entity's value, vision, and mission;
 - (b) A statement of how the cabinet or administrative entity's strategic plan is aligned with the Governor's goals and linked to the budget request and the six (6) year capital plan of the cabinet or administrative entity;
 - (c) A brief summary of a situation analysis conducted by the program cabinet or administrative entity;
 - (d) Identification of measurable goals for the next four (4) years;
 - (e) Specification of objectives to meet the stated goals;
 - (f) Identification of performance indicators to be used to measure

progress toward meeting goals and objectives; and

- (g) A progress report providing data and information on the performance indicators set forth in the program cabinet or administrative entity's most recent strategic plan.
- (2) On or before September 1 of each even-numbered fiscal year, program cabinets and administrative entities which have submitted strategic plans in the previous fiscal year shall submit a progress report to the Office of the State Budget Director, or its designee, which provides data and information regarding the progress the program cabinet or entity has made toward meeting its goals as measured by performance indicators set forth in the cabinet's or entity's most recent strategic plan.
- (3) The state budget director shall designate an entity to develop and implement a methodology for strategic planning and progress reporting for use by program cabinets and administrative entities submitting strategic plans and progress reports pursuant to this section. The entity designated by the state budget director shall develop and make available a training course in strategic planning that is appropriate for and targeted to state government managers, and shall make that training course available to state managers and their designees who have responsibility for the completion of a strategic plan as required by this section.
- (4) The Commonwealth Office of Technology shall maintain uniform electronic strategic plan and progress report submission forms and a procedure that allows all plans and progress reports to be entered into an electronic database that is searchable by interested parties. The database shall be developed and maintained in a form that complies with all provisions of KRS 48.950, 48.955, and 48.960. The Commonwealth Office of Technology shall develop and maintain a program to provide public access to submitted plans and progress reports.

Automated Central Budget Information System

48.950 Continuous budget information system--Contents--Responsibility for.

- (1) In order to effectuate the constitutional power and duty of the General Assembly to raise and appropriate revenue and approve and adopt a balanced budget, and in order that members and committees of the General Assembly and the Legislative Research Commission may be informed on a continuous basis about current and prospective financial conditions and budgetary needs of the Commonwealth and its budget units, the Kentucky General Assembly finds and declares that uniform detailed budget data and records relating to expenditures, receipts and activities and the budgetary operations of all budget units must be available in electronic and print form to the General Assembly and the Legislative Research Commission on a continuous and timely basis.
- (2) The contents of all electronic and print forms, records, data and procedures established under KRS 48.955 and 48.960 shall pertain to:
 - (a) The submission of budget unit requests and branch budget recommendations;
 - (b) The adoption of budget bills;
 - (c) The allotments under, and authorized adjustments and revisions to, the enacted budget;
 - (d) The receipts and disbursements of budget funds pursuant to appropriations enacted by the General Assembly; and
 - (e) The financial and budgetary conditions of the Commonwealth and branch budget units.

These contents, forms and records shall be standard and uniform for all budget units.

- (3) The Governor, the Chief Justice and the Legislative Research Commission for their respective branches and budget units, shall cause to be created, maintained and transmitted in electronic form the data, records and procedures necessary to fulfill the intent and purposes of KRS 48.955 and 48.960 and which may be provided by KRS 48.955 and 48.960.

48.955 System to be prescribed by Legislative Research Commission--Data germane to

**appropriations to be included--Schedule
for transmission of information--
Availability of data--Reports.**

- (1) The Legislative Research Commission, or its designee, shall prescribe standard electronic and print forms, records, data elements, guidelines, and instructions to be used by all branches and budget units. Such electronic and printed detailed records shall be made available and transmitted by the heads of each branch of government, or their designees, on a continuous and timely basis, in the form and technology used by the General Assembly and the Legislative Research Commission through electronic data processing procedures.
- (2)
 - (a) Representatives designated by the Governor, Chief Justice, and the Legislative Research Commission for their respective branches shall assist, upon request, the Legislative Research Commission in the creation and maintenance of an automated central budget information system which shall consist of uniform electronic detailed records concerning appropriations, expenditures, receipts, and activities;
 - (b) This system shall include all data germane to the appropriations of current and prospective budgetary resources and funds, including personnel-related data;
 - (c) Preliminary work papers shall not be considered germane; however, all documentation upon which final budget decisions are made shall be considered germane and shall be included in the system.
- (3) Each branch of government shall transmit the prescribed forms, records, and detailed data authorized under KRS 48.950 to 48.960 on such schedule and dates as may be determined necessary by the General Assembly, the Legislative Research Commission or their appropriations committees or budget review committees.
- (4) The Legislative Research Commission shall make available the contents and data contained on electronic records in the automated central budget information system, upon request, to each branch of government.

- (5) At the request of the General Assembly, the Legislative Research Commission or their appropriations committees and budget review committees, the Legislative Research Commission shall issue a report, in electronic or print form, on the current and prospective budget condition and operations of the Commonwealth and its branch budget units.

**48.960 Conflicting provisions superseded--
Electronic imprint data as additional
data--Ownership of data.**

- (1) KRS 48.950 and 48.955 shall supersede all other provisions in law which may be in conflict, including but not limited to KRS Chapters 6, 7, 11, 12, 15, 18 and 18A, 27A, 42, 43, 44, 45, 46, 47, 48, 56, 58, 131, 152, 157, 164, 171, 174, and 177.
- (2) Data and records in electronic or print form which are authorized under KRS 48.950 and 48.955 shall be in addition to all other data, records and forms which may be provided by law, including but not limited to, KRS 42.005 to 42.990, 45.001 to 45.991, and 48.010 to 48.800.
- (3) The General Assembly declares that:
 - (a) All data collected by or in the custody of any budget unit resulting from the expenditure of appropriated funds and which is not confidential under law shall be deemed to be the property right of the Commonwealth; and
 - (b) No property right or privilege of confidentiality may be asserted or maintained by such custodial budget unit for the production of public records not exempted pursuant to KRS Chapter 61 which may be created and required pursuant to KRS 48.950 and 48.955.

**KRS CHAPTER 176
DEPARTMENT OF HIGHWAYS
(selected statutes)**

176.010 Definitions for chapter.

**176.430 Transportation Cabinet to study
needs of highways and develop**

recommended six (6) year road plan that identifies individual transportation projects -- Proposed biennial highway construction plan -- Factors to be considered in development of each project -- Monthly transmission of project data to General Assembly -- Cabinet may expend funds necessary to complete authorized projects -- Digitized maps.

176.433 State contingency funding code for six (6) year road plan.

176.440 State highway engineer to provide cost estimate for any project that legislator desires in six year road plan.

176.010 Definitions for chapter.

As used in this chapter, unless the context requires otherwise:

- (1) "Biennial highway construction plan" means the specifically identified individual transportation projects or portions thereof identified for funding during the upcoming biennium, which correspond to the first two (2) years of the six (6) year road plan;
- (2) "Department" means Department of Highways;
- (3) "Lowest and best bidder" includes the reciprocal resident bidder preference described in KRS 176.082;
- (4) "Project" means the design, right-of-way, utility, or construction phase of a highway construction project;
- (5) "Roads" includes highways, bridges, and bridge approaches; and
- (6) "Six (6) year road plan" means the plan developed under KRS 176.430.

176.430 Transportation Cabinet to study needs of highways and develop recommended six (6) year road plan that identifies individual transportation projects -- Proposed biennial highway construction plan -- Factors to be considered in development of each project -- Monthly transmission of project data to General Assembly -- Cabinet may expend funds necessary to complete authorized projects -- Digitized maps.

- (1) The Transportation Cabinet shall undertake a continuing study of the needs of the highways under its jurisdiction for the purpose of bringing existing facilities to acceptable standards or for the replacement of existing facilities when required.
- (2) The Transportation Cabinet shall develop a recommended six (6) year road plan that identifies the individual transportation projects or portions thereof that are scheduled to be constructed in each county. The recommended six (6) year road plan shall include a recommended biennial highway construction plan. The recommended six (6) year road plan and recommended biennial highway construction plan shall be submitted to the General Assembly as required by KRS 48.110(6)(f). The six (6) year road plan shall include but shall not be limited to the following information for each project:
 - (a) The county name;
 - (b) The Kentucky Transportation Cabinet project identification number;
 - (c) The route where the project is located;
 - (d) The length of the project;
 - (e) A description of the project and the scope of improvement;
 - (f) The type of local, state, or federal funds to be used on the project;
 - (g) The stage of development for the design, right-of-way, utility, and construction phase;
 - (h) The fiscal year in which each phase of the project should commence;
 - (i) The estimated cost for each phase of the project; and
 - (j) The estimated cost to complete the project.
- (3) The Transportation Cabinet shall identify projects in the six (6) year road plan that may, in accordance with this section, be advanced from later years, to maximize the use of all funds available to the cabinet, and to plan for the historical precedent of projects being delayed due to unforeseen circumstances. As required by KRS 48.110, the Governor shall submit to the General Assembly, as part of the proposed biennial highway construction plan, a list

- of projects from the last four (4) years of the six (6) year road plan, not to exceed ten percent (10%) of the recommended biennial highway construction appropriation, which can be advanced if additional money is received and all projects included in the enacted biennial highway construction plan have been advanced or completed to the extent possible.
- (4) In developing the design, right-of-way, utility, and construction phase of each project, the following factors shall be considered but are not exclusive:
- (a) Alignment of existing roads;
 - (b) The width or elevation of existing roadways and shoulder surfaces;
 - (c) The width of rights-of-way;
 - (d) The cost of each phase of the project plus a separate identification of the cabinet's administrative costs for each phase;
 - (e) The type and volume of traffic;
 - (f) The condition of structures and drainage;
 - (g) The accident rate;
 - (h) The geographic distribution of roadways to be constructed or reconstructed; and
 - (i) The social, economic, and environmental impact of the proposed project.
- (5) The Transportation Cabinet shall, on a monthly basis, transmit electronically to the General Assembly through the Legislative Research Commission a report on all activity relating to all projects with open activity conducted by the Transportation Cabinet during the biennium. The data for each project shall contain all cabinet activity on projects funded through the road fund, including resurfacing and rural and secondary projects, and shall also include but not be limited to the following:
- (a) District number and project item number, which shall remain in effect throughout the entire life of the project, subject to the following conditions:
 - 1. A project split into more than one (1) project during its life shall maintain the same item number with a suffix;
 - 2. Two (2) or more projects merged shall be identified by the new merged project maintaining the project item number of one (1) of the projects being merged. The total cost of the merged project shall be set forth; and
 - 3. A project that has been merged with another project and all funds authorized for the initial project that is subsequently shifted to the new merged project shall remain in the six (6) year road plan and shall be identified with a cross reference to the superseded project and superseded project item number;
 - (b) The county name and county number;
 - (c) The route prefix, route number, and route suffix;
 - (d) Termini description including beginning milepoint and ending milepoint;
 - (e) Type of work;
 - (f) Length of the project in miles;
 - (g) Project authorization system number, date the project was authorized, the TD-10 number authorizing the project, and the amount authorized;
 - (h) Year the project was enacted in a six (6) year road plan, and the notation "A" if the project is active and the notation "I" if the project is inactive;
 - (i) The phase code "P" for the planning phase, "D" for the design phase, "R" for the right-of-way phase, "U" for the utility phase, and "C" for the construction phase;
 - (j) The original estimate, fund code, and fiscal year each phase is expected to begin as enacted in the six (6) year road plan;
 - (k) The current estimate, fund code, and fiscal year each phase is expected to begin;

- (l) The status of funding for each phase;
 - (m) The date current information has been changed for each phase;
 - (n) The letting date for each phase;
 - (o) Total number of right-of-way parcels, deeds signed, suits filed, and right-of-way entries completed;
 - (p) The date right-of-way plans are to be submitted to the central office in Frankfort and the status of right-of-way plans;
 - (q) Total utility relocations to be completed and the actual number completed;
 - (r) The award date, the construction project code number, and the award amount for the construction phase;
 - (s) The total number of contract change orders issued for each phase, the date of the most recent change order, and the net change order amount for each phase;
 - (t) The name of the contractor, the contractor's vendor number in the Statewide accounting system, current contract amount, and the current amount earned by the contractor;
 - (u) The estimated date for completion of the project, current percentage of work completed based upon time, and the actual contract completion date;
 - (v) The department's engineer's estimate for the project; and
 - (w) Total expenditures by phase.
- (6) The department shall transmit on a monthly basis, electronic data to the General Assembly through the Legislative Research Commission on the activity on all state resurfacing projects and all rural secondary projects that shall include as much applicable information as possible as identified in subsection (5) of this section.
- (7) In implementing the enacted biennial highway construction plan, the Transportation Cabinet may expend funds necessary to complete the projects authorized, amended only by variations necessitated by bid or unforeseen circumstances.

- (8) The department shall pursue digitizing all Kentucky roads on a geographic information system as funds are made available by the General Assembly. The digitized maps shall merge map layers and text layers to produce maps that display geographic information and textual information detailing the six (6) year road plan as enacted by the General Assembly.

176.433 State contingency funding code for six (6) year road plan.

The Transportation Cabinet shall create a new funding code to be used in the six (6) year road plan to be known as state contingency funds and the abbreviation the cabinet shall use for this funding code shall be SC. The state contingency funding code shall be in addition to all other funding codes used by the cabinet in the six (6) year road plan and shall be used to identify all projects funded with state contingency account moneys.

176.440 State highway engineer to provide cost estimate for any project that legislator desires in six year road plan.

The state highway engineer shall provide a cost estimate for any project that a member of the General Assembly desires to be considered for advancement or inclusion in the six (6) year road plan.

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Appendix G

Schedule of Planned Contract Activity

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APPENDIX G

Schedule of Planned Contract Activity

Cabinet/Agency _____

Appropriation Unit _____

	FY 2017-18 Total Amount	FY 2018-19 Total Amount	FY 2019-20 Total Amount
Memorandum of Agreement			
Personal Service Contracts			
All Other /Misc. Contracts			

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