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Commonwealth of Kentucky

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	9,507,367,300	9,478,895,200	9,779,620,200	10,040,232,900	10,261,330,800
Surplus Expenditure Plan	121,722,500		25,600,900		
Special Appropriation	-97,295,800				
Current Year Appropriation	10,433,000		32,884,900		
Continuing Approp.-General Fund	57,456,023	157,286,322	156,424,000	112,087,000	96,104,600
Mandated Allotments	49,582,077	60,156,325	40,949,300		
Other	30,419,900	-50,935,967	-126,059,800		
Total General Fund	9,679,685,000	9,645,401,880	9,909,419,500	10,152,319,900	10,357,435,400
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	105,714,800	94,393,600	93,093,500	101,879,500	74,579,500
Continuing Approp.-Tobacco Settlement	37,651,100	45,099,647	45,573,400	450,500	2,505,300
Budget Reduction-General Fund Tobacco	-927,058		-47,393,700		
Other		9,125,278			
Total Tobacco Settlement - Phase I	142,438,842	148,618,525	91,273,200	102,330,000	77,084,800
Restricted Funds					
Balance Forward	770,341,186	898,753,512	673,196,446	401,086,546	287,405,246
Current Receipts	4,937,805,813	5,118,124,995	6,111,807,900	6,343,014,900	6,548,377,300
Non-Revenue Receipts	1,020,812,543	881,604,924	2,046,863,400	1,152,270,600	981,896,900
Fund Transfers	-116,489,729	-89,149,200	-75,022,800	-107,489,900	-77,476,700
Total Restricted Funds	6,612,469,813	6,809,334,231	8,756,844,946	7,788,882,146	7,740,202,746
Federal Funds					
Balance Forward	123,586,767	77,357,396	186,962,100	24,362,300	20,931,400
Current Receipts	9,230,006,968	9,157,280,570	9,918,363,000	10,893,653,900	11,203,128,400
Non-Revenue Receipts	-15,341,526	-384,929,171	-11,071,300	-2,068,700	3,054,100
ARRA Receipts	243,973,779	102,849,291	3,322,700		
Total Federal Funds	9,582,225,988	8,952,558,086	10,097,576,500	10,915,947,500	11,227,113,900
Road Fund					
Regular Appropriation	1,351,731,000	1,542,875,000	1,557,664,700	1,578,613,400	1,545,167,600
Surplus Expenditure Plan	67,517,612	50,311,839	17,718,000		
Current Year Appropriation	395,400				
Continuing Approp.-Road Fund	435,549,345	594,914,617			
Other	40,651,249	-3,267,719	-397,700		
Total Road Fund	1,895,844,606	2,184,833,737	1,574,985,000	1,578,613,400	1,545,167,600
TOTAL SOURCE OF FUNDS	27,912,664,249	27,740,746,459	30,430,099,146	30,538,092,946	30,947,004,446
EXPENDITURES BY CLASS					
Personnel Cost	5,992,298,099	6,200,134,187	6,396,274,300	6,629,633,351	6,778,329,599
Operating Expenses	2,382,683,237	2,383,779,356	3,172,269,000	3,261,317,564	3,350,413,251
Grants Loans Benefits	15,312,653,025	14,680,783,019	16,632,130,200	17,572,368,285	17,974,515,650
Debt Service	752,199,566	949,929,637	1,052,247,900	1,099,265,900	1,185,603,700
Capital Outlay	270,924,993	211,270,270	167,193,200	183,968,300	178,205,900
Construction	1,176,206,173	1,334,703,217	2,365,063,100	1,343,840,300	1,121,294,800
TOTAL EXPENDITURES	25,886,965,094	25,760,599,687	29,785,177,700	30,090,393,700	30,588,362,900
EXPENDITURES BY FUND SOURCE					
General Fund	9,332,236,465	9,423,146,076	9,718,636,200	10,021,117,900	10,239,997,000
Tobacco Settlement - Phase I	94,344,396	100,312,786	88,529,200	97,645,200	74,900,700
Restricted Funds	5,691,346,601	6,010,349,408	8,355,758,400	7,501,476,900	7,521,561,600
Federal Funds	9,504,870,092	8,763,835,019	10,073,214,200	10,895,016,100	11,210,211,800
Road Fund	1,264,167,540	1,462,956,398	1,549,039,700	1,575,137,600	1,541,691,800
TOTAL EXPENDITURES	25,886,965,094	25,760,599,687	29,785,177,700	30,090,393,700	30,588,362,900

EXPENDITURES BY UNIT

Executive Branch	25,488,288,686	25,353,983,622	29,352,593,000	29,646,598,600	30,139,403,600
Legislative Branch	48,982,015	48,855,355	54,515,000	56,878,800	58,286,700
Judicial Branch	349,694,393	357,760,710	378,069,700	386,916,300	390,672,600
TOTAL EXPENDITURES	<u>25,886,965,094</u>	<u>25,760,599,687</u>	<u>29,785,177,700</u>	<u>30,090,393,700</u>	<u>30,588,362,900</u>

Executive Branch

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	9,137,228,400	9,111,800,300	9,410,218,100	9,649,746,100	9,863,741,700
Surplus Expenditure Plan	121,722,500		25,600,900		
Special Appropriation	-97,295,800				
Current Year Appropriation	10,433,000		32,884,900		
Continuing Approp.-General Fund	42,806,313	143,049,215	133,777,900	98,294,200	84,633,000
Mandated Allotments	49,582,077	60,156,325	40,949,300		
Other	30,419,900	-50,935,967	-126,059,800		
Total General Fund	9,294,896,390	9,264,069,873	9,517,371,300	9,748,040,300	9,948,374,700
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	105,714,800	94,393,600	93,093,500	101,879,500	74,579,500
Continuing Approp.-Tobacco Settlement	37,651,100	45,099,647	45,573,400	450,500	2,505,300
Budget Reduction-General Fund Tobacco	-927,058		-47,393,700		
Other		9,125,278			
Total Tobacco Settlement - Phase I	142,438,842	148,618,525	91,273,200	102,330,000	77,084,800
Restricted Funds					
Balance Forward	746,178,470	876,197,737	652,037,800	387,206,500	280,065,100
Current Receipts	4,919,773,867	5,091,661,327	6,085,576,400	6,317,447,400	6,522,815,700
Non-Revenue Receipts	1,002,685,024	863,099,705	2,029,173,400	1,134,580,600	964,199,200
Fund Transfers	-116,474,729	-89,149,200	-75,022,800	-107,009,900	-77,476,700
Total Restricted Funds	6,552,162,632	6,741,809,569	8,691,764,800	7,732,224,600	7,689,603,300
Federal Funds					
Balance Forward	123,586,767	77,357,396	186,962,100	24,362,300	20,931,400
Current Receipts	9,226,499,968	9,153,035,570	9,915,233,800	10,890,054,600	11,199,517,200
Non-Revenue Receipts	-15,341,526	-384,929,171	-11,071,300	-2,068,700	3,054,100
ARRA Receipts	243,973,779	102,849,291	3,322,700		
Total Federal Funds	9,578,718,988	8,948,313,086	10,094,447,300	10,912,348,200	11,223,502,700
Road Fund					
Regular Appropriation	1,351,731,000	1,542,875,000	1,557,664,700	1,578,613,400	1,545,167,600
Surplus Expenditure Plan	67,517,612	50,311,839	17,718,000		
Current Year Appropriation	395,400				
Continuing Approp.-Road Fund	435,549,345	594,914,617			
Other	40,651,249	-3,267,719	-397,700		
Total Road Fund	1,895,844,606	2,184,833,737	1,574,985,000	1,578,613,400	1,545,167,600
TOTAL SOURCE OF FUNDS	27,464,061,458	27,287,644,790	29,969,841,600	30,073,556,500	30,483,733,100
EXPENDITURES BY CLASS					
Personnel Cost	5,761,612,419	5,961,322,281	6,141,016,300	6,355,602,851	6,499,084,899
Operating Expenses	2,214,914,133	2,216,109,041	2,998,392,300	3,094,852,964	3,183,998,651
Grants Loans Benefits	15,312,653,025	14,680,783,019	16,632,130,200	17,572,368,285	17,974,515,650
Debt Service	752,199,566	949,929,637	1,049,047,900	1,096,065,900	1,182,403,700
Capital Outlay	270,703,369	211,136,426	166,943,200	183,868,300	178,105,900
Construction	1,176,206,173	1,334,703,217	2,365,063,100	1,343,840,300	1,121,294,800
TOTAL EXPENDITURES	25,488,288,686	25,353,983,622	29,352,593,000	29,646,598,600	30,139,403,600
EXPENDITURES BY FUND SOURCE					
General Fund	8,974,818,463	9,067,141,002	9,340,380,800	9,630,239,500	9,844,380,700
Tobacco Settlement - Phase I	94,344,396	100,312,786	88,529,200	97,645,200	74,900,700
Restricted Funds	5,653,595,195	5,963,983,417	8,304,558,300	7,452,159,500	7,471,829,800
Federal Funds	9,501,363,092	8,759,590,019	10,070,085,000	10,891,416,800	11,206,600,600
Road Fund	1,264,167,540	1,462,956,398	1,549,039,700	1,575,137,600	1,541,691,800
TOTAL EXPENDITURES	25,488,288,686	25,353,983,622	29,352,593,000	29,646,598,600	30,139,403,600

EXPENDITURES BY UNIT

General Government	1,010,774,968	1,014,860,020	1,149,716,600	1,100,936,000	1,083,959,700
Economic Development	43,423,392	24,342,286	26,873,900	21,863,000	42,996,200
Department of Education	4,785,643,666	4,715,499,643	4,773,512,800	4,926,720,600	5,015,541,600
Education and Workforce Development	1,436,639,138	1,110,105,890	1,266,569,000	1,279,145,700	1,282,291,400
Energy and Environment	253,034,912	226,738,978	251,464,300	248,324,300	243,048,800
Finance and Administration	527,929,164	763,471,742	792,320,500	853,226,100	856,729,900
Health and Family Services	8,149,967,894	7,992,466,056	9,342,063,200	10,284,029,800	10,612,997,600
Justice and Public Safety	879,402,952	920,846,510	927,757,200	931,695,100	942,490,600
Labor	198,683,327	194,166,534	212,534,200	234,944,700	227,360,200
Personnel	61,732,001	55,678,866	61,343,500	63,473,300	64,800,700
Postsecondary Education	5,572,697,340	5,541,614,021	6,644,267,800	6,795,890,500	7,037,014,200
Public Protection	76,552,479	80,078,719	92,659,000	97,733,400	98,922,900
Tourism, Arts and Heritage	219,062,912	219,019,257	224,019,000	229,609,400	229,164,900
Transportation	2,271,544,540	2,495,095,100	3,587,492,000	2,579,006,700	2,402,084,900
TOTAL EXPENDITURES	25,487,088,686	25,353,983,622	29,352,593,000	29,646,598,600	30,139,403,600

General Government

General Government

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	611,613,100	656,766,600	724,502,800	683,024,800	665,706,500
State Salary and Compensation Allocation	8,239,000	290,600	581,400		
Current Year Appropriation	481,000				
Continuing Approp.-General Fund	68,217	203,765	313,600		
Mandated Allotments	25,168,232	23,996,400	22,716,800		
Other	30,419,900	-50,935,967	-77,030,600		
Total General Fund	675,989,449	630,321,398	671,084,000	683,024,800	665,706,500
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	17,691,600	18,850,600	16,291,800	33,614,100	14,733,700
Continuing Approp.-Tobacco Settlement	28,670,281	32,963,311	33,540,400	450,500	2,505,300
Budget Reduction-General Fund Tobacco			-16,481,100		
Reorganization Adjustment	2,050,000				
Other		6,265,246	-5,751,000		
Total Tobacco Settlement - Phase I	48,411,881	58,079,157	27,600,100	34,064,600	17,239,000
Restricted Funds					
Balance Forward	70,094,861	81,074,535	92,845,400	71,935,300	54,184,900
Current Receipts	121,981,016	126,434,147	192,342,600	172,534,700	190,015,600
Non-Revenue Receipts	56,852,628	57,098,154	50,117,900	64,122,400	64,318,100
Fund Transfers	-6,095,200	-3,400,000	-3,300,000	-3,800,000	-2,050,000
Total Restricted Funds	242,833,304	261,206,835	332,005,900	304,792,400	306,468,600
Federal Funds					
Balance Forward	20,040,510	18,569,559	16,447,600	10,776,000	5,643,600
Current Receipts	166,275,529	192,367,631	198,212,300	130,101,900	130,404,200
Non-Revenue Receipts	-3,406,677	-519,210			
ARRA Receipts	10,663,110	9,029,132	322,700		
Total Federal Funds	193,572,472	219,447,112	214,982,600	140,877,900	136,047,800
Road Fund					
Regular Appropriation	500,000	500,000	500,000	510,100	512,500
Total Road Fund	500,000	500,000	500,000	510,100	512,500
TOTAL SOURCE OF FUNDS	1,161,307,106	1,169,554,503	1,246,172,600	1,163,269,800	1,125,974,400
EXPENDITURES BY CLASS					
Personnel Cost	277,061,820	295,763,009	319,316,400	319,984,100	333,017,200
Operating Expenses	71,053,371	70,481,833	78,968,100	82,113,400	84,109,200
Grants Loans Benefits	461,419,716	441,354,441	494,361,800	429,083,500	389,129,200
Debt Service	194,190,907	203,231,744	251,981,100	260,119,000	270,233,700
Capital Outlay	5,609,037	2,675,181	5,089,200	9,636,000	7,470,400
Construction	1,440,118	1,353,811			
TOTAL EXPENDITURES	1,010,774,968	1,014,860,020	1,149,716,600	1,100,936,000	1,083,959,700
EXPENDITURES BY FUND SOURCE					
General Fund	649,017,212	618,485,944	657,789,800	683,024,800	665,706,500
Tobacco Settlement - Phase I	24,496,106	24,538,744	27,149,600	31,559,300	17,234,400
Restricted Funds	161,758,769	168,361,498	260,070,600	250,607,500	264,917,300
Federal Funds	175,002,913	202,973,834	204,206,600	135,234,300	135,589,000
Road Fund	499,969	500,000	500,000	510,100	512,500
TOTAL EXPENDITURES	1,010,774,968	1,014,860,020	1,149,716,600	1,100,936,000	1,083,959,700
EXPENDITURES BY UNIT					
Office of the Governor	7,421,863	7,735,788	9,127,900	8,902,000	9,004,200
Office of State Budget Director	3,050,183	3,154,327	3,316,900	3,273,000	3,437,700
State Planning Fund	173,200	158,700	158,700	150,800	150,800
Homeland Security	11,632,795	13,431,877	6,641,200	7,391,400	7,765,100

Department of Veterans' Affairs	46,629,460	52,018,523	53,106,300	58,712,500	68,529,000
Governor's Office of Agricultural Policy	24,441,388	23,379,093	25,076,300	29,890,600	15,275,400
Kentucky Infrastructure Authority	42,399,641	57,307,233	62,752,300	68,087,300	73,351,200
Military Affairs	128,579,166	128,708,653	175,624,000	97,245,600	97,797,800
Commission on Human Rights	1,886,617	2,064,271	1,972,300	1,948,200	1,983,800
Commission on Women	196,129	205,687	214,300	226,400	232,000
Department for Local Government	49,823,899	50,375,398	50,042,800	50,898,800	50,839,100
Local Government Economic Assistance Fund	68,862,814	55,134,265	50,838,500	50,207,700	48,690,000
Local Government Economic Development Fund	66,581,877	42,999,068	29,415,900	28,945,400	28,426,200
Area Development Fund	544,200	498,500	498,500	473,600	473,600
Executive Branch Ethics Commission	522,575	525,809	547,500	531,300	540,200
Secretary of State	2,648,732	2,897,540	3,164,500	3,432,000	3,689,900
Board of Elections	4,363,194	4,262,808	8,046,100	9,484,400	9,504,400
Registry of Election Finance	1,137,800	1,152,417	1,172,800	1,200,900	1,220,800
Attorney General	23,941,939	24,726,338	59,829,500	31,093,300	31,438,300
Unified Prosecutorial System	68,588,870	74,543,498	76,746,400	85,840,000	87,852,500
Treasury	2,791,622	2,777,821	3,202,700	3,266,700	3,344,500
Agriculture	26,865,394	28,482,120	31,297,800	32,503,200	32,891,300
Auditor of Public Accounts	10,480,108	11,539,245	12,048,600	12,763,900	12,996,700
Personnel Board	755,331	772,645	803,900	845,900	856,000
Kentucky Retirement Systems	38,126,294	38,209,101	38,855,900	40,930,800	41,306,800
Occupational & Professional Boards & Commissions	18,810,709	19,300,207	21,685,400	23,362,200	23,713,700
Kentucky River Authority	2,519,231	3,580,309	3,002,200	5,711,700	3,527,300
School Facilities Construction Commission	91,470,481	95,906,990	97,397,700	99,634,000	108,580,000
Teachers' Retirement System	247,199,761	253,817,942	307,628,200	338,956,000	311,515,000
Appropriations Not Otherwise Classified	17,643,517	14,630,237	15,501,500	5,026,400	5,026,400
TOTAL EXPENDITURES	1,010,088,791	1,014,296,412	1,149,716,600	1,100,936,000	1,083,959,700

**General Government
Office of the Governor**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,017,000	5,219,500	5,313,600	5,527,600	5,629,800
State Salary and Compensation Allocation	311,900	7,100	14,200		
Total General Fund	6,328,900	5,226,600	5,327,800	5,527,600	5,629,800
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I		1,950,600	1,912,500	1,912,500	1,912,500
Continuing Approp.-Tobacco Settlement	319,023	1,256,473	3,101,800		
Budget Reduction-General Fund Tobacco			-2,101,800		
Reorganization Adjustment	2,050,000				
Other		1,445,082			
Total Tobacco Settlement - Phase I	2,369,023	4,652,155	2,912,500	1,912,500	1,912,500
Restricted Funds					
Balance Forward	417,518	417,553	341,000	246,000	134,900
Current Receipts	35	7,690	16,100		
Total Restricted Funds	417,553	425,243	357,100	246,000	134,900
Federal Funds					
Current Receipts	366,652	464,484	453,800	1,350,800	1,350,800
Non-Revenue Receipts	93,244	-30,291			
ARRA Receipts	474,879	440,453	322,700		
Total Federal Funds	934,776	874,645	776,500	1,350,800	1,350,800
TOTAL SOURCE OF FUNDS	10,050,252	11,178,643	9,373,900	9,036,900	9,028,000
EXPENDITURES BY CLASS					
Personnel Cost	4,889,332	5,269,484	5,373,700	5,931,600	6,033,800
Operating Expenses	1,256,932	916,498	1,097,700	1,134,000	1,134,000
Grants Loans Benefits	1,275,599	1,549,806	2,656,500	1,836,400	1,836,400
TOTAL EXPENDITURES	7,421,863	7,735,788	9,127,900	8,902,000	9,004,200
EXPENDITURES BY FUND SOURCE					
General Fund	5,374,537	5,226,600	5,327,800	5,527,600	5,629,800
Tobacco Settlement - Phase I	1,112,550	1,550,303	2,912,500	1,912,500	1,912,500
Restricted Funds		84,240	111,100	111,100	111,100
Federal Funds	934,776	874,645	776,500	1,350,800	1,350,800
TOTAL EXPENDITURES	7,421,863	7,735,788	9,127,900	8,902,000	9,004,200
EXPENDITURES BY UNIT					
Governor	4,400,767	4,098,764	4,023,600	4,170,800	4,245,600
Governor's Office Expense Allowance	20,724	23,513	24,200	26,200	26,400
Lieutenant Governor	474,858	598,792	615,200	667,800	680,500
Lt. Governor's Expense Allowance	11,665	12,898	13,500	14,600	14,700
Secretary of the Cabinet	93,395	142,969	315,900	343,200	348,700
Kentucky Commission on Military Affairs	433,185	418,518	351,600	204,700	210,100
Office of Minority Empowerment	159,367	150,337	123,200	132,900	135,000
Faith Based Initiatives	65,272	70,105	71,800	78,500	79,900
Early Childhood Advisory Council	1,762,630	2,219,892	3,588,900	3,263,300	3,263,300
TOTAL EXPENDITURES	7,421,863	7,735,788	9,127,900	8,902,000	9,004,200

The Governor serves as the chief administrator of the Commonwealth and, in addition to other powers and duties, acts as Commander-in-Chief of all state military forces, makes appointments for vacancies to executive offices and memberships on boards and commissions authorized by statute, and has the power to grant pardons and commutations. As chief administrator of Kentucky, the Governor ensures that state government provides needed services to the citizens of the Commonwealth at minimum cost to the taxpayer.

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

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

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

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

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

The Early Childhood Advisory Council established in the Governor's Office in 2011 pursuant to KRS 200.700 coordinates development and continuing activities of Community Early Childhood Councils. The councils work toward implementation of Kentucky's long-range strategic plan for early childhood development on the local level. The councils build upon existing resources, foster public-private partnerships, and work within their communities toward such goals as the availability of high quality, accessible, and affordable early childhood care and education options. The Early Childhood Advisory Council provides technical assistance, monitoring, and evaluation of outcomes of the local partnerships.

Policy

The Budget of the Commonwealth includes a federal award for Race to the Top-Early Learning Challenge; Kentucky was one of six states to receive an award in December 2013. The grant funds will be used to expand the quality rating system of private and public early learning and development programs, support family engagement opportunities to improve a child's early development, expand professional development opportunities related to early learning and development, and improve and link early childhood data with the existing Kentucky Longitudinal Data System.

**General Government
Office of State Budget Director**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,143,600	2,963,100	3,021,900	3,133,400	3,195,400
State Salary and Compensation Allocation	135,000	4,600	9,200		
Total General Fund	3,278,600	2,967,700	3,031,100	3,133,400	3,195,400
Restricted Funds					
Balance Forward	857,778	854,278	667,700	381,900	242,300
Fund Transfers	-3,500				
Total Restricted Funds	854,278	854,278	667,700	381,900	242,300
TOTAL SOURCE OF FUNDS	4,132,878	3,821,978	3,698,800	3,515,300	3,437,700
EXPENDITURES BY CLASS					
Personnel Cost	2,582,718	2,596,001	2,820,400	2,791,500	2,938,700
Operating Expenses	467,465	558,326	496,500	481,500	499,000
TOTAL EXPENDITURES	3,050,183	3,154,327	3,316,900	3,273,000	3,437,700
EXPENDITURES BY FUND SOURCE					
General Fund	3,050,183	2,967,700	3,031,100	3,133,400	3,195,400
Restricted Funds		186,627	285,800	139,600	242,300
TOTAL EXPENDITURES	3,050,183	3,154,327	3,316,900	3,273,000	3,437,700
EXPENDITURES BY UNIT					
Budget & Policy Analysis	2,393,285	2,518,646	2,646,900	2,600,200	2,754,300
Policy Research	176,805	123,096	155,700	120,500	122,400
Economic Analysis	480,094	512,585	514,300	552,300	561,000
TOTAL EXPENDITURES	3,050,183	3,154,327	3,316,900	3,273,000	3,437,700

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

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

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

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

**General Government
State Planning Fund**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	179,400	158,700	158,700	150,800	150,800
Total General Fund	179,400	158,700	158,700	150,800	150,800
TOTAL SOURCE OF FUNDS	179,400	158,700	158,700	150,800	150,800
EXPENDITURES BY CLASS					
Grants Loans Benefits	173,200	158,700	158,700	150,800	150,800
TOTAL EXPENDITURES	173,200	158,700	158,700	150,800	150,800
EXPENDITURES BY FUND SOURCE					
General Fund	173,200	158,700	158,700	150,800	150,800
TOTAL EXPENDITURES	173,200	158,700	158,700	150,800	150,800
EXPENDITURES BY UNIT					
State Planning Fund	173,200	158,700	158,700	150,800	150,800
TOTAL EXPENDITURES	173,200	158,700	158,700	150,800	150,800

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

**General Government
Homeland Security**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	210,200	202,500	207,500	233,000	236,600
State Salary and Compensation Allocation	20,500	300	600		
Total General Fund	230,700	202,800	208,100	233,000	236,600
Restricted Funds					
Balance Forward	507,040	534,354	858,000	623,600	309,500
Current Receipts	1,104,264	1,055,870	1,090,900	1,726,300	2,162,900
Non-Revenue Receipts	508	252,392	200	300	400
Fund Transfers	-17,300				
Total Restricted Funds	1,594,513	1,842,615	1,949,100	2,350,200	2,472,800
Federal Funds					
Balance Forward	251,912	144,641	226,400	7,200	7,200
Current Receipts	10,012,365	12,076,168	4,638,400	4,857,600	4,857,600
Total Federal Funds	10,264,277	12,220,809	4,864,800	4,864,800	4,864,800
Road Fund					
Regular Appropriation	250,000	250,000	250,000	260,100	262,500
Total Road Fund	250,000	250,000	250,000	260,100	262,500
TOTAL SOURCE OF FUNDS	12,339,490	14,516,224	7,272,000	7,708,100	7,836,700
EXPENDITURES BY CLASS					
Personnel Cost	1,686,752	2,811,497	1,943,400	2,077,300	2,050,700
Operating Expenses	350,137	168,564	185,300	203,500	203,600
Grants Loans Benefits	9,595,907	10,451,815	4,512,500	5,110,600	5,510,800
TOTAL EXPENDITURES	11,632,795	13,431,877	6,641,200	7,391,400	7,765,100
EXPENDITURES BY FUND SOURCE					
General Fund	203,000	202,800	208,100	233,000	236,600
Restricted Funds	1,060,159	984,625	1,325,500	2,040,700	2,408,400
Federal Funds	10,119,636	11,994,452	4,857,600	4,857,600	4,857,600
Road Fund	250,000	250,000	250,000	260,100	262,500
TOTAL EXPENDITURES	11,632,795	13,431,877	6,641,200	7,391,400	7,765,100
EXPENDITURES BY UNIT					
Office of Homeland Security	10,970,965	11,732,343	5,916,600	5,951,600	5,957,600
Commerical Mobile Radio Service	661,830	1,699,533	724,600	1,439,800	1,807,500
TOTAL EXPENDITURES	11,632,795	13,431,877	6,641,200	7,391,400	7,765,100

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

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

**General Government
Veterans' Affairs**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	16,976,600	17,978,500	14,045,400	17,798,500	17,984,100
State Salary and Compensation Allocation	946,500	39,100	78,200		
Total General Fund	17,923,100	18,017,600	14,123,600	17,798,500	17,984,100
Restricted Funds					
Balance Forward	712,981	1,483,667	3,103,800	1,802,900	637,800
Current Receipts	32,738,530	35,763,177	37,681,800	39,748,900	50,310,200
Non-Revenue Receipts	1,816	-142,088			
Fund Transfers	-1,871,500				
Total Restricted Funds	31,581,827	37,104,756	40,785,600	41,551,800	50,948,000
TOTAL SOURCE OF FUNDS	49,504,927	55,122,356	54,909,200	59,350,300	68,932,100
EXPENDITURES BY CLASS					
Personnel Cost	38,026,370	42,971,881	43,974,100	49,508,900	57,196,000
Operating Expenses	7,939,423	8,367,885	8,325,300	8,441,800	10,458,700
Grants Loans Benefits	377,610	496,063	550,000	650,000	650,000
Debt Service	184,260			84,500	169,000
Capital Outlay	90,617	170,778	256,900	27,300	55,300
Construction	11,180	11,915			
TOTAL EXPENDITURES	46,629,460	52,018,523	53,106,300	58,712,500	68,529,000
EXPENDITURES BY FUND SOURCE					
General Fund	16,531,300	18,017,600	14,123,600	17,798,500	17,984,100
Restricted Funds	30,098,160	34,000,923	38,982,700	40,914,000	50,544,900
TOTAL EXPENDITURES	46,629,460	52,018,523	53,106,300	58,712,500	68,529,000
EXPENDITURES BY UNIT					
Field Services and Cemeteries	4,762,454	4,967,300	5,120,700	5,569,800	5,736,300
Kentucky Veterans' Centers	41,867,006	47,051,223	47,985,600	53,142,700	62,792,700
TOTAL EXPENDITURES	46,629,460	52,018,523	53,106,300	58,712,500	68,529,000

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

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

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

In April 2013, KDVA opened a 36-bed expansion at the Western Kentucky Veterans' Center that utilizes the new "Community Living Concept" recently required by the federal Veterans' Administration. Three 12-bed buildings will provide a more personalized care for its residents. A fourth 120-bed Veterans' Center, in Hardin County, began construction during the Fall of 2013 and will also utilize the "Community Living Concept."

The KDVA is required by KRS 40.315 to establish and maintain Kentucky state veterans' cemeteries. The Kentucky Veterans' Cemetery-West is located on Highway 41A south of Hopkinsville. The Veterans' Cemetery-Central in Ft. Knox opened in June 2007. The Veterans' Cemetery-North near Williamstown opened in early fiscal year 2009. The Veterans' Cemetery-Northeast in Greenup County opened in the fall of 2010. Each facility includes an administration building, a maintenance building with service area, committal facility, a columbarium, appropriate parking, road network, walking path and landscaping. The Veterans Cemetery-Southeast in Leslie County was authorized by the 2006 General Assembly and is in the process of site selection.

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

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

Policy

The Budget of the Commonwealth includes \$2,055,000 from the General Fund in fiscal year 2015 and \$1,600,000 in fiscal year 2016 for operation of the new Veterans' Center in Radcliff, Kentucky.

The Budget of the Commonwealth includes \$50,000 from the General Fund in fiscal year 2016 for operation of Kentucky Veterans' Cemetery in Leslie County.

The Budget of the Commonwealth provides General Fund in the amount of \$84,500 in fiscal year 2015 and \$169,000 in fiscal year 2016 for debt service on new bonds included in the capital budget.

General Government
Governor's Office of Agricultural Policy

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	17,691,600	16,900,000	14,379,300	31,101,600	12,221,200
Continuing Approp.-Tobacco Settlement	28,351,258	31,706,838	30,438,600	450,500	2,505,300
Budget Reduction-General Fund Tobacco			-14,379,300		
Other		4,820,164	-5,751,000		
Total Tobacco Settlement - Phase I	46,042,858	53,427,002	24,687,600	31,552,100	14,726,500
Restricted Funds					
Balance Forward	400,883	1,158,114	1,353,600	984,400	555,200
Current Receipts	519,004	586,138	120,000	114,600	124,300
Non-Revenue Receipts	474,300		350,000	300,000	100,000
Fund Transfers	-39,800				
Total Restricted Funds	1,354,387	1,744,251	1,823,600	1,399,000	779,500
Federal Funds					
Non-Revenue Receipts	-50,401				
ARRA Receipts	911,960				
Total Federal Funds	861,559				
TOTAL SOURCE OF FUNDS	48,258,804	55,171,253	26,511,200	32,951,100	15,506,000
EXPENDITURES BY CLASS					
Personnel Cost	1,597,720	1,622,269	1,622,600	1,789,300	1,817,500
Operating Expenses	294,128	394,137	370,100	360,000	360,000
Grants Loans Benefits	22,548,829	21,362,688	23,083,600	27,741,300	13,097,900
Construction	711				
TOTAL EXPENDITURES	24,441,388	23,379,093	25,076,300	29,890,600	15,275,400
EXPENDITURES BY FUND SOURCE					
Tobacco Settlement - Phase I	23,383,556	22,988,441	24,237,100	29,046,800	14,721,900
Restricted Funds	196,273	390,653	839,200	843,800	553,500
Federal Funds	861,559				
TOTAL EXPENDITURES	24,441,388	23,379,093	25,076,300	29,890,600	15,275,400
EXPENDITURES BY UNIT					
Governor's Office of Agricultural Policy	24,441,388	23,379,093	25,076,300	29,890,600	15,275,400
TOTAL EXPENDITURES	24,441,388	23,379,093	25,076,300	29,890,600	15,275,400

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

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

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

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

A portion of funds received into the Agriculture Development Fund are allocated for projects at the county level. The specific funding level of a county is dependent upon its tobacco-production dependency in relation to other counties within the state as

described in KRS 248.703(3). One hundred and eighteen of Kentucky's 120 counties receive a portion of county allocation. Each county has a council of local agriculture leaders who consider applications for grants from the county's share of funds and prioritizes them for the Agricultural Development Board, which has the final grant authority for each county's funds. The Board has developed several programs in which counties may participate. Funds are provided as matching grants.

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

Policy

The Budget of the Commonwealth suspends KRS 248.703(1)(a), and directs that the counties' portion of the Tobacco Settlement-Phase I payments will be \$19,350,000 in fiscal year 2015 and \$9,850,000 fiscal year 2016.

**General Government
Kentucky Infrastructure Authority**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,739,600	1,385,800	1,387,800	1,337,300	1,563,800
State Salary and Compensation Allocation	48,800	200	400		
Total General Fund	5,788,400	1,386,000	1,388,200	1,337,300	1,563,800
Restricted Funds					
Balance Forward	139,119	150,888	186,200		
Current Receipts	146,640	53,850	31,861,500	37,381,000	42,405,500
Non-Revenue Receipts	675,644	718,016			
Fund Transfers	-37,300				
Total Restricted Funds	924,103	922,754	32,047,700	37,381,000	42,405,500
Federal Funds					
Balance Forward	1	1			
Current Receipts	30,437,183	47,824,347	29,316,400	29,369,000	29,381,900
Non-Revenue Receipts	4,183	-4,183			
ARRA Receipts	5,481,360	7,364,520			
Total Federal Funds	35,922,728	55,184,684	29,316,400	29,369,000	29,381,900
TOTAL SOURCE OF FUNDS	42,635,231	57,493,438	62,752,300	68,087,300	73,351,200
EXPENDITURES BY CLASS					
Personnel Cost	2,686,935	2,709,279	2,870,200	2,886,200	2,910,600
Operating Expenses	149,653	138,134	310,500	320,300	320,300
Grants Loans Benefits	35,335,635	54,440,478	29,015,600	28,984,800	28,964,300
Debt Service	4,224,500		30,556,000	35,896,000	41,156,000
Construction	2,919	19,342			
TOTAL EXPENDITURES	42,399,641	57,307,233	62,752,300	68,087,300	73,351,200
EXPENDITURES BY FUND SOURCE					
General Fund	5,703,700	1,386,000	1,388,200	1,337,300	1,563,800
Restricted Funds	773,215	736,550	32,047,700	37,381,000	42,405,500
Federal Funds	35,922,727	55,184,683	29,316,400	29,369,000	29,381,900
TOTAL EXPENDITURES	42,399,641	57,307,233	62,752,300	68,087,300	73,351,200
EXPENDITURES BY UNIT					
Kentucky Infrastructure Authority	42,399,641	57,307,233	62,752,300	68,087,300	73,351,200
TOTAL EXPENDITURES	42,399,641	57,307,233	62,752,300	68,087,300	73,351,200

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

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

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

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

Fund B Revolving Loan/Grant Program – Loans are made to governmental entities that are unable to wholly finance a project through other public grant or loan programs, through commercial credit at reasonable rates, or from their own resources. The

loans are offered at or below market interest rates for a term not to exceed 30 years. Grants are available, but are reserved for borrowers facing both a financial hardship and an extreme health hazard.

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

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

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

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

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

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

Policy

The Budget of the Commonwealth includes General Fund appropriations in the amount of \$370,000 in fiscal year 2015 and \$370,000 in fiscal year 2016 from the Local Government Economic Development Fund to support services provided to coal producing counties by KIA.

Included in the General Fund appropriation is \$129,500 in fiscal year 2016 for debt service to support \$3,100,000 in bonds to match an estimated \$32,439,000 in Federal Funds for the Federally Assisted Wastewater Revolving Loan Fund program (Fund A).

Included in the General Fund appropriation is \$97,000 in fiscal year 2016 for debt service to support \$2,300,000 in bonds to match an estimated \$25,511,000 in Federal Funds for the Safe Drinking Water State Revolving Loan Fund program (Fund F).

Included in the capital budget is authorization for the Kentucky Infrastructure Authority to expend loan repayment receipts on deposit at the trustee bank to support Agency Leverage Bonds for the Wastewater Revolving Loan program (Fund A) and the Safe Drinking Water Revolving Loan program (Fund F).

**General Government
Military Affairs**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	8,947,900	8,513,600	8,674,700	9,347,000	9,330,700
State Salary and Compensation Allocation	486,500	19,300	38,600		
Mandated Allotments	12,500,000	12,500,000	12,500,000		
Total General Fund	21,934,400	21,032,900	21,213,300	9,347,000	9,330,700
Restricted Funds					
Balance Forward	20,584,375	21,526,695	24,342,000	17,269,000	14,157,200
Current Receipts	38,936,427	34,382,484	38,441,000	42,649,700	43,602,300
Non-Revenue Receipts	-1,080,113	-125,372	-4,217,700	482,300	482,300
Fund Transfers	-870,000			-1,500,000	
Total Restricted Funds	57,570,689	55,783,808	58,565,300	58,901,000	58,241,800
Federal Funds					
Balance Forward					151,300
Current Receipts	78,416,924	83,555,514	113,114,400	43,306,100	43,331,000
Non-Revenue Receipts	-2,751,908	-629,803			
Total Federal Funds	75,665,016	82,925,711	113,114,400	43,306,100	43,482,300
TOTAL SOURCE OF FUNDS	155,170,105	159,742,418	192,893,000	111,554,100	111,054,800
EXPENDITURES BY CLASS					
Personnel Cost	37,282,692	40,721,661	43,793,600	38,419,000	39,438,200
Operating Expenses	28,791,951	29,041,963	32,700,000	36,938,900	36,684,900
Grants Loans Benefits	55,581,872	55,215,282	93,760,400	14,040,800	13,740,800
Debt Service	1,777,734	1,795,032	1,795,200	1,838,700	1,925,700
Capital Outlay	5,104,942	1,872,031	3,574,800	6,008,200	6,008,200
Construction	39,975	62,685			
TOTAL EXPENDITURES	128,579,166	128,708,653	175,624,000	97,245,600	97,797,800
EXPENDITURES BY FUND SOURCE					
General Fund	16,870,155	14,341,139	21,213,300	9,347,000	9,330,700
Restricted Funds	36,043,995	31,441,803	41,296,300	44,743,800	45,234,900
Federal Funds	75,665,016	82,925,711	113,114,400	43,154,800	43,232,200
TOTAL EXPENDITURES	128,579,166	128,708,653	175,624,000	97,245,600	97,797,800
EXPENDITURES BY UNIT					
Statutory State Operations	25,300,139	31,285,102	30,195,600	30,226,400	30,137,800
Emergency Management	64,175,468	64,716,394	102,949,800	23,093,100	23,204,200
National Guard Operations	200,000	200,643	200,000	200,000	200,000
Emergency & Public Safety Operations	3,077,556	1,965,915	2,500,000		
Bluegrass Station	10,986,872	7,816,734	10,367,000	12,907,600	12,939,100
Central Clothing Distribution	23,347,831	20,714,006	27,270,300	28,271,700	28,632,000
Federal & Grant Operations	1,491,301	2,009,859	2,141,300	2,546,800	2,684,700
TOTAL EXPENDITURES	128,579,166	128,708,653	175,624,000	97,245,600	97,797,800

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

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

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

The Division of Emergency Management is responsible for all aspects of emergency management including planning, assessment,

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

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

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

The Department also operates Bluegrass Station in Fayette County, formerly the AVON Army Depot. The property was acquired by the Commonwealth in 1989 under the Base Re-alignment and Closure Act. This 777 acre facility includes more than 2.4 million square feet and houses 28 tenants that employ over 2,800 Kentuckians. Estimated economic impact of Bluegrass Station exceeds \$248,000,000 per fiscal year. Bluegrass Station is also home to the Logistic Operations Division's Central Clothing Distribution Facility which employs over 200 employees that are responsible for the complete supply chain management and logistics for clothing to all military units of the Army National Guard, Air National Guard, U.S. Marine Corps Reserve and the U.S. Navy Reserve.

The Youth Challenge Program is a 22-week residential development and training program for youth between 16 – 18 years of age who are high school dropouts, drug-free, unemployed and free of serious involvement in the criminal justice system. The program is operated by the Kentucky National Guard and is located in Hardin and Harlan Counties. The 2012-2014 enacted budget allows students accepted in the Challenge Program to be included in the student count used for determining state funding allocated to local school districts through the Support Education Excellence in Kentucky (SEEK) program. The district will calculate the SEEK Funds for the Challenge enrollees and transmit the funds to the Challenge Academy.

Policy

The Budget of the Commonwealth provides General Fund of \$43,500 in fiscal year 2015 and \$130,500 in fiscal year 2016 for debt service on new bonds included in the capital budget.

The Budget of the Commonwealth reallocates General Fund in the amount of \$500,000 in fiscal year 2015 and fiscal year 2016 from Juvenile Justice to Military Affairs to support the Youth Challenge Program.

The Budget of the Commonwealth provides General Fund in the amount of \$300,000 in fiscal year 2015 to provide a grant to the National Guard Foundation of Kentucky to support the National Guard Memorial.

**General Government
Commission on Human Rights**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,704,300	1,616,100	1,648,700	1,703,200	1,738,800
State Salary and Compensation Allocation	83,400	3,300	6,600		
Total General Fund	1,787,700	1,619,400	1,655,300	1,703,200	1,738,800
Federal Funds					
Balance Forward	129,593	416,563	74,500		
Current Receipts	513,733	128,670	242,500	245,000	245,000
Total Federal Funds	643,326	545,233	317,000	245,000	245,000
TOTAL SOURCE OF FUNDS	2,431,026	2,164,633	1,972,300	1,948,200	1,983,800
EXPENDITURES BY CLASS					
Personnel Cost	1,569,679	1,679,516	1,770,300	1,832,000	1,868,100
Operating Expenses	316,883	384,755	202,000	116,200	115,700
Construction	56				
TOTAL EXPENDITURES	1,886,617	2,064,271	1,972,300	1,948,200	1,983,800
EXPENDITURES BY FUND SOURCE					
General Fund	1,659,854	1,619,249	1,655,300	1,703,200	1,738,800
Federal Funds	226,763	445,022	317,000	245,000	245,000
TOTAL EXPENDITURES	1,886,617	2,064,271	1,972,300	1,948,200	1,983,800
EXPENDITURES BY UNIT					
General Administration and Support	680,300	710,609	687,400	692,200	703,900
Enforcement Branch	675,348	698,706	663,700	611,200	621,100
Research and Information	312,769	336,431	344,300	358,000	366,000
Legal Affairs	218,200	318,525	276,900	286,800	292,800
TOTAL EXPENDITURES	1,886,617	2,064,271	1,972,300	1,948,200	1,983,800

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

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

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

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

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

Policy

The Budget of the Commonwealth includes additional Federal Fund appropriation in fiscal year 2014 of \$83,400 to meet projected expenditures.

**General Government
Commission on Women**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	210,000	206,400	212,400	226,400	232,000
State Salary and Compensation Allocation	16,000	400	1,000		
Total General Fund	226,000	206,800	213,400	226,400	232,000
Restricted Funds					
Balance Forward	1,728	1,728	900		
Total Restricted Funds	1,728	1,728	900		
TOTAL SOURCE OF FUNDS	227,728	208,528	214,300	226,400	232,000
EXPENDITURES BY CLASS					
Personnel Cost	180,079	190,335	199,300	211,400	217,000
Operating Expenses	16,050	15,352	15,000	15,000	15,000
TOTAL EXPENDITURES	196,129	205,687	214,300	226,400	232,000
EXPENDITURES BY FUND SOURCE					
General Fund	196,129	204,903	213,400	226,400	232,000
Restricted Funds		785	900		
TOTAL EXPENDITURES	196,129	205,687	214,300	226,400	232,000
EXPENDITURES BY UNIT					
Commission on Women	196,129	205,687	214,300	226,400	232,000
TOTAL EXPENDITURES	196,129	205,687	214,300	226,400	232,000

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

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

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

**General Government
Department for Local Government**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	8,766,900	7,743,300	7,844,100	8,467,800	8,487,600
State Salary and Compensation Allocation	285,300	8,100	16,200		
Continuing Approp.-General Fund			63,700		
Mandated Allotments		63,700			
Total General Fund	9,052,200	7,815,100	7,924,000	8,467,800	8,487,600
Restricted Funds					
Balance Forward	150,656	121,302	215,800	144,400	73,000
Current Receipts	61,000	161,329	1,028,600	1,228,500	1,228,500
Total Restricted Funds	211,656	282,631	1,244,400	1,372,900	1,301,500
Federal Funds					
Balance Forward	3,955,315	2,323,619	747,900	498,600	249,300
Current Receipts	37,785,951	40,503,230	40,769,500	40,881,800	40,802,300
Non-Revenue Receipts	-344,812	-259,445			
ARRA Receipts	2,329,010	737,670			
Total Federal Funds	43,725,463	43,305,074	41,517,400	41,380,400	41,051,600
TOTAL SOURCE OF FUNDS	52,989,319	51,402,805	50,685,800	51,221,100	50,840,700
EXPENDITURES BY CLASS					
Personnel Cost	5,250,664	5,267,848	5,137,000	5,315,700	5,406,000
Operating Expenses	754,835	699,486	690,600	850,200	850,200
Grants Loans Benefits	43,524,399	44,408,065	44,215,200	44,732,900	44,582,900
Debt Service	294,000				
TOTAL EXPENDITURES	49,823,899	50,375,398	50,042,800	50,898,800	50,839,100
EXPENDITURES BY FUND SOURCE					
General Fund	8,331,700	7,751,400	7,924,000	8,467,800	8,487,600
Restricted Funds	90,354	66,786	1,100,000	1,299,900	1,299,900
Federal Funds	41,401,845	42,557,213	41,018,800	41,131,100	41,051,600
TOTAL EXPENDITURES	49,823,899	50,375,398	50,042,800	50,898,800	50,839,100
EXPENDITURES BY UNIT					
Operations	5,093,717	4,667,779	5,003,700	5,854,000	5,873,800
Grants	44,730,182	45,707,619	45,039,100	45,044,800	44,965,300
TOTAL EXPENDITURES	49,823,899	50,375,398	50,042,800	50,898,800	50,839,100

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

The Commissioner's Office formulates policy that governs programs administered by the Department. The office also serves as a liaison with state and federal agencies that deal with each of the Kentucky's 120 counties, 420 cities, 1500 special districts and the 15 Area Development Districts. The Trover Grant which brings University of Louisville medical students to the Western Kentucky Coal Fields for a portion of their residency is administered by the Commissioner's Office.

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

The Flood Control program also is administered by the Federal Grants Office. In partnership with federal and local agencies, the matching program lessens flood damage losses by providing structural and nonstructural assistance to Kentucky communities. The Fund ensures that matching funds required by the U.S. Army Corp of Engineers, Federal Emergency Management Agency, and Natural Resources Conservation Service are available for vital projects. The program provides matching dollars for federal grants for straight sewage pipe removal projects funded by the Personal Responsibility in a Desirable

Environment program.

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

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

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

Policy

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

Included in the General Fund appropriation is \$275,000 in each fiscal year for the support of the Mary Kendall Homes and \$275,000 in each year for the support of the Gateway Juvenile Diversion, these funds were shifted from the Department of Juvenile Justice. General Fund of \$50,000 was included in fiscal year 2015 for a grant to the Woodford County Fiscal Court to support a food pantry.

Included in the Restricted Funds appropriation in each fiscal year of the biennium is \$200,000 for administrative support of the Shaping Our Appalachian Region (SOAR) initiative.

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

General Government
Local Government Economic Assistance Fund

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	67,281,600	73,792,800	76,786,400	50,207,700	48,690,000
Other	1,581,300	-18,658,535	-25,947,900		
Total General Fund	68,862,900	55,134,265	50,838,500	50,207,700	48,690,000
TOTAL SOURCE OF FUNDS	68,862,900	55,134,265	50,838,500	50,207,700	48,690,000
EXPENDITURES BY CLASS					
Grants Loans Benefits	68,862,814	55,134,265	50,838,500	50,207,700	48,690,000
TOTAL EXPENDITURES	68,862,814	55,134,265	50,838,500	50,207,700	48,690,000
EXPENDITURES BY FUND SOURCE					
General Fund	68,862,814	55,134,265	50,838,500	50,207,700	48,690,000
TOTAL EXPENDITURES	68,862,814	55,134,265	50,838,500	50,207,700	48,690,000
EXPENDITURES BY UNIT					
County Coal Severance	38,937,762	32,602,687	28,601,800	28,246,800	27,393,000
Cities Coal Severance	4,295,393	3,599,191	3,050,300	3,012,500	2,921,400
County Mineral Severance	23,082,592	17,051,623	17,285,200	17,070,800	16,554,700
Cities Mineral Severance	2,547,067	1,880,764	1,901,200	1,877,600	1,820,900
TOTAL EXPENDITURES	68,862,814	55,134,265	50,838,500	50,207,700	48,690,000

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

The LGEAF coal severance tax program currently returns funds to an estimated 60 counties and approximately 248 cities at the end of each fiscal quarter. Kentucky law provides that an amount equal to 15 percent of the coal severance tax receipts be transferred to the LGEAF for subsequent allocation and distribution to local governments. Quarterly allocations are made to localities according to such criteria as population, income, the amount and distance coal is transported over local areas, and taxes collected from the county.

Additionally, the LGEAF minerals severance tax program currently returns funds to an estimated 102 counties and approximately 359 cities at the end of each fiscal quarter. Kentucky law provides that an amount equal to 50 percent of the other mineral tax receipts be transferred to the LGEAF for subsequent allocation and distribution to local governments. Quarterly allocations are made to localities according to such criteria as population, income, the amount and distance coal is transported over local areas, and taxes collected from the county.

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

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

**General Government
Local Government Economic Development Fund**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	37,743,300	75,276,500	80,498,600	28,945,400	28,426,200
Other	28,838,600	-32,277,432	-51,082,700		
Total General Fund	66,581,900	42,999,068	29,415,900	28,945,400	28,426,200
TOTAL SOURCE OF FUNDS	66,581,900	42,999,068	29,415,900	28,945,400	28,426,200
EXPENDITURES BY CLASS					
Grants Loans Benefits	66,581,877	42,999,068	29,415,900	28,945,400	28,426,200
TOTAL EXPENDITURES	66,581,877	42,999,068	29,415,900	28,945,400	28,426,200
EXPENDITURES BY FUND SOURCE					
General Fund	66,581,877	42,999,068	29,415,900	28,945,400	28,426,200
TOTAL EXPENDITURES	66,581,877	42,999,068	29,415,900	28,945,400	28,426,200
EXPENDITURES BY UNIT					
Economic Development Fund	66,581,877	42,999,068	29,415,900	28,945,400	28,426,200
TOTAL EXPENDITURES	66,581,877	42,999,068	29,415,900	28,945,400	28,426,200

The Local Government Economic Development Fund (LGEDF) in KRS 42.458-42.495 is a revenue-sharing program that was created by the 1992 Kentucky General Assembly to provide coal producing counties with the means to diversify their economies. The governing statute mandates that 35 percent of coal severance tax revenue be returned to coal producing counties. Two-thirds of the funds are distributed to individual county accounts using a formula based on coal severance taxes paid from the county, surplus labor rate, relative mining earnings, and relative mining employment. One-third of the dollars are reserved for the Multi-County Fund for joint projects. Currently, 34 counties receive coal severance allocations.

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

The accompanying chart illustrates the policy described below.

Off-the-Top Funding Items: Notwithstanding KRS 42.4582 and KRS 42.4585, \$1,000,000 in each fiscal year is provided to the Trover Clinic Grant through the Department for Local Government. Pursuant to KRS 164.7890 and KRS 164.7891, in each fiscal year, \$800,000 is provided for Pharmacy Scholarships and \$872,500 is provided to the Osteopathic Medicine Scholarship Program through the Kentucky Higher Education Assistance Authority.

Out-of-the-Middle Funding Items: The Budget of the Commonwealth provides funding to support the Read to Achieve Program in the Department of Education of \$2,100,000 each fiscal year, support services provided to coal producing counties by the Department of Local Government and the Kentucky Infrastructure Authority by allocating \$1,039,700 in each fiscal year, allocation of \$300,000 each fiscal year for a Mining Engineering Scholarship Program at the University of Kentucky, funding for the Robinson Scholars Program in the amount of \$1,000,000 in each fiscal year to the University of Kentucky, \$1,750,000 in each fiscal year to the Department of Education for enhancing education technology in local school districts within coal-producing counties, \$3,219,800 is provided each year of the 2014-16 biennium to the Mine Safety and Licensing budget to help implement mine safety statutory requirements, and \$500,000 is provided in each fiscal year for the Save the Children program. Debt service support of \$31,282,300 is provided as follows; \$4,617,900 each year for \$54,700,000 in schools facilities construction projects (2002-04), \$4,091,400 each year for \$54,765,000 for KIA water and sewer projects (2002-04), \$6,472,700 in each year for \$80,000,000 in KIA water and sewer projects (2004-06), \$8,562,300 in each year for part of the \$100,000,000 in KIA water and sewer projects (2006-08), and \$7,538,000 in each year for part of \$75,000,000 in KIA water and sewer projects (2008-10).

Multi-County Fund Items: The Budget of the Commonwealth finances the following items from the Multi-County Fund: \$2,000,000 in each year of the biennium to the Office of Drug Control Policy to support the Operation Unite grants in coal-producing counties, \$1,584,500 in fiscal year 2015 and \$1,423,800 in fiscal year 2016 to the Department for Energy Development and Independence to support energy research and development projects targeted solely to Kentucky's LGEDF eligible counties, \$200,000 in each fiscal year from the LGEDF Multi-County Fund to the Department for Local Government to be distributed to the 12 Multi-County Regional Industrial Park Authorities, \$25,000 in each fiscal year is provided to the Division of Oil and Gas for an update of the Best Practices Manual, \$200,000 in each fiscal year for administrative support of the Shaping Our Appalachian Region (SOAR) initiative, and \$2,000,000 in each year of the biennium for the Coal County College Completion Scholarship Program administered by the Kentucky Higher Education Assistance Authority.

Policy

The Budget of the Commonwealth includes \$2,000,000 in each fiscal year for the Regional Strategic Development Fund from the

portion of the Single County Fund allocated to counties in Eastern Kentucky. Single County funds allocated to Western Kentucky counties are not impacted by this initiative.

Notwithstanding KRS 42.4592 the quarterly allocation of moneys to the Local Government Economic Development Fund Multi-County Fund shall be made only after an additional \$3,856,200 in fiscal year 2015 and \$3,077,200 in fiscal year 2016 is distributed pursuant to KRS 42.4592 (1) (a) and (b).

A reimbursement in the amount of \$2,500,000 from the Lexington-Fayette Urban County Government will be distributed as a single county distribution pursuant to KRS 42.4592 (1) (a) and (b).

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

Severance Tax Dedicated Programs 2014-2016 Biennium

	FY 2014 Revised	FY 2015 Enacted	FY 2016 Enacted
Coal Severance Tax Resources			
Coal Severance Tax*	206,438,700	203,064,800	201,581,500
Less: Trover Clinic Grant	(1,000,000)	(1,000,000)	(1,000,000)
Less: Osteopathic Medicine Scholarship Program (KRS 164.7891)	(872,500)	(872,500)	(872,500)
Less: Pharmacy Scholarships (KRS 164.7890)		(800,000)	(800,000)
Total coal severance tax resources to be distributed	204,566,200	200,392,300	198,909,000
Local Government Economic Assistance Fund (LGEAF) Total Funds			
Coal Severance Tax Revenue (15% of Revenue)	30,684,900	30,058,900	29,836,400
Other Mineral Severance Tax Revenue (50% of Revenue)	22,075,300	20,148,800	18,853,600
Total LGEAF to be distributed	52,760,200	50,207,700	48,690,000
Local Government Economic Development Fund (LGEDF)			
Coal Severance (35% of amounts remaining to be distributed)	71,598,200	70,137,200	69,618,000
Less: Debt Service (Past Bond Appropriations 2002-2010)	(25,503,800)	(31,282,300)	(31,282,300)
Less: Read to Achieve (Education)	(3,000,000)	(2,100,000)	(2,100,000)
Less: School Technology in Coal Counties (Education)	(2,500,000)	(1,750,000)	(1,750,000)
Less: Robinson Scholars Program (UK)	(1,000,000)	(1,000,000)	(1,000,000)
Less: Mining Engineering Scholarship Program (UK)	(300,000)	(300,000)	(300,000)
Less: LGEDF Project Administration (DLG - KIA)	(1,039,700)	(1,039,700)	(1,039,700)
Less: Mine Safety (Natural Resources)	(7,552,000)	(3,219,800)	(3,219,800)
Less: Save the Children (Education)	(500,000)	(500,000)	(500,000)
Total LGEDF for County Distribution	30,202,700	28,945,400	28,426,200
Total LGEDF for Single County Calculation (66.7% of LGEDF Distribution)	20,135,100	19,296,900	18,950,800
Less: Regional Strategic Development Fund (Eastern Kentucky)		(2,000,000)	(2,000,000)
Plus: Transfer from Multi-County for Single County Distribution		3,856,200	3,077,200
Plus: Reimbursement from Lexington-Fayette Urban County Government		2,500,000	
Total LGEDF for Single County Distribution	20,135,100	23,653,100	20,028,000
Local Government Economic Development Multi-County Fund			
Multi-County Allocation (33.3% of LGEDF County Distribution)	10,067,600	9,648,500	9,475,400
Balance Forward from prior fiscal year	226,200	262,300	45,100
Total Multi-County Resources	10,293,800	9,910,800	9,520,500
Less: Debt Service - \$80m Water & Sewer Bonds 2004-06 (KIA)	(2,781,500)		
Less: Energy Research Grants (Energy Development & Independence)	(2,000,000)	(1,584,500)	(1,423,800)
Less: Operation Unite (Office of Drug Control Policy)	(2,000,000)	(2,000,000)	(2,000,000)
Less: Drug Courts (Office of Drug Control Policy)	(1,800,000)		
Less: Rupp Arena Renovation Planning and Design (Capital Project)	(1,250,000)		
Less: SOAR Administrative Costs (DLG)		(200,000)	(200,000)
Less: 12 Multi-County Regional Industrial Park Authorities	(200,000)	(200,000)	(200,000)
Less: Coal County College Completion Scholarship Program		(2,000,000)	(2,000,000)
Less: Update Best Practices Manual (Division of Oil and Gas)		(25,000)	(25,000)
Less: Distribution Back to Single County Fund		(3,856,200)	(3,077,200)
Balance	262,300	45,100	594,500

*Revenue numbers account for quarter lag

**General Government
Area Development Fund**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	563,900	498,500	498,500	473,600	473,600
Total General Fund	563,900	498,500	498,500	473,600	473,600
TOTAL SOURCE OF FUNDS	563,900	498,500	498,500	473,600	473,600
EXPENDITURES BY CLASS					
Grants Loans Benefits	544,200	498,500	498,500	473,600	473,600
TOTAL EXPENDITURES	544,200	498,500	498,500	473,600	473,600
EXPENDITURES BY FUND SOURCE					
General Fund	544,200	498,500	498,500	473,600	473,600
TOTAL EXPENDITURES	544,200	498,500	498,500	473,600	473,600
EXPENDITURES BY UNIT					
Area Development Fund	544,200	498,500	498,500	473,600	473,600
TOTAL EXPENDITURES	544,200	498,500	498,500	473,600	473,600

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

**General Government
Executive Branch Ethics Commission**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	447,200	438,700	447,300	455,000	463,200
State Salary and Compensation Allocation	22,000	500	1,000		
Total General Fund	469,200	439,200	448,300	455,000	463,200
Restricted Funds					
Balance Forward	90,309	77,809	55,000	19,600	9,800
Current Receipts	60,875	63,809	63,800	66,500	67,200
Total Restricted Funds	151,184	141,618	118,800	86,100	77,000
TOTAL SOURCE OF FUNDS	620,384	580,818	567,100	541,100	540,200
EXPENDITURES BY CLASS					
Personnel Cost	453,899	464,383	482,100	478,600	487,500
Operating Expenses	68,676	61,427	65,400	52,700	52,700
TOTAL EXPENDITURES	522,575	525,809	547,500	531,300	540,200
EXPENDITURES BY FUND SOURCE					
General Fund	449,200	439,149	448,300	455,000	463,200
Restricted Funds	73,375	86,660	99,200	76,300	77,000
TOTAL EXPENDITURES	522,575	525,809	547,500	531,300	540,200
EXPENDITURES BY UNIT					
Executive Branch Ethics Commission	522,575	525,809	547,500	531,300	540,200
TOTAL EXPENDITURES	522,575	525,809	547,500	531,300	540,200

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

**General Government
Secretary of State**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,753,700	1,646,100	1,681,900	1,634,500	1,662,800
State Salary and Compensation Allocation	115,000	3,400	6,800		
Total General Fund	1,868,700	1,649,500	1,688,700	1,634,500	1,662,800
Restricted Funds					
Balance Forward	1,042,777	1,541,186	2,256,400	2,185,300	1,373,800
Current Receipts	2,277,741	2,963,289	2,312,600	2,205,600	2,243,000
Fund Transfers	-800,000	-1,000,000	-1,000,000	-1,300,000	-1,300,000
Total Restricted Funds	2,520,518	3,504,474	3,569,000	3,090,900	2,316,800
Federal Funds					
Current Receipts			92,100	80,400	277,000
Total Federal Funds			92,100	80,400	277,000
TOTAL SOURCE OF FUNDS	4,389,218	5,153,974	5,349,800	4,805,800	4,256,600
EXPENDITURES BY CLASS					
Personnel Cost	2,088,324	2,074,184	2,406,300	2,684,400	2,800,400
Operating Expenses	553,335	621,673	744,400	726,600	869,500
Grants Loans Benefits		1,100			
Capital Outlay	7,073	200,584	13,800	21,000	20,000
TOTAL EXPENDITURES	2,648,732	2,897,540	3,164,500	3,432,000	3,689,900
EXPENDITURES BY FUND SOURCE					
General Fund	1,669,400	1,649,500	1,688,700	1,634,500	1,662,800
Restricted Funds	979,332	1,248,040	1,383,700	1,717,100	1,750,100
Federal Funds			92,100	80,400	277,000
TOTAL EXPENDITURES	2,648,732	2,897,540	3,164,500	3,432,000	3,689,900
EXPENDITURES BY UNIT					
General Administration	1,528,308	1,536,399	1,958,700	2,201,700	2,431,700
General Operations	1,120,424	1,361,142	1,205,800	1,230,300	1,258,200
TOTAL EXPENDITURES	2,648,732	2,897,540	3,164,500	3,432,000	3,689,900

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

The Office of the Secretary of State consists of the following organizational units: the Office of Business; Office of Elections; and the Office of Administration.

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

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

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

Policy

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

**General Government
Board of Elections**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,891,200	3,907,900	2,514,600	4,027,100	4,047,200
State Salary and Compensation Allocation	50,700	1,900	3,800		
Mandated Allotments	16,200	29,100	6,200		
Total General Fund	3,958,100	3,938,900	2,524,600	4,027,100	4,047,200
Restricted Funds					
Balance Forward	621,827	649,251	652,200	458,000	251,800
Current Receipts	57,729	24,397	21,800	39,800	39,800
Fund Transfers	-1,200				
Total Restricted Funds	678,355	673,648	674,000	497,800	291,600
Federal Funds					
Balance Forward	15,703,671	15,684,736	15,398,800	10,270,200	5,235,800
Current Receipts	443,321	16,888	176,900	176,900	176,900
Total Federal Funds	16,146,993	15,701,624	15,575,700	10,447,100	5,412,700
TOTAL SOURCE OF FUNDS	20,783,448	20,314,172	18,774,300	14,972,000	9,751,500
EXPENDITURES BY CLASS					
Personnel Cost	978,658	849,763	1,373,800	1,408,100	1,428,200
Operating Expenses	581,783	549,557	1,230,800	1,251,500	1,251,500
Grants Loans Benefits	2,802,753	2,863,488	5,441,500	6,824,800	6,824,700
TOTAL EXPENDITURES	4,363,194	4,262,808	8,046,100	9,484,400	9,504,400
EXPENDITURES BY FUND SOURCE					
General Fund	3,871,833	3,938,460	2,524,600	4,027,100	4,047,200
Restricted Funds	29,104	21,530	216,000	246,000	246,000
Federal Funds	462,257	302,818	5,305,500	5,211,300	5,211,200
TOTAL EXPENDITURES	4,363,194	4,262,808	8,046,100	9,484,400	9,504,400
EXPENDITURES BY UNIT					
General Administration and Support	1,224,948	1,232,686	1,250,100	1,298,100	1,318,200
State Share of County Election Expenses	1,398,934	1,434,048	6,200	1,490,700	1,490,700
State Share of Voter Registration Expenses	1,270,299	1,282,140	1,288,300	1,288,300	1,288,300
Election Fund	469,013	310,414	5,501,500	5,407,300	5,407,200
TOTAL EXPENDITURES	4,363,194	4,259,288	8,046,100	9,484,400	9,504,400

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

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

General Administration and Support

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

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

State Share of County Election Expenses

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

The state currently has 3,632 precincts with over 3 million registered voters. The number of precincts increases as voter registration totals increase and as reapportionment of county commissioner/magisterial districts and congressional and state redistricting occur.

State Share of Voter Registration Expenses

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

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

Election Fund

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

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

Policy

The Budget of the Commonwealth includes General Fund in the amount of \$1,490,700 in fiscal year 2015 and \$1,490,700 in fiscal year 2016 for the State Share of County Election Expenses.

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

**General Government
Registry of Election Finance**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,165,900	1,146,900	1,168,600	1,200,900	1,220,800
State Salary and Compensation Allocation	58,800	2,100	4,200		
Total General Fund	1,224,700	1,149,000	1,172,800	1,200,900	1,220,800
Restricted Funds					
Balance Forward			500	500	500
Current Receipts		4,266			
Total Restricted Funds		4,266	500	500	500
TOTAL SOURCE OF FUNDS	1,224,700	1,153,266	1,173,300	1,201,400	1,221,300
EXPENDITURES BY CLASS					
Personnel Cost	990,832	1,056,532	1,048,400	1,027,900	1,047,800
Operating Expenses	146,968	95,886	124,400	173,000	173,000
TOTAL EXPENDITURES	1,137,800	1,152,417	1,172,800	1,200,900	1,220,800
EXPENDITURES BY FUND SOURCE					
General Fund	1,137,800	1,148,661	1,172,800	1,200,900	1,220,800
Restricted Funds		3,756			
TOTAL EXPENDITURES	1,137,800	1,152,417	1,172,800	1,200,900	1,220,800
EXPENDITURES BY UNIT					
Registry of Election Finance	1,137,800	1,152,417	1,172,800	1,200,900	1,220,800
TOTAL EXPENDITURES	1,137,800	1,152,417	1,172,800	1,200,900	1,220,800

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

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

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

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

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

**General Government
Attorney General**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	10,752,500	10,084,300	10,292,300	10,438,600	10,622,700
State Salary and Compensation Allocation	614,700	17,200	34,400		
Mandated Allotments		85,400			
Total General Fund	11,367,200	10,186,900	10,326,700	10,438,600	10,622,700
Restricted Funds					
Balance Forward	9,008,142	12,451,070	18,406,600	16,555,900	10,726,200
Current Receipts	7,376,011	11,049,004	38,353,200	3,793,400	3,883,700
Non-Revenue Receipts	6,595,690	6,295,526	6,020,800	7,306,100	7,325,100
Fund Transfers	-196,700				
Total Restricted Funds	22,783,143	29,795,599	62,780,600	27,655,400	21,935,000
Federal Funds					
Balance Forward	18				
Current Receipts	2,213,469	2,544,780	3,278,100	3,725,500	3,870,300
Non-Revenue Receipts	-167,071	119,150			
ARRA Receipts	1,318,449	486,489			
Total Federal Funds	3,364,865	3,150,420	3,278,100	3,725,500	3,870,300
TOTAL SOURCE OF FUNDS	37,515,209	43,132,919	76,385,400	41,819,500	36,428,000
EXPENDITURES BY CLASS					
Personnel Cost	16,386,517	16,842,252	27,593,900	21,817,800	22,190,900
Operating Expenses	2,193,795	3,026,437	3,631,300	3,194,100	3,166,000
Grants Loans Benefits	5,328,144	4,704,635	28,581,200	6,028,300	6,028,300
Capital Outlay	33,483	153,013	23,100	53,100	53,100
TOTAL EXPENDITURES	23,941,939	24,726,338	59,829,500	31,093,300	31,438,300
EXPENDITURES BY FUND SOURCE					
General Fund	10,245,000	10,186,900	10,326,700	10,438,600	10,622,700
Restricted Funds	10,332,073	11,389,060	46,224,700	16,929,200	16,945,300
Federal Funds	3,364,865	3,150,377	3,278,100	3,725,500	3,870,300
TOTAL EXPENDITURES	23,941,939	24,726,338	59,829,500	31,093,300	31,438,300
EXPENDITURES BY UNIT					
Administrative Services	4,195,546	3,596,056	3,850,800	3,943,300	4,018,400
Criminal Services	7,622,722	8,600,013	9,500,300	10,277,800	10,408,200
Advocacy Services	3,318,822	4,184,956	36,892,400	6,264,600	6,323,400
Civil Services	2,512,442	2,594,535	2,611,000	3,551,500	3,613,200
Uninsured Employers Fund	6,292,408	5,750,778	6,975,000	7,056,100	7,075,100
TOTAL EXPENDITURES	23,941,939	24,726,338	59,829,500	31,093,300	31,438,300

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

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

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

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

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

**General Government
Commonwealth's Attorneys**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	35,272,000	38,867,700	39,630,700	44,536,800	45,444,800
State Salary and Compensation Allocation	1,987,800	67,000	134,000		
Current Year Appropriation	243,000				
Total General Fund	37,502,800	38,934,700	39,764,700	44,536,800	45,444,800
Restricted Funds					
Balance Forward	990,280	1,117,875	1,156,100	922,000	761,000
Current Receipts	1,228,530	1,184,346	1,339,600	1,496,900	1,545,100
Non-Revenue Receipts			-13,300		
Total Restricted Funds	2,218,810	2,302,220	2,482,400	2,418,900	2,306,100
Federal Funds					
Balance Forward		-113,822			
Current Receipts	79,960	58,861	55,300	46,000	48,800
Non-Revenue Receipts	-179,461	111,483			
ARRA Receipts	135,308				
Total Federal Funds	35,807	56,523	55,300	46,000	48,800
TOTAL SOURCE OF FUNDS	39,757,417	41,293,443	42,302,400	47,001,700	47,799,700
EXPENDITURES BY CLASS					
Personnel Cost	33,199,933	35,596,350	37,108,200	41,824,500	42,776,700
Operating Expenses	3,880,228	4,529,035	4,257,200	4,376,400	4,401,200
Grants Loans Benefits	16,557	11,910	15,000	39,800	30,000
Capital Outlay	6,847				
TOTAL EXPENDITURES	37,103,564	40,137,295	41,380,400	46,240,700	47,207,900
EXPENDITURES BY FUND SOURCE					
General Fund	35,853,000	38,934,700	39,764,700	44,536,800	45,444,800
Restricted Funds	1,100,935	1,146,072	1,560,400	1,657,900	1,714,300
Federal Funds	149,629	56,522	55,300	46,000	48,800
TOTAL EXPENDITURES	37,103,564	40,137,295	41,380,400	46,240,700	47,207,900
EXPENDITURES BY UNIT					
Commonwealth's Attorneys	37,103,564	40,137,295	41,380,400	46,240,700	47,207,900
TOTAL EXPENDITURES	37,103,564	40,137,295	41,380,400	46,240,700	47,207,900

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

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

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

Policy

The Budget of the Commonwealth provided an additional \$1,378,900 in fiscal year 2015 and \$1,507,000 in fiscal year 2016 from the General Fund. This represents a 3 percent increase in the operating budget.

**General Government
County Attorneys**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	30,242,100	33,596,300	34,308,200	38,653,400	39,640,500
State Salary and Compensation Allocation	1,808,400	72,400	144,800		
Current Year Appropriation	238,000				
Total General Fund	32,288,500	33,668,700	34,453,000	38,653,400	39,640,500
Restricted Funds					
Balance Forward	285,289	300,759	344,900	364,900	357,900
Current Receipts	311,085	305,859	354,000	372,000	380,000
Total Restricted Funds	596,374	606,618	698,900	736,900	737,900
Federal Funds					
Balance Forward		113,822			
Current Receipts	562,369	362,029	579,000	566,900	566,900
ARRA Receipts	12,143				
Total Federal Funds	574,512	475,851	579,000	566,900	566,900
TOTAL SOURCE OF FUNDS	33,459,386	34,751,169	35,730,900	39,957,200	40,945,300
EXPENDITURES BY CLASS					
Personnel Cost	30,579,349	33,283,178	34,538,100	38,357,700	39,388,100
Operating Expenses	905,706	1,123,026	827,900	1,241,600	1,256,500
Grants Loans Benefits	250				
TOTAL EXPENDITURES	31,485,305	34,406,203	35,366,000	39,599,300	40,644,600
EXPENDITURES BY FUND SOURCE					
General Fund	30,729,000	33,668,700	34,453,000	38,653,400	39,640,500
Restricted Funds	295,615	261,652	334,000	379,000	437,200
Federal Funds	460,690	475,852	579,000	566,900	566,900
TOTAL EXPENDITURES	31,485,305	34,406,203	35,366,000	39,599,300	40,644,600
EXPENDITURES BY UNIT					
County Attorneys	31,485,305	34,406,203	35,366,000	39,599,300	40,644,600
TOTAL EXPENDITURES	31,485,305	34,406,203	35,366,000	39,599,300	40,644,600

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

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

Policy

The Budget of the Commonwealth provided an additional \$832,600 in fiscal year 2015 and \$1,045,600 in fiscal year 2016 from the General Fund. This represents a 2 percent increase in the operating budget.

	General Government Treasury				
	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,629,700	1,725,400	1,766,400	1,778,300	1,818,600
State Salary and Compensation Allocation	157,200	3,400	6,800		
Total General Fund	1,786,900	1,728,800	1,773,200	1,778,300	1,818,600
Restricted Funds					
Balance Forward	100,395	133,912	270,800		
Non-Revenue Receipts	992,100	935,900	908,700	1,238,400	1,275,900
Fund Transfers	-61,200				
Total Restricted Funds	1,031,295	1,069,812	1,179,500	1,238,400	1,275,900
Road Fund					
Regular Appropriation	250,000	250,000	250,000	250,000	250,000
Total Road Fund	250,000	250,000	250,000	250,000	250,000
TOTAL SOURCE OF FUNDS	3,068,195	3,048,612	3,202,700	3,266,700	3,344,500
EXPENDITURES BY CLASS					
Personnel Cost	2,264,844	2,249,910	2,574,700	2,613,400	2,668,000
Operating Expenses	520,865	509,697	610,200	619,600	633,900
Capital Outlay	4,974	18,064	17,800	33,700	42,600
Construction	940	150			
TOTAL EXPENDITURES	2,791,622	2,777,821	3,202,700	3,266,700	3,344,500
EXPENDITURES BY FUND SOURCE					
General Fund	1,644,270	1,728,800	1,773,200	1,778,300	1,818,600
Restricted Funds	897,383	799,021	1,179,500	1,238,400	1,275,900
Road Fund	249,969	250,000	250,000	250,000	250,000
TOTAL EXPENDITURES	2,791,622	2,777,821	3,202,700	3,266,700	3,344,500
EXPENDITURES BY UNIT					
General Administration and Support	1,160,207	1,209,400	1,204,900	1,140,000	1,162,000
Disbursements and Accounting	734,032	769,400	818,300	888,300	906,600
Abandoned Property Administration	897,383	799,021	1,179,500	1,238,400	1,275,900
TOTAL EXPENDITURES	2,791,622	2,777,821	3,202,700	3,266,700	3,344,500

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

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

The General Administration and Support Division provides management support for Treasury including: fiscal control, personnel administration, and policy development and implementation. The Division issues over 4,200,000 checks and stubs each year, sends over 7,700,000 ACH payments, reconciles the various Commonwealth bank accounts, reconciles daily with the State Depository, administers and records court-ordered withholdings, and produces wire transfers for state government.

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

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

Policy

Restricted Funds are provided in accordance with KRS 393.250 for the administration of the Unclaimed Property program in the

amount of \$1,238,400 in fiscal year 2015 and \$1,275,900 in fiscal year 2016. This action reflects the movement of available off-budget Restricted Funds to on-budget status to support ongoing activities of the program.

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

**General Government
Agriculture**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	16,924,800	15,815,200	16,089,400	16,382,600	16,690,900
State Salary and Compensation Allocation	714,000	32,700	65,400		
Continuing Approp.-General Fund	64,071	203,765	249,900		
Total General Fund	17,702,871	16,051,665	16,404,700	16,382,600	16,690,900
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I				600,000	600,000
Total Tobacco Settlement - Phase I				600,000	600,000
Restricted Funds					
Balance Forward	8,183,063	9,897,620	10,327,300	8,852,800	6,568,000
Current Receipts	5,992,855	6,108,742	6,167,600	6,059,900	6,034,900
Non-Revenue Receipts	1,340,841	1,994,582	1,755,100	1,680,000	1,630,000
Fund Transfers	-410,400				
Total Restricted Funds	15,106,359	18,000,944	18,250,000	16,592,700	14,232,900
Federal Funds					
Balance Forward					
Current Receipts	5,443,602	4,832,660	5,495,900	5,495,900	5,495,700
Non-Revenue Receipts	-10,452	173,879			
Total Federal Funds	5,433,150	5,006,539	5,495,900	5,495,900	5,495,700
TOTAL SOURCE OF FUNDS	38,242,380	39,059,148	40,150,600	39,071,200	37,019,500
EXPENDITURES BY CLASS					
Personnel Cost	16,105,172	17,260,988	18,300,100	19,414,300	19,804,000
Operating Expenses	5,606,825	5,972,380	6,506,900	6,054,300	6,054,100
Grants Loans Benefits	4,641,445	5,078,395	5,823,900	6,277,300	6,277,400
Capital Outlay	34,456	157,248	666,900	757,300	755,800
Construction	477,497	13,111			
TOTAL EXPENDITURES	26,865,394	28,482,120	31,297,800	32,503,200	32,891,300
EXPENDITURES BY FUND SOURCE					
General Fund	16,223,505	15,801,748	16,404,700	16,382,600	16,690,900
Tobacco Settlement - Phase I				600,000	600,000
Restricted Funds	5,208,739	7,673,834	9,397,200	10,024,700	10,104,700
Federal Funds	5,433,150	5,006,539	5,495,900	5,495,900	5,495,700
TOTAL EXPENDITURES	26,865,394	28,482,120	31,297,800	32,503,200	32,891,300
EXPENDITURES BY UNIT					
Strategic Planning and Administration	3,644,573	3,835,953	3,827,600	4,172,500	4,225,100
Motor Fuel Inspection and Testing	833,483	127,635	172,900	187,300	191,500
Consumer and Environmental Programs	11,791,016	13,549,782	14,699,800	15,586,800	15,771,900
State Veterinarian	3,218,876	3,423,115	3,862,100	3,940,500	4,007,900
Animal Control	123,656	141,074	160,300	100,000	100,000
Market Promotion and Protection	68,598	42,505	42,000	42,000	42,000
Farmland Preservation	492,839	17,477	351,600	350,000	350,000
Agriculture Marketing and Product Promotion	6,442,302	7,004,015	7,541,900	7,724,100	7,802,900
Small Winery Support Fund	250,050	340,563	639,600	400,000	400,000
TOTAL EXPENDITURES	26,865,394	28,482,120	31,297,800	32,503,200	32,891,300

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

The Office of the Commissioner provides leadership and management for the Department, and includes the Division of Public

Relations. The Office for Strategic Planning and Administration is responsible for personnel functions, budgeting, financial operation, and information technology systems.

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

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

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

Policy

The Budget of the Commonwealth includes Tobacco Funds of \$600,000 in each fiscal year to support the "Farms to Food Banks" program.

**General Government
Auditor of Public Accounts**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,579,500	4,401,100	4,479,000	4,681,800	4,775,300
State Salary and Compensation Allocation	346,700	6,700	13,400		
Mandated Allotments		60,000			
Total General Fund	4,926,200	4,467,800	4,492,400	4,681,800	4,775,300
Restricted Funds					
Balance Forward	38,694				
Current Receipts	6,392,114	7,071,455	7,556,200	8,082,100	8,221,400
Fund Transfers	-384,600				
Total Restricted Funds	6,046,209	7,071,455	7,556,200	8,082,100	8,221,400
TOTAL SOURCE OF FUNDS	10,972,409	11,539,255	12,048,600	12,763,900	12,996,700
EXPENDITURES BY CLASS					
Personnel Cost	9,398,827	10,420,429	10,895,900	11,549,500	11,782,300
Operating Expenses	1,081,282	1,118,817	1,152,700	1,214,400	1,214,400
TOTAL EXPENDITURES	10,480,108	11,539,245	12,048,600	12,763,900	12,996,700
EXPENDITURES BY FUND SOURCE					
General Fund	4,433,900	4,467,800	4,492,400	4,681,800	4,775,300
Restricted Funds	6,046,208	7,071,445	7,556,200	8,082,100	8,221,400
TOTAL EXPENDITURES	10,480,108	11,539,245	12,048,600	12,763,900	12,996,700
EXPENDITURES BY UNIT					
Auditor of Public Accounts	1,190,800	1,190,800	1,370,700	1,511,700	1,538,000
Financial Audit	7,643,008	8,695,445	8,876,200	9,395,700	9,567,300
Technology and Specialized Audits	1,646,300	1,653,000	1,801,700	1,856,500	1,891,400
TOTAL EXPENDITURES	10,480,108	11,539,245	12,048,600	12,763,900	12,996,700

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

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

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

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

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

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

**General Government
Personnel Board**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	53,500	2,228	20,800	21,800	27,500
Current Receipts	725,359	791,253	803,900	850,600	850,600
Non-Revenue Receipts			1,000	1,000	1,000
Fund Transfers	-21,300				
Total Restricted Funds	757,559	793,481	825,700	873,400	879,100
TOTAL SOURCE OF FUNDS	757,559	793,481	825,700	873,400	879,100
EXPENDITURES BY CLASS					
Personnel Cost	659,481	643,179	649,600	690,000	700,100
Operating Expenses	95,850	129,466	154,300	155,900	155,900
TOTAL EXPENDITURES	755,331	772,645	803,900	845,900	856,000
EXPENDITURES BY FUND SOURCE					
Restricted Funds	755,331	772,645	803,900	845,900	856,000
TOTAL EXPENDITURES	755,331	772,645	803,900	845,900	856,000
EXPENDITURES BY UNIT					
Personnel Board	755,331	772,645	803,900	845,900	856,000
TOTAL EXPENDITURES	755,331	772,645	803,900	845,900	856,000

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

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

Policy

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

**General Government
Kentucky Retirement Systems**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	2,164,114	2,435,202	44,700		
Current Receipts	11,444	8,835			
Non-Revenue Receipts	38,385,937	35,809,799	38,811,200	40,930,800	41,306,800
Total Restricted Funds	40,561,495	38,253,835	38,855,900	40,930,800	41,306,800
TOTAL SOURCE OF FUNDS	40,561,495	38,253,835	38,855,900	40,930,800	41,306,800
EXPENDITURES BY CLASS					
Personnel Cost	34,126,449	33,983,142	34,090,200	36,167,100	36,543,100
Operating Expenses	3,075,499	2,988,653	4,465,700	4,463,700	4,463,700
Grants Loans Benefits	46,907				
Capital Outlay	6,539		300,000	300,000	300,000
Construction	870,899	1,237,306			
TOTAL EXPENDITURES	38,126,294	38,209,101	38,855,900	40,930,800	41,306,800
EXPENDITURES BY FUND SOURCE					
Restricted Funds	38,126,294	38,209,101	38,855,900	40,930,800	41,306,800
TOTAL EXPENDITURES	38,126,294	38,209,101	38,855,900	40,930,800	41,306,800
EXPENDITURES BY UNIT					
Kentucky Retirement Systems	38,126,294	38,209,101	38,855,900	40,930,800	41,306,800
TOTAL EXPENDITURES	38,126,294	38,209,101	38,855,900	40,930,800	41,306,800

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

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

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

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

General Government
Occupational & Professional Boards & Commissions

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	17,924,043	19,883,387	20,630,100	18,034,400	16,241,800
Current Receipts	21,601,851	22,446,824	21,389,700	22,569,600	22,776,900
Non-Revenue Receipts	465,103				
Fund Transfers	-1,296,900	-2,400,000	-2,300,000	-1,000,000	-750,000
Total Restricted Funds	38,694,096	39,930,211	39,719,800	39,604,000	38,268,700
TOTAL SOURCE OF FUNDS	38,694,096	39,930,211	39,719,800	39,604,000	38,268,700
EXPENDITURES BY CLASS					
Personnel Cost	13,984,058	14,995,946	16,439,800	17,646,200	17,947,000
Operating Expenses	4,160,996	3,857,804	4,569,800	4,982,800	5,030,000
Grants Loans Benefits	621,041	419,164	648,800	706,700	710,200
Capital Outlay	8,673	17,991	27,000	26,500	26,500
Construction	35,941	9,302			
TOTAL EXPENDITURES	18,810,709	19,300,207	21,685,400	23,362,200	23,713,700
EXPENDITURES BY FUND SOURCE					
Restricted Funds	18,810,709	19,300,207	21,685,400	23,362,200	23,713,700
TOTAL EXPENDITURES	18,810,709	19,300,207	21,685,400	23,362,200	23,713,700
EXPENDITURES BY UNIT					
Accountancy	513,067	452,971	526,400	552,100	558,500
Certification of Alcohol and Drug Counselors	60,105	73,510	82,200	82,200	82,200
Applied Behavior Analysis Licensing	3,279	10,613	16,000	16,000	16,000
Architects	355,036	385,615	411,600	435,900	442,700
Certification for Professional Art Therapists	6,727	11,149	11,200	11,200	11,200
Auctioneers	359,780	339,181	372,300	389,000	393,400
Barbering	292,410	294,803	307,300	322,000	327,100
Chiropractic Examiners	266,994	294,645	286,600	317,800	323,300
Dentistry	827,422	903,948	760,900	894,300	903,000
Diabetes Educators			1,000	1,000	1,000
Licensure & Cert. for Dietitians & Nutritionists	57,414	62,344	73,900	73,900	73,900
Embalmers and Funeral Directors	360,456	380,662	368,800	402,900	409,200
Licensure for Prof. Engineers and Land Surveyors	1,145,572	1,189,033	1,234,800	1,311,800	1,328,600
Certification of Fee-Based Pastoral Counselors	3,316	3,322	3,600	3,600	3,600
Registration for Professional Geologists	106,451	99,118	106,900	106,900	106,900
Hairdressers and Cosmetologists	1,146,571	1,170,054	1,305,600	1,374,700	1,397,400
Specialists in Hearing Instruments	46,324	61,020	81,100	81,100	81,100
Interpreters for the Deaf and Hard of Hearing	33,285	39,726	45,900	38,200	38,200
Home Inspectors	74,200	81,154	83,800	83,800	83,800
Examiners & Registration of Landscape Architects	62,190	58,380	61,600	65,100	66,600
Licensure of Marriage and Family Therapists	64,805	90,109	116,400	116,400	116,400
Licensure for Massage Therapy	126,732	149,974	160,600	168,600	168,600
Medical Imaging and Radiation Therapy				393,100	393,600
Medical Licensure	2,445,979	2,531,862	2,817,600	2,940,400	2,972,500
Nursing	4,831,309	4,626,971	5,874,500	6,201,300	6,270,400

Licensure for Nursing Home Administrators	42,927	56,014	61,100	61,100	61,100
Licensure for Occupational Therapy	115,012	127,409	135,200	146,600	146,600
Ophthalmic Dispensers	52,129	47,703	55,200	55,200	55,200
Optometric Examiners	193,292	165,312	192,100	207,000	209,400
Pharmacy	1,369,937	1,446,112	1,538,700	1,638,800	1,661,400
Physical Therapy	371,897	393,520	413,100	469,000	499,400
Podiatry	23,456	37,282	39,300	38,900	38,200
Private Investigators	62,319	71,971	101,500	101,500	101,500
Licensed Professional Counselors	134,291	183,353	184,900	184,900	184,900
Prosthetics, Orthotics and Pedorthics Examiners of Psychology	6,698	16,589	21,000	46,200	46,200
Real Estate Appraisers	185,424	199,655	236,400	236,400	236,400
Real Estate Commission	602,095	625,874	665,500	757,000	766,300
Respiratory Care	1,687,148	1,781,599	2,041,800	2,105,800	2,200,900
Social Work	178,976	189,137	193,100	206,700	210,000
Speech-Language Pathology and Audiology	222,911	220,240	248,200	276,100	279,300
Veterinary Examiners	140,015	164,713	170,100	170,100	170,100
TOTAL EXPENDITURES	18,810,709	19,300,207	21,685,400	23,362,200	23,713,700

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

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

Twenty one of the 42 Boards and Commissions employ the services of the Division of Occupations and Professions (O & P) in the Public Protection Cabinet to carry out their administrative functions. O & P Provides general operating functions such as the collection of fees, accounting services, budget management, meeting space, management of contractual services, copy and printing services, maintenance of the Board website, and reimbursement of Board per diem, travel, and actual and necessary expenses. O & P also performs administrative support services including processing Board applications and renewals, preparing Board meeting packets and agendas, database entry for licensees, maintaining all Board records and files, preparing general Board correspondence, administering examinations, and communicating with general public and licensees regarding Board functions.

**General Government
Kentucky River Authority**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	255,100	242,300	246,400	251,200	255,500
State Salary and Compensation Allocation	13,800	400	800		
Total General Fund	268,900	242,700	247,200	251,200	255,500
Restricted Funds					
Balance Forward	2,715,572	2,803,114	2,082,600	3,067,900	1,756,700
Current Receipts	2,441,873	2,617,207	3,740,300	4,149,300	4,139,300
Fund Transfers	-83,500				
Total Restricted Funds	5,073,944	5,420,321	5,822,900	7,217,200	5,896,000
TOTAL SOURCE OF FUNDS	5,342,844	5,663,021	6,070,100	7,468,400	6,151,500
EXPENDITURES BY CLASS					
Personnel Cost	627,162	658,502	695,600	795,000	811,200
Operating Expenses	122,745	108,175	110,400	115,400	115,400
Grants Loans Benefits	201,754	238,511	240,000	250,000	250,000
Debt Service	1,256,135	2,489,649	1,906,200	2,301,300	2,300,700
Capital Outlay	311,434	85,472	50,000	2,250,000	50,000
TOTAL EXPENDITURES	2,519,231	3,580,309	3,002,200	5,711,700	3,527,300
EXPENDITURES BY FUND SOURCE					
General Fund	248,400	242,693	247,200	251,200	255,500
Restricted Funds	2,270,831	3,337,616	2,755,000	5,460,500	3,271,800
TOTAL EXPENDITURES	2,519,231	3,580,309	3,002,200	5,711,700	3,527,300
EXPENDITURES BY UNIT					
General Operations	746,362	831,454	838,800	875,700	885,100
Locks and Dams Construction/Maintenance	1,524,469	2,497,649	1,906,200	4,501,300	2,300,700
Locks and Dams Operations	248,400	251,206	257,200	334,700	341,500
TOTAL EXPENDITURES	2,519,231	3,580,309	3,002,200	5,711,700	3,527,300

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

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

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

The Kentucky River Authority has built new dams at Lock 9 at Valley View and Lock 3 in Owen and Henry Counties. Dams 9 and 3 retain the water supply for Kentucky American Water Company's Lexington and Owen County water treatment plants. A new dam is being built at Lock 8 in Jessamine County to replace the existing structure with an estimated completion date of June 2015. Dam 8 retains the water supply for Nicholasville and Lancaster. Locks 3 and 4 are currently operational and a rehabilitation project will begin on Locks 1 and 2 in the Spring of 2014. Eighty-two uninterrupted miles of the Kentucky River will be navigable from Carrollton to Tyrone once Locks 1 and 2 are complete by the Fall of 2014.

**General Government
School Facilities Construction Commission**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	102,802,000	99,378,400	106,596,700	99,634,000	108,580,000
State Salary and Compensation Allocation	16,000	500	1,000		
Total General Fund	102,818,000	99,378,900	106,597,700	99,634,000	108,580,000
TOTAL SOURCE OF FUNDS	102,818,000	99,378,900	106,597,700	99,634,000	108,580,000
EXPENDITURES BY CLASS					
Personnel Cost	260,659	281,020	330,400	288,800	294,300
Operating Expenses	28,824	29,681	38,600	40,000	40,000
Debt Service	91,180,999	95,596,289	97,028,700	99,305,200	108,245,700
TOTAL EXPENDITURES	91,470,481	95,906,990	97,397,700	99,634,000	108,580,000
EXPENDITURES BY FUND SOURCE					
General Fund	91,470,481	95,906,990	97,397,700	99,634,000	108,580,000
TOTAL EXPENDITURES	91,470,481	95,906,990	97,397,700	99,634,000	108,580,000
EXPENDITURES BY UNIT					
School Facilities Construction Commission	91,470,481	95,906,990	97,397,700	99,634,000	108,580,000
TOTAL EXPENDITURES	91,470,481	95,906,990	97,397,700	99,634,000	108,580,000

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

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

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

Policy

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

The Budget of the Commonwealth includes \$525,000 in fiscal year 2015 and \$8,239,000 in fiscal year 2016 for debt service for \$100,000,000 in bonds to finance the offers of assistance authorized by the 2012 Regular Session of the General Assembly.

The enacted budget authorizes the School Facilities Construction Commission to make an additional \$100,000,000 in new offers of assistance during the 2014-2016 biennium in anticipation of debt service availability during the 2016-2018 biennium. In addition, the enacted budget authorizes the SFCC to make additional offers of assistance not to exceed the debt service on \$7,300,000 for Carlisle County, not to exceed \$5,000,000 for Magoffin County, and not to exceed \$14,000,000 for Martin County and to school districts that have an A1 school considered in the listing of the ten schools in the poorest condition in the state according to a November 2011 report. Each of the ten schools shall have: levied two nickels, received equalization funds, utilized available offers of assistance from SFCC, and still have an unmet need. SFCC is authorized to make offers of assistance in an amount necessary to close the gap between available resources and the amount needed to replace the school. Debt service availability for these additional offers of assistance for urgent needs schools is expected in the 2016-2018 biennium.

**General Government
Teachers' Retirement System**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	238,637,000	244,670,100	299,692,100	326,772,500	299,318,400
Total General Fund	238,637,000	244,670,100	299,692,100	326,772,500	299,318,400
Restricted Funds					
Balance Forward	3,104,778	3,532,544	5,528,400		
Current Receipts	-2,353	-215,675			
Non-Revenue Receipts	9,000,801	11,359,399	6,501,900	12,183,500	12,196,600
Total Restricted Funds	12,103,227	14,676,268	12,030,300	12,183,500	12,196,600
TOTAL SOURCE OF FUNDS	250,740,227	259,346,368	311,722,400	338,956,000	311,515,000
EXPENDITURES BY CLASS					
Personnel Cost	7,213,829	7,801,851	9,774,700	9,923,000	9,936,100
Operating Expenses	1,356,828	1,345,907	2,096,700	2,101,600	2,101,600
Grants Loans Benefits	143,355,826	141,319,410	174,902,900	206,079,200	182,881,800
Debt Service	95,273,278	103,350,774	120,695,000	120,693,300	116,436,600
Capital Outlay			158,900	158,900	158,900
TOTAL EXPENDITURES	247,199,761	253,817,942	307,628,200	338,956,000	311,515,000
EXPENDITURES BY FUND SOURCE					
General Fund	238,629,078	244,670,074	295,597,900	326,772,500	299,318,400
Restricted Funds	8,570,683	9,147,868	12,030,300	12,183,500	12,196,600
TOTAL EXPENDITURES	247,199,761	253,817,942	307,628,200	338,956,000	311,515,000
EXPENDITURES BY UNIT					
Teachers' Retirement System	247,199,761	253,817,942	307,628,200	338,956,000	311,515,000
TOTAL EXPENDITURES	247,199,761	253,817,942	307,628,200	338,956,000	311,515,000

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

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

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

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

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

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

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

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

Policy

The Budget of the Commonwealth includes General Fund support in the amount of \$120,693,300 in fiscal year 2015 and \$116,436,600 in fiscal year 2016 for debt service on bonds previously issued.

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

The Budget of the Commonwealth includes \$4,527,300 in fiscal year 2015 and \$9,448,000 in fiscal year 2016 in General Fund support for initial payments on the amortized cost of increased retirement allowances for those recipients retiring during the 2014-2016 biennium who are eligible to add accrued sick leave to their final year of service.

Also included in the Budget of the Commonwealth is \$50,200,000 in General Fund support in fiscal year 2015 and \$61,300,000 in fiscal year 2016 for the State's portion of the shared responsibility plan outlined in KRS 161.550 as enacted by the 2010 regular session.

It is the intent of the General Assembly in future biennial budget bills to pledge lesser debt service funding requirements for bonds previously issued for the Kentucky Teachers' Retirement System to reduce the unfunded pension liability.

General Government
Appropriations Not Otherwise Classified

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,776,100	5,290,900	5,290,900	5,026,400	5,026,400
Mandated Allotments	11,970,000	10,683,200	10,210,600		
Total General Fund	17,746,100	15,974,100	15,501,500	5,026,400	5,026,400
TOTAL SOURCE OF FUNDS	17,746,100	15,974,100	15,501,500	5,026,400	5,026,400
EXPENDITURES BY CLASS					
Personnel Cost	11,990,888	11,461,630	11,510,000	2,534,900	2,534,900
Operating Expenses	5,649,529	3,165,507	3,988,400	2,488,400	2,488,400
Grants Loans Benefits	3,100	3,100	3,100	3,100	3,100
TOTAL EXPENDITURES	17,643,517	14,630,237	15,501,500	5,026,400	5,026,400
EXPENDITURES BY FUND SOURCE					
General Fund	17,643,517	14,630,237	15,501,500	5,026,400	5,026,400
TOTAL EXPENDITURES	17,643,517	14,630,237	15,501,500	5,026,400	5,026,400
EXPENDITURES BY UNIT					
Attorney General Expense	393,690	305,948	350,000	350,000	350,000
Board of Claims Award	713,100	418,096	407,400	407,400	407,400
Guardian Ad Litem	11,558,103	11,108,141	11,100,000	2,124,900	2,124,900
Prior Year Claims	1,319,387	70,266	382,400	382,400	382,400
Unredeemed Checks Refunded	2,914,921	2,302,441	2,470,000	970,000	970,000
Involuntary Commitments-ICF/MR	39,095	47,541	60,000	60,000	60,000
Frankfort In Lieu of Taxes	195,000	195,000	195,000	195,000	195,000
Frankfort Cemetery	3,100	3,100	3,100	3,100	3,100
Survivor Benefits	327,677	8,877	308,600	308,600	308,600
Med Malpractice Liability Ins Reimb	120,440	114,817	165,000	165,000	165,000
Blanket Employee Bonds	59,004	56,008	60,000	60,000	60,000
TOTAL EXPENDITURES	17,643,517	14,630,237	15,501,500	5,026,400	5,026,400

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

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Economic Development

Economic Development

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	29,617,500	19,002,800	19,131,100	19,151,800	35,146,600
State Salary and Compensation Allocation	350,000	10,200	20,400		
Continuing Approp.-General Fund	15,936,548	10,746,421	87,400		
Mandated Allotments		1,800,000			
Total General Fund	45,904,048	31,559,421	19,238,900	19,151,800	35,146,600
Restricted Funds					
Balance Forward	1,521,815	2,040,742	2,664,700	1,717,200	1,054,700
Current Receipts	2,393,988	2,548,106	1,342,500	1,681,900	1,692,200
Non-Revenue Receipts				366,800	394,900
Fund Transfers	-142,700				
Total Restricted Funds	3,773,103	4,588,848	4,007,200	3,765,900	3,141,800
Federal Funds					
Balance Forward	2,353,230	40,536			
Current Receipts	5,226,997	276,242	443,500		
Non-Revenue Receipts	7,167	140,416	4,901,500		5,100,000
ARRA Receipts	177,663				
Total Federal Funds	7,765,057	457,194	5,345,000		5,100,000
TOTAL SOURCE OF FUNDS	57,442,208	36,605,463	28,591,100	22,917,700	43,388,400
EXPENDITURES BY CLASS					
Personnel Cost	8,662,047	8,241,120	8,843,300	9,701,600	9,844,400
Operating Expenses	7,880,420	2,044,735	1,651,300	1,390,300	1,388,700
Grants Loans Benefits	18,457,924	14,056,431	16,379,300	10,771,100	30,871,100
Debt Service	8,423,000				892,000
TOTAL EXPENDITURES	43,423,392	24,342,286	26,873,900	21,863,000	42,996,200
EXPENDITURES BY FUND SOURCE					
General Fund	33,966,510	21,960,935	19,238,900	19,151,800	35,146,600
Restricted Funds	1,732,361	1,924,157	2,290,000	2,711,200	2,749,600
Federal Funds	7,724,520	457,194	5,345,000		5,100,000
TOTAL EXPENDITURES	43,423,392	24,342,286	26,873,900	21,863,000	42,996,200
EXPENDITURES BY UNIT					
Executive Policy and Management	7,340,116	3,313,485	3,265,100	2,985,800	3,911,000
Business Development	13,263,598	13,479,025	14,042,000	14,034,100	14,101,300
Bluegrass State Skills	8,348,575	5,760,773	2,787,600	2,710,200	17,712,600
Financial Services	14,471,103	1,789,002	6,779,200	2,132,900	7,271,300
TOTAL EXPENDITURES	43,423,392	24,342,286	26,873,900	21,863,000	42,996,200

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

The budgetary resources for the Cabinet are organized in six programs within a single appropriation unit. Business Development is the Commonwealth's marketing and sales force to both prospective investors and existing businesses. Its resources include Kentucky-based business development agents and representatives in Tokyo, Japan and Hamburg, Germany; a database of available sites; comprehensive market research; targeted programs for small businesses; and support of the statewide network of Innovation and Commercialization Centers. The Bluegrass State Skills Corporation makes matching grants for industry-specific training of employees. Financial Services administers loans, grants and tax incentives available to businesses that invest and create or maintain jobs in Kentucky, and staffs the Kentucky Economic Development Finance Authority. The Office of the Secretary provides strategic direction for Cabinet activities and administrative services such as legal, fiscal, budget, personnel and asset management.

Policy

Notwithstanding KRS 154.12-278, interest earned on the balances in the High-Tech Construction/Investment Pool and repayments of loans from the pool is appropriated for the support of the Office of Entrepreneurship.

The Budget of the Commonwealth includes General Fund of \$892,000 in fiscal year 2016 for debt service on \$21,000,000 in new bonds for the High-Tech Construction/Investment Pool, the Kentucky Economic Development Authority (KEDFA) Loan Pool and the Economic Development Bond Pool. The Secretary has the discretion to apply funds available in each pool for authorized uses within the Cabinet.

The Budget of the Commonwealth includes General Fund of \$2,551,300 in each fiscal year for training grants for Bluegrass State Skills Corporation. Notwithstanding KRS 45.229, the General Fund appropriation balance for Bluegrass State Skills Corporation training grants for fiscal year 2014 and fiscal year 2015 shall not lapse and shall carry forward. The amount available to the Corporation for disbursement in each fiscal year shall be limited to the unexpended training grant allotment balance at the end of fiscal year 2014 combined with the additional training grant allotment amounts for each fiscal year of the 2014-2016 biennium, less any disbursements. If the required disbursements exceed the Bluegrass State Skills Corporation training grants allotment balance, notwithstanding KRS 154-12.278, Restricted Funds may be expended for training grants, and funds in an amount not to exceed \$2,000,000 shall be appropriated from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705).

The Budget of the Commonwealth includes \$150,000 of General Fund in each fiscal year for cities of Bellevue, Covington, Dayton, Fort Thomas, Ludlow and Newport to support projects or activities related to the development of Riverfront Commons.

The Budget of the Commonwealth includes \$15,000,000 of General Fund in fiscal year 2016 for Bluegrass State Skills Corporation training grants to support a significant manufacturing-related investment in the Commonwealth.

Department of Education

Department of Education

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,854,539,300	3,850,759,700	3,864,091,000	4,006,095,500	4,093,244,600
State Salary and Compensation Allocation	1,363,000	150,800	301,600		
Continuing Approp.-General Fund	1,894,354	1,886,653	581,700		
Mandated Allotments	234,703	85,200	68,700		
Total General Fund	3,858,031,357	3,852,882,353	3,865,043,000	4,006,095,500	4,093,244,600
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	2,050,000				
Reorganization Adjustment	-2,050,000				
Total Tobacco Settlement - Phase I					
Restricted Funds					
Balance Forward	8,747,235	8,709,272	11,052,100	4,636,000	4,386,000
Current Receipts	4,814,663	7,087,510	25,267,600	32,777,300	33,909,800
Non-Revenue Receipts	19,337,813	19,936,873			
Fund Transfers	-833,900			-250,000	
Total Restricted Funds	32,065,811	35,733,656	36,319,700	37,163,300	38,295,800
Federal Funds					
Balance Forward	2,860,617	1,129,694	1,707,800		
Current Receipts	848,947,859	831,409,177	883,829,700	887,847,800	888,387,200
Non-Revenue Receipts	5,284,355	-626,358	-172,700		
ARRA Receipts	62,853,469	16,963,427			
Total Federal Funds	919,946,298	848,875,940	885,364,800	887,847,800	888,387,200
TOTAL SOURCE OF FUNDS	4,810,043,466	4,737,491,949	4,786,727,500	4,931,106,600	5,019,927,600
EXPENDITURES BY CLASS					
Personnel Cost	100,904,361	100,564,584	105,479,900	111,357,251	113,925,199
Operating Expenses	32,095,519	30,803,221	29,903,800	30,229,764	30,321,351
Grants Loans Benefits	4,652,391,969	4,583,972,601	4,638,090,300	4,785,033,785	4,871,073,250
Debt Service				61,000	183,000
Capital Outlay	240,741	157,346	38,800	38,800	38,800
Construction	11,076	1,890			
TOTAL EXPENDITURES	4,785,643,666	4,715,499,643	4,773,512,800	4,926,720,600	5,015,541,600
EXPENDITURES BY FUND SOURCE					
General Fund	3,843,470,524	3,845,364,183	3,856,464,300	4,006,095,500	4,093,244,600
Restricted Funds	23,356,538	24,681,751	31,683,700	32,777,300	33,909,800
Federal Funds	918,816,604	845,453,709	885,364,800	887,847,800	888,387,200
TOTAL EXPENDITURES	4,785,643,666	4,715,499,643	4,773,512,800	4,926,720,600	5,015,541,600
EXPENDITURES BY UNIT					
Support Education Excellence in Kentucky (SEEK)	2,899,497,950	2,882,091,186	2,879,840,800	2,972,270,700	3,009,490,600
Operations and Support Services	343,429,730	346,823,787	383,320,000	385,445,500	389,837,600
Learning and Results Services	1,542,715,987	1,486,584,670	1,510,352,000	1,569,004,400	1,616,213,400
TOTAL EXPENDITURES	4,785,643,666	4,715,499,643	4,773,512,800	4,926,720,600	5,015,541,600

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

Department of Education
Support Education Excellence in Kentucky (SEEK)

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,900,145,100	2,899,840,800	2,899,840,800	2,972,270,700	3,009,490,600
Other	-647,150	-13,000,000	-11,421,300		
Total General Fund	2,899,497,950	2,886,840,800	2,888,419,500	2,972,270,700	3,009,490,600
TOTAL SOURCE OF FUNDS	2,899,497,950	2,886,840,800	2,888,419,500	2,972,270,700	3,009,490,600
EXPENDITURES BY CLASS					
Grants Loans Benefits	2,899,497,950	2,882,091,186	2,879,840,800	2,972,270,700	3,009,490,600
TOTAL EXPENDITURES	2,899,497,950	2,882,091,186	2,879,840,800	2,972,270,700	3,009,490,600
EXPENDITURES BY FUND SOURCE					
General Fund	2,899,497,950	2,882,091,186	2,879,840,800	2,972,270,700	3,009,490,600
TOTAL EXPENDITURES	2,899,497,950	2,882,091,186	2,879,840,800	2,972,270,700	3,009,490,600
EXPENDITURES BY UNIT					
Base Funding	2,034,763,493	2,017,718,573	2,017,968,000	2,069,514,700	2,103,805,900
Pupil Transportation	214,752,800	214,752,800	214,752,800	214,752,800	214,752,800
Equalized Facilities	106,884,007	109,624,687	109,107,500	117,215,300	114,277,600
Tier I Equalization	168,251,400	165,148,826	163,166,200	170,476,000	168,116,200
National Board Certification Salary Supplement	2,750,000	2,750,000	2,750,000	2,750,000	2,750,000
State-Run Vocational Schools Reimbursement	22,641,850	22,641,900	22,641,900	22,866,900	22,881,900
Vocational Education Transportation	2,416,900	2,416,900	2,416,900	2,416,900	2,416,900
Local District Teachers' Retirement Match	347,037,500	347,037,500	347,037,500	372,278,100	380,489,300
TOTAL EXPENDITURES	2,899,497,950	2,882,091,186	2,879,840,800	2,972,270,700	3,009,490,600

Policy

The Budget of the Commonwealth includes funding to increase the base SEEK per pupil guarantee from \$3,827 to \$3,911 in fiscal year 2015 and to \$3,981 in fiscal year 2016. This represents a 2.2% increase in fiscal year 2015 and an additional 1.8% increase in fiscal year 2016 to the per pupil guarantee. The additional General Fund amounts are \$72,429,900 in fiscal year 2015 and \$109,649,800 in fiscal year 2016.

The Budget of the Commonwealth requires that all certified and classified staff employed by local boards of education receive a salary or compensation increase of at least 1 percent in fiscal year 2015 and at least 2 percent in fiscal year 2016.

This budget provides funding to accommodate a projected average daily attendance of 602,019 and projected total local school district assessed property valuation of \$300.4 billion in fiscal year 2015. In fiscal year 2016, the budget provides funding to accommodate projected average daily attendance of 602,935 and projected total local school district assessed property valuation of \$306.1 billion. The projected numbers represent a consensus reached by the Department of Education and the Office of State Budget Director.

The Budget of the Commonwealth maintains funding for the pupil transportation program at the fiscal year 2014 level of \$214,752,800 in each fiscal year. The budget includes \$170,476,000 in fiscal year 2015 and \$168,116,200 in fiscal year 2016 to provide Tier I funding to local school districts to equalize local revenues raised under this SEEK component at a level of \$749,000 in fiscal year 2015 and \$749,000 in fiscal year 2016 of assessed property valuation per student (150 percent of the projected statewide average per pupil).

Also included in the Budget of the Commonwealth is "hold harmless" funding, \$442,200 in fiscal year 2015 and \$471,900 in fiscal year 2016 to provide every school district with at least the same level of state SEEK funding per pupil during the 2014-2016 biennium as was provided in fiscal year 1992.

The Budget of the Commonwealth provides funding for the Facilities Support Program of Kentucky (FSPK) in the amounts of \$117,215,300 in fiscal year 2015 and \$114,277,600 in fiscal year 2016 to provide equalization funding for local district revenues from the equivalent nickel levy.

The enacted budget includes \$22,866,900 in fiscal year 2015 and \$22,881,900 in fiscal year 2016 to reimburse state-operated vocational facilities for the costs of providing course offerings to students from local school districts. Funding for vocational

education transportation is maintained at the fiscal year 2014 level of \$2,416,900 in each fiscal year.

The Budget of the Commonwealth includes funds \$372,278,100 in fiscal year 2015 and \$380,489,300 in fiscal year 2016 for the Teachers' Retirement employer match on behalf of local school districts.

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

**Department of Education
Operations and Support Services**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	50,318,100	46,509,600	47,075,400	48,761,000	52,905,600
State Salary and Compensation Allocation	225,700	20,200	40,400		
Continuing Approp.-General Fund	691,401				
Mandated Allotments	234,703	85,200	68,700		
Total General Fund	51,469,904	46,615,000	47,184,500	48,761,000	52,905,600
Restricted Funds					
Balance Forward	5,264,962	5,450,031	7,287,600	871,500	621,500
Current Receipts	2,596,617	4,790,002	2,454,600	8,199,700	8,275,500
Non-Revenue Receipts	802,057	850,474			
Fund Transfers	-18,100			-250,000	
Total Restricted Funds	8,645,537	11,090,506	9,742,200	8,821,200	8,897,000
Federal Funds					
Balance Forward	312,765	196,692	1,707,800		
Current Receipts	281,487,868	296,568,439	325,729,700	328,484,800	328,656,500
Non-Revenue Receipts	179,663		-172,700		
ARRA Receipts	8,959,916	343,795			
Total Federal Funds	290,940,212	297,108,926	327,264,800	328,484,800	328,656,500
TOTAL SOURCE OF FUNDS	351,055,653	354,814,432	384,191,500	386,067,000	390,459,100
EXPENDITURES BY CLASS					
Personnel Cost	14,427,211	14,185,439	16,923,400	16,773,351	17,146,199
Operating Expenses	16,746,853	15,415,545	14,840,200	14,278,864	14,350,951
Grants Loans Benefits	312,255,665	317,222,803	351,556,400	354,332,285	358,157,450
Debt Service				61,000	183,000
TOTAL EXPENDITURES	343,429,730	346,823,787	383,320,000	385,445,500	389,837,600
EXPENDITURES BY FUND SOURCE					
General Fund	49,490,704	46,615,000	47,184,500	48,761,000	52,905,600
Restricted Funds	3,195,506	3,803,047	8,870,700	8,199,700	8,275,500
Federal Funds	290,743,520	296,405,740	327,264,800	328,484,800	328,656,500
TOTAL EXPENDITURES	343,429,730	346,823,787	383,320,000	385,445,500	389,837,600
EXPENDITURES BY UNIT					
Commissioner's Office/Board of Education	1,268,201	579,900	820,800	854,600	876,700
Administration and Support	300,030,545	310,996,345	347,636,000	348,400,400	348,864,700
Guiding Support Services	1,655,117	1,432,208	1,468,700	1,714,300	1,744,100
Knowledge, Information and Data Services	40,475,867	33,815,334	33,394,500	34,476,200	38,352,100
TOTAL EXPENDITURES	343,429,730	346,823,787	383,320,000	385,445,500	389,837,600

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

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	596,500	578,200	817,700	854,600	876,700
State Salary and Compensation Allocation	9,200	1,700	3,100		
Continuing Approp.-General Fund	691,401				
Total General Fund	1,297,101	579,900	820,800	854,600	876,700
TOTAL SOURCE OF FUNDS	1,297,101	579,900	820,800	854,600	876,700
EXPENDITURES BY CLASS					
Personnel Cost	1,225,801	562,200	803,100	836,900	859,000
Operating Expenses	42,400	17,700	17,700	17,700	17,700
TOTAL EXPENDITURES	1,268,201	579,900	820,800	854,600	876,700
EXPENDITURES BY FUND SOURCE					
General Fund	1,268,201	579,900	820,800	854,600	876,700
TOTAL EXPENDITURES	1,268,201	579,900	820,800	854,600	876,700

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

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

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

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	11,787,600	11,198,800	11,513,600	11,997,600	12,225,000
State Salary and Compensation Allocation	131,800	11,600	23,100		
Mandated Allotments	234,703	85,200	68,700		
Total General Fund	12,154,103	11,295,600	11,605,400	11,997,600	12,225,000
Restricted Funds					
Balance Forward	5,148,671	5,346,142	7,225,600	871,500	621,500
Current Receipts	2,589,103	4,785,253	2,411,700	8,094,800	8,170,600
Non-Revenue Receipts	802,057	850,474			
Fund Transfers	-18,100			-250,000	
Total Restricted Funds	8,521,731	10,981,869	9,637,300	8,716,300	8,792,100
Federal Funds					
Balance Forward	266,957	192,959	1,707,800		
Current Receipts	279,479,054	296,105,204	325,557,000	328,308,000	328,469,100
Non-Revenue Receipts	179,663				
ARRA Receipts	5,826,938	343,795			
Total Federal Funds	285,752,612	296,641,959	327,264,800	328,308,000	328,469,100
TOTAL SOURCE OF FUNDS	306,428,446	318,919,428	348,507,500	349,021,900	349,486,200
EXPENDITURES BY CLASS					
Personnel Cost	9,337,082	10,618,410	12,376,700	11,215,215	11,431,050
Operating Expenses	2,651,000	2,458,382	2,602,400	2,691,400	2,692,700
Grants Loans Benefits	288,042,463	297,919,552	332,656,900	334,432,785	334,557,950
Debt Service				61,000	183,000
TOTAL EXPENDITURES	300,030,545	310,996,345	347,636,000	348,400,400	348,864,700
EXPENDITURES BY FUND SOURCE					
General Fund	11,295,303	11,295,600	11,605,400	11,997,600	12,225,000
Restricted Funds	3,175,589	3,758,238	8,765,800	8,094,800	8,170,600
Federal Funds	285,559,653	295,942,506	327,264,800	328,308,000	328,469,100
TOTAL EXPENDITURES	300,030,545	310,996,345	347,636,000	348,400,400	348,864,700
EXPENDITURES BY UNIT					
Administration & Resource Management	6,621,042	7,164,990	11,942,000	11,683,500	11,915,900
District Support	9,737,939	4,314,844	4,761,900	4,803,100	4,871,300
School & Community Nutrition	283,671,564	299,516,511	330,932,100	331,913,800	332,077,500
TOTAL EXPENDITURES	300,030,545	310,996,345	347,636,000	348,400,400	348,864,700

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

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

The Division of District Support distributes state SEEK funds to local school districts and provides districts with assistance on salary schedules, data management, facility management, and budgeting. Staff of the Division work with various Department of Education, Council for Postsecondary Education, and Professional Standards Board program areas in analyzing data and determining requirements for data entered in the Department's enterprise data system. The Division also reviews local school district facility plans and compiles information on school district construction needs for the School Facilities Construction Commission.

The Division of Resource Management provides personnel and payroll services to Department staff. These services include the

administration of the state merit system, Family Medical Leave Act, Workers' Compensation, sick leave sharing, tuition assistance, employee training, Fair Labor Standards Act, Americans with Disabilities Act, and all other related employment laws and regulations.

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

Policy

The Budget of the Commonwealth provides General Fund in the amount of \$61,000 in fiscal year 2015 and \$183,000 in fiscal year 2016 for debt service on new bonds included in the capital budget.

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,705,200	1,382,000	1,357,700	1,432,600	1,451,800
State Salary and Compensation Allocation	34,500	5,400	6,100		
Total General Fund	1,739,700	1,387,400	1,363,800	1,432,600	1,451,800
Restricted Funds					
Balance Forward	115,519	103,117	62,000		
Current Receipts	7,514	4,748	42,900	104,900	104,900
Total Restricted Funds	123,034	107,865	104,900	104,900	104,900
Federal Funds					
Current Receipts			172,700	176,800	187,400
Non-Revenue Receipts			-172,700		
Total Federal Funds				176,800	187,400
TOTAL SOURCE OF FUNDS	1,862,734	1,495,265	1,468,700	1,714,300	1,744,100
EXPENDITURES BY CLASS					
Personnel Cost	1,607,206	1,360,739	1,463,300	1,644,700	1,674,500
Operating Expenses	47,911	71,469	5,400	69,600	69,600
TOTAL EXPENDITURES	1,655,117	1,432,208	1,468,700	1,714,300	1,744,100
EXPENDITURES BY FUND SOURCE					
General Fund	1,635,200	1,387,400	1,363,800	1,432,600	1,451,800
Restricted Funds	19,917	44,808	104,900	104,900	104,900
Federal Funds				176,800	187,400
TOTAL EXPENDITURES	1,655,117	1,432,208	1,468,700	1,714,300	1,744,100

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

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

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	36,228,800	33,350,600	33,386,400	34,476,200	38,352,100
State Salary and Compensation Allocation	50,200	1,500	8,100		
Total General Fund	36,279,000	33,352,100	33,394,500	34,476,200	38,352,100
Restricted Funds					
Balance Forward	772	772			
Total Restricted Funds	772	772			
Federal Funds					
Balance Forward	45,808	3,733			
Current Receipts	2,008,814	463,234			
ARRA Receipts	3,132,978				
Total Federal Funds	5,187,600	466,967			
TOTAL SOURCE OF FUNDS	41,467,372	33,819,839	33,394,500	34,476,200	38,352,100
EXPENDITURES BY CLASS					
Personnel Cost	2,257,123	1,644,089	2,280,300	3,076,536	3,181,649
Operating Expenses	14,005,542	12,867,993	12,214,700	11,500,164	11,570,951
Grants Loans Benefits	24,213,202	19,303,251	18,899,500	19,899,500	23,599,500
TOTAL EXPENDITURES	40,475,867	33,815,334	33,394,500	34,476,200	38,352,100
EXPENDITURES BY FUND SOURCE					
General Fund	35,292,000	33,352,100	33,394,500	34,476,200	38,352,100
Federal Funds	5,183,867	463,234			
TOTAL EXPENDITURES	40,475,867	33,815,334	33,394,500	34,476,200	38,352,100

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

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

Policy

The Budget of the Commonwealth includes additional General Fund of \$2,900,000 in fiscal year 2015 and \$5,800,000 in fiscal year 2016 for the Kentucky Education Network (KEN) to increase the bandwidth speed of the network for school districts. This additional funding increases the total General Fund spending on KEN to \$15,529,400 in fiscal year 2015 and \$18,429,400 in fiscal year 2016. Additional General Fund of \$800,000 was added in fiscal year 2016 for a Statewide IT Academy. Funding for education technology and support was reduced by \$1,150,000 in each fiscal year. Additionally, funding for education technology in local school districts within coal-producing counties was reduced by \$750,000 each fiscal year.

**Department of Education
Learning and Results Services**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	904,076,100	904,409,300	917,174,800	985,063,800	1,030,848,400
State Salary and Compensation Allocation	1,137,300	130,600	261,200		
Continuing Approp.-General Fund	1,202,953	1,886,653	581,700		
Other	647,150	13,000,000	11,421,300		
Total General Fund	907,063,503	919,426,553	929,439,000	985,063,800	1,030,848,400
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	2,050,000				
Reorganization Adjustment	-2,050,000				
Total Tobacco Settlement - Phase I					
Restricted Funds					
Balance Forward	3,482,273	3,259,241	3,764,500	3,764,500	3,764,500
Current Receipts	2,218,046	2,297,508	22,813,000	24,577,600	25,634,300
Non-Revenue Receipts	18,535,756	19,086,400			
Fund Transfers	-815,800				
Total Restricted Funds	23,420,274	24,643,150	26,577,500	28,342,100	29,398,800
Federal Funds					
Balance Forward	2,547,851	933,002			
Current Receipts	567,459,990	534,840,738	558,100,000	559,363,000	559,730,700
Non-Revenue Receipts	5,104,692	-626,358			
ARRA Receipts	53,893,553	16,619,632			
Total Federal Funds	629,006,086	551,767,014	558,100,000	559,363,000	559,730,700
TOTAL SOURCE OF FUNDS	1,559,489,863	1,495,836,717	1,514,116,500	1,572,768,900	1,619,977,900
EXPENDITURES BY CLASS					
Personnel Cost	86,477,150	86,379,145	88,556,500	94,583,900	96,779,000
Operating Expenses	15,348,666	15,387,676	15,063,600	15,950,900	15,970,400
Grants Loans Benefits	1,440,638,354	1,384,658,612	1,406,693,100	1,458,430,800	1,503,425,200
Capital Outlay	240,741	157,346	38,800	38,800	38,800
Construction	11,076	1,890			
TOTAL EXPENDITURES	1,542,715,987	1,486,584,670	1,510,352,000	1,569,004,400	1,616,213,400
EXPENDITURES BY FUND SOURCE					
General Fund	894,481,870	916,657,997	929,439,000	985,063,800	1,030,848,400
Restricted Funds	20,161,033	20,878,704	22,813,000	24,577,600	25,634,300
Federal Funds	628,073,084	549,047,968	558,100,000	559,363,000	559,730,700
TOTAL EXPENDITURES	1,542,715,987	1,486,584,670	1,510,352,000	1,569,004,400	1,616,213,400
EXPENDITURES BY UNIT					
Next Generation Schools	406,641,171	341,598,623	324,161,700	324,049,100	324,185,000
Next Generation Learners	409,251,273	399,852,420	420,092,300	449,155,100	481,223,100
Assessment and Accountability	20,175,299	18,728,755	22,552,200	22,590,300	22,624,000
State Schools	16,255,807	15,721,669	16,175,200	16,678,500	16,983,200
Career & Technical Education	76,334,736	73,879,610	76,381,300	83,868,500	85,081,900
Local District Health Insurance	614,057,700	636,803,593	650,989,300	672,662,900	686,116,200
TOTAL EXPENDITURES	1,542,715,987	1,486,584,670	1,510,352,000	1,569,004,400	1,616,213,400

The Learning and Results Services program area consists of the following offices: Office of Assessment and Accountability; Office of Next Generation Learners; Office of Next Generation Schools and Districts, and Office of Career and Technical Education.

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,761,400	5,552,700	5,975,300	5,588,400	5,636,300
State Salary and Compensation Allocation	53,000	3,400	13,500		
Other		1,100,000			
Total General Fund	7,814,400	6,656,100	5,988,800	5,588,400	5,636,300
Restricted Funds					
Balance Forward	1,203,667	1,218,077	827,700	827,700	827,700
Current Receipts	154,978	18,230	1,172,900	1,172,900	1,172,900
Non-Revenue Receipts	169,029	327,703			
Total Restricted Funds	1,527,673	1,564,010	2,000,600	2,000,600	2,000,600
Federal Funds					
Balance Forward	493,666	-2,965,403			
Current Receipts	362,232,975	317,518,820	317,000,000	317,287,800	317,375,800
ARRA Receipts	33,344,510	16,619,632			
Total Federal Funds	396,071,151	331,173,049	317,000,000	317,287,800	317,375,800
TOTAL SOURCE OF FUNDS	405,413,224	339,393,159	324,989,400	324,876,800	325,012,700
EXPENDITURES BY CLASS					
Personnel Cost	5,715,693	5,380,123	4,848,600	4,547,900	4,683,800
Operating Expenses	3,208,157	1,603,999	1,521,400	1,719,800	1,719,800
Grants Loans Benefits	397,717,321	334,614,501	317,791,700	317,781,400	317,781,400
TOTAL EXPENDITURES	406,641,171	341,598,623	324,161,700	324,049,100	324,185,000
EXPENDITURES BY FUND SOURCE					
General Fund	7,295,983	6,656,650	5,988,800	5,588,400	5,636,300
Restricted Funds	309,596	736,335	1,172,900	1,172,900	1,172,900
Federal Funds	399,035,591	334,205,638	317,000,000	317,287,800	317,375,800
TOTAL EXPENDITURES	406,641,171	341,598,623	324,161,700	324,049,100	324,185,000
EXPENDITURES BY UNIT					
Consolidated Plans & Audits	283,756,419	269,699,011	270,006,300	270,294,100	270,382,100
Federal Programs & Educator Effectiveness	39,339,051	39,713,735	40,068,600	40,091,500	40,109,300
Next Generation Schools	83,545,701	32,185,877	14,086,800	13,663,500	13,693,600
TOTAL EXPENDITURES	406,641,171	341,598,623	324,161,700	324,049,100	324,185,000

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

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

The Division of Student Success provides guidance and assistance to Kentucky Alternative Education programs and ensures continuous improvement in instruction, practices and curriculum to help all Kentucky students to be college and career ready. The Division also provides assistance on developing and implementing digital learning, school safety, and achievement gap reduction programs.

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	209,931,800	204,199,900	204,393,300	232,225,400	264,062,000
State Salary and Compensation Allocation	93,500	4,600	17,300		
Continuing Approp.-General Fund	1,202,953	1,886,653	581,700		
Total General Fund	211,228,253	206,091,153	204,992,300	232,225,400	264,062,000
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	2,050,000				
Reorganization Adjustment	-2,050,000				
Total Tobacco Settlement - Phase I					
Restricted Funds					
Balance Forward	1,057,412	1,057,412	1,057,400	1,057,400	1,057,400
Current Receipts				870,600	921,900
Total Restricted Funds	1,057,412	1,057,412	1,057,400	1,928,000	1,979,300
Federal Funds					
Balance Forward	1,929,020	300,583			
Current Receipts	184,151,494	194,367,762	215,100,000	216,059,100	216,239,200
ARRA Receipts	20,549,043				
Total Federal Funds	206,629,556	194,668,345	215,100,000	216,059,100	216,239,200
TOTAL SOURCE OF FUNDS	418,915,221	401,816,910	421,149,700	450,212,500	482,280,500
EXPENDITURES BY CLASS					
Personnel Cost	7,588,463	10,935,580	8,978,800	8,119,000	8,395,900
Operating Expenses	2,486,237	3,445,163	1,941,300	2,029,000	2,029,000
Grants Loans Benefits	399,176,573	385,471,677	409,172,200	439,007,100	470,798,200
TOTAL EXPENDITURES	409,251,273	399,852,420	420,092,300	449,155,100	481,223,100
EXPENDITURES BY FUND SOURCE					
General Fund	202,922,300	205,509,459	204,992,300	232,225,400	264,062,000
Restricted Funds				870,600	921,900
Federal Funds	206,328,973	194,342,961	215,100,000	216,059,100	216,239,200
TOTAL EXPENDITURES	409,251,273	399,852,420	420,092,300	449,155,100	481,223,100
EXPENDITURES BY UNIT					
Gifted & Talented	6,622,300	6,622,300	6,622,300	6,622,300	6,622,300
Community Education & Service	17,952,950	21,401,229	21,466,400	21,466,400	21,466,400
Next Generation Learner Programs	15,771,800	15,273,200	15,773,200	16,024,200	16,023,200
Program Standards	7,011,398	7,190,707	6,863,200	4,690,300	4,717,200
Learning Services	182,271,662	168,362,846	188,442,200	188,836,400	189,004,100
Extended Learning Services	12,301,200	12,301,200	12,301,200	19,105,900	25,510,700
Family Resource and Youth Services Centers	52,148,300	52,148,300	52,148,300	52,148,300	52,148,300
Read to Achieve	18,693,600	17,899,000	17,899,000	16,999,000	16,999,000
Math Achievement	5,639,100	5,353,600	5,353,600	5,353,600	5,353,600
Professional Growth Fund	75,000	2,025,259	1,302,000	720,300	720,300
Dropout Prevention	606,800	576,100	576,100	576,100	576,100
Education of State Agency Children	10,108,300	9,596,500	9,596,500	10,096,500	10,096,500
Textbooks				16,700,000	16,700,000
Local District Life Insurance	1,553,600	1,483,700	1,483,700	1,483,700	1,483,700
Next Generation Learners	6,546,062	8,082,079	8,719,900	17,016,800	23,684,500
Preschool	71,949,200	71,536,400	71,544,700	71,315,300	90,117,200
TOTAL EXPENDITURES	409,251,273	399,852,420	420,092,300	449,155,100	481,223,100

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

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

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

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

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

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

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

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

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

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

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

Next Generation Learners Programs consists of a variety of grant programs. Included in this area are: the Collaborative Center for Literacy Development; Save the Children; Elementary Arts and Humanities/World Language; Every 1 Reads; Middle School Center; Writing Program; Teacher Academies; Leadership and Mentor Fund; Professional Development; Safe Schools; Georgia Chaffee Teenage Parent Program; Appalachian Tutoring Program, Lexington Hearing & Speech Center; Heuser Hearing and Language Academy; Visually Impaired Preschool Services; Teach for America; and Advance Kentucky.

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

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

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

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

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

Policy

The Budget of the Commonwealth includes additional General Fund of \$18,000,000 in fiscal year 2016 to provide preschool services for four year-old children whose family income is within 160% of the federal poverty level. The current eligible family income for state preschool is 150% of the federal poverty level. This funding is sufficient to provide preschool services for an additional 5,125 four year-old children. Approximately 23,000 children currently receive preschool services.

The Budget of the Commonwealth provides additional General Fund of \$16,700,000 in each fiscal year for Instructional Resources funding.

Additionally, the Budget of the Commonwealth increases Safe School funding by including additional General Fund of \$3,110,400 in fiscal year 2015 and \$6,220,900 for the promotion of safe learning environments.

The Budget of the Commonwealth includes additional General Fund of \$6,804,700 in fiscal year 2015 and \$13,209,500 in fiscal year 2016 for Extended School Services to provide students with extra instructional assistance.

The Budget of the Commonwealth provides additional General Fund of \$3,478,800 in fiscal year 2015 and \$6,557,700 in fiscal year 2016 for Professional Development to support the implementation and development of effective instructional practices.

Also included in the Budget of the Commonwealth is additional General Fund of \$800,000 in fiscal year 2015 and \$1,200,000 in fiscal year 2016 for Advance Kentucky to expand access and participation in rigorous college-level instruction in high school, particularly among student populations traditionally underrepresented in these courses.

The Budget of the Commonwealth provides additional General Fund of \$250,000 in each fiscal year for the Teach for America program to provide teachers for underserved areas.

Additional General Fund of \$500,000 in each fiscal year is included in the Budget of the Commonwealth to support the education of State Agency Children.

Furthermore, the Budget of the Commonwealth includes additional Federal Fund of \$562,600 in each fiscal year from the Race to the Top Early Learning Challenge federal grant to support early learning and development programs.

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	15,887,300	14,541,200	14,541,200	14,590,300	14,624,000
State Salary and Compensation Allocation	47,200	3,200	11,000		
Other	710,300				
Total General Fund	16,644,800	14,544,400	14,552,200	14,590,300	14,624,000
Federal Funds					
Balance Forward	46,325	2,918,702			
Current Receipts	4,169,214	4,345,797	8,000,000	8,000,000	8,000,000
Non-Revenue Receipts	2,878,400				
Total Federal Funds	7,093,939	7,264,499	8,000,000	8,000,000	8,000,000
TOTAL SOURCE OF FUNDS	23,738,739	21,808,899	22,552,200	22,590,300	22,624,000
EXPENDITURES BY CLASS					
Personnel Cost	19,783,610	17,992,154	22,318,500	22,356,600	22,390,300
Operating Expenses	391,689	736,601	233,700	233,700	233,700
TOTAL EXPENDITURES	20,175,299	18,728,755	22,552,200	22,590,300	22,624,000
EXPENDITURES BY FUND SOURCE					
General Fund	15,999,100	14,544,400	14,552,200	14,590,300	14,624,000
Federal Funds	4,176,199	4,184,355	8,000,000	8,000,000	8,000,000
TOTAL EXPENDITURES	20,175,299	18,728,755	22,552,200	22,590,300	22,624,000

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

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

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

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

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	16,868,000	15,580,600	15,580,600	16,183,300	16,488,000
State Salary and Compensation Allocation	348,800	29,000	99,400		
Total General Fund	17,216,800	15,609,600	15,680,000	16,183,300	16,488,000
Restricted Funds					
Balance Forward	349,259	399,483	627,200	627,200	627,200
Current Receipts	170,894	340,291	495,200	495,200	495,200
Total Restricted Funds	520,154	739,774	1,122,400	1,122,400	1,122,400
TOTAL SOURCE OF FUNDS	17,736,954	16,349,374	16,802,400	17,305,700	17,610,400
EXPENDITURES BY CLASS					
Personnel Cost	14,350,703	13,949,970	13,574,100	14,084,000	14,388,700
Operating Expenses	1,899,524	1,771,699	2,105,900	2,105,900	2,105,900
Grants Loans Benefits			495,200	488,600	488,600
Construction	5,580				
TOTAL EXPENDITURES	16,255,807	15,721,669	16,175,200	16,678,500	16,983,200
EXPENDITURES BY FUND SOURCE					
General Fund	16,135,137	15,609,050	15,680,000	16,183,300	16,488,000
Restricted Funds	120,670	112,619	495,200	495,200	495,200
TOTAL EXPENDITURES	16,255,807	15,721,669	16,175,200	16,678,500	16,983,200

The **Kentucky School for the Blind**, located in Louisville, Kentucky, provides instructional and residential programs for blind and visually impaired students throughout Kentucky. Services provided by the Kentucky School for the Blind include: Instructional and Related Services; Residential Services, Operational Support, and Federal Support.

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

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

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

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

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

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

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

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

**Department of Education
Learning and Results Services
Career & Technical Education**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	38,859,600	37,466,900	37,116,400	43,813,500	43,921,900
State Salary and Compensation Allocation	594,800	90,400	120,000		
Other	647,150				
Total General Fund	40,101,550	37,557,300	37,236,400	43,813,500	43,921,900
Restricted Funds					
Balance Forward	871,935	584,269	1,252,200	1,252,200	1,252,200
Current Receipts	1,892,173	1,938,988	21,144,900	22,038,900	23,044,300
Non-Revenue Receipts	18,366,727	18,758,697			
Fund Transfers	-815,800				
Total Restricted Funds	20,315,035	21,281,954	22,397,100	23,291,100	24,296,500
Federal Funds					
Balance Forward	78,841	679,120			
Current Receipts	16,906,308	18,608,359	18,000,000	18,016,100	18,115,700
Non-Revenue Receipts	2,226,292	-626,358			
Total Federal Funds	19,211,440	18,661,120	18,000,000	18,016,100	18,115,700
TOTAL SOURCE OF FUNDS	79,628,025	77,500,374	77,633,500	85,120,700	86,334,100
EXPENDITURES BY CLASS					
Personnel Cost	39,038,681	38,121,319	38,836,500	45,476,400	46,920,300
Operating Expenses	7,363,059	7,830,214	9,261,300	9,862,500	9,882,000
Grants Loans Benefits	29,686,760	27,768,841	28,244,700	28,490,800	28,240,800
Capital Outlay	240,741	157,346	38,800	38,800	38,800
Construction	5,496	1,890			
TOTAL EXPENDITURES	76,334,736	73,879,610	76,381,300	83,868,500	85,081,900
EXPENDITURES BY FUND SOURCE					
General Fund	38,071,650	37,534,846	37,236,400	43,813,500	43,921,900
Restricted Funds	19,730,766	20,029,750	21,144,900	22,038,900	23,044,300
Federal Funds	18,532,320	16,315,015	18,000,000	18,016,100	18,115,700
TOTAL EXPENDITURES	76,334,736	73,879,610	76,381,300	83,868,500	85,081,900

Effective October 16, 2012, the Office of Career and Technical Education moved from the Education and Workforce Development Cabinet into the Kentucky Department of Education.

The Office of Career and Technical Education provides occupational-specific education and training for Kentucky's citizens in order to develop a skilled and versatile workforce. The main responsibility is providing education and technical training to youth and incumbent workers that match the needs of Kentucky business and industry. The Office of Career and Technical Education manages 53 area technology centers. These area technology centers prepare students for postsecondary technical training leading to a certificate or an associate's degree, academic pursuits at a four-year college or university, or entry into the labor market with an industry-recognized qualification. The Office of Career and Technical Education is also responsible for programs under the Carl D. Perkins Vocational and Applied Technology Education Act of 1998 (Public Law 105-332).

Policy

The Budget of the Commonwealth includes additional General Fund of \$3,000,000 in each fiscal year for additional staffing at the Kentucky Tech Area Technology Centers.

The enacted budget also includes additional General Fund of \$250,000 in fiscal year 2015 for the planning phase of a Regional Collaborative Career Academy. The academy will promote career and college readiness and is a collaborative effort of the Carroll County Schools, Gallatin County Schools, Henry County Schools, Owen County Schools, and Trimble County Schools.

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	614,768,000	627,068,000	639,568,000	672,662,900	686,116,200
Other	-710,300	11,900,000	11,421,300		
Total General Fund	614,057,700	638,968,000	650,989,300	672,662,900	686,116,200
TOTAL SOURCE OF FUNDS	614,057,700	638,968,000	650,989,300	672,662,900	686,116,200
EXPENDITURES BY CLASS					
Grants Loans Benefits	614,057,700	636,803,593	650,989,300	672,662,900	686,116,200
TOTAL EXPENDITURES	614,057,700	636,803,593	650,989,300	672,662,900	686,116,200
EXPENDITURES BY FUND SOURCE					
General Fund	614,057,700	636,803,593	650,989,300	672,662,900	686,116,200
TOTAL EXPENDITURES	614,057,700	636,803,593	650,989,300	672,662,900	686,116,200

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

Policy

The Budget of the Commonwealth includes \$ 672,662,900 in fiscal year 2015 and \$ 686,116,200 in fiscal year 2016 for employer contributions for health insurance and the contribution to the health reimbursement account for employees waiving coverage. This is an increase from the General Fund of \$21,673,600 in fiscal year 2015 and \$35,126,900 in fiscal year 2016.

Education and Workforce Development

Education and Workforce Development

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	48,905,000	47,852,600	48,321,700	51,054,900	51,905,800
State Salary and Compensation Allocation	1,176,300	57,000	114,000		
Total General Fund	50,081,300	47,909,600	48,435,700	51,054,900	51,905,800
Restricted Funds					
Balance Forward	8,499,989	39,329,847	10,284,300	8,494,600	7,060,800
Current Receipts	11,026,385	11,511,386	38,866,200	43,053,300	42,116,500
Non-Revenue Receipts	63,659,271	4,513,731	5,321,900	5,192,300	5,394,500
Fund Transfers	-499,500			-900,000	
Total Restricted Funds	82,686,145	55,354,964	54,472,400	55,840,200	54,571,800
Federal Funds					
Balance Forward	5,912,129	5,206,137	3,375,400	2,257,900	3,454,700
Current Receipts	1,365,067,862	1,395,445,766	1,171,329,000	1,180,508,200	1,183,502,500
Non-Revenue Receipts	-21,900,907	-383,073,138	-291,000		
ARRA Receipts	2,205,694	2,923,429			
Total Federal Funds	1,351,284,778	1,020,502,195	1,174,413,400	1,182,766,100	1,186,957,200
TOTAL SOURCE OF FUNDS	1,484,052,222	1,123,766,759	1,277,321,500	1,289,661,200	1,293,434,800
EXPENDITURES BY CLASS					
Personnel Cost	95,777,555	127,117,706	112,946,600	121,692,900	126,399,100
Operating Expenses	30,938,333	31,927,161	33,331,200	32,636,800	32,305,300
Grants Loans Benefits	1,279,851,659	946,942,700	1,104,791,800	1,107,885,700	1,108,051,700
Debt Service	28,150,465	986,577	14,568,500	14,568,500	14,568,500
Capital Outlay	1,878,866	2,934,411	930,900	2,361,800	966,800
Construction	42,260	197,334			
TOTAL EXPENDITURES	1,436,639,138	1,110,105,890	1,266,569,000	1,279,145,700	1,282,291,400
EXPENDITURES BY FUND SOURCE					
General Fund	47,204,200	47,909,548	48,435,700	51,054,900	51,905,800
Restricted Funds	43,356,298	45,069,781	45,977,800	48,779,400	46,963,300
Federal Funds	1,346,078,640	1,017,126,560	1,172,155,500	1,179,311,400	1,183,422,300
TOTAL EXPENDITURES	1,436,639,138	1,110,105,890	1,266,569,000	1,279,145,700	1,282,291,400
EXPENDITURES BY UNIT					
General Administration and Program Support	9,472,229	10,135,229	10,382,000	10,225,200	10,488,900
Commission on Proprietary Education	208,058	86,959	187,700	272,300	283,100
Deaf and Hard of Hearing	1,495,700	1,628,372	1,588,300	1,970,500	1,992,400
Kentucky Educational Television	13,055,058	14,351,720	14,467,900	14,488,900	14,696,000
Environmental Education Council	219,711	200,498	349,400	239,900	242,400
Libraries and Archives	17,387,172	15,679,290	16,911,600	19,527,200	18,458,700
Workforce Investment	1,386,704,918	1,060,407,970	1,214,446,300	1,223,190,300	1,227,813,200
Education Professional Standards Board	8,096,292	7,615,852	8,235,800	9,231,400	8,316,700
TOTAL EXPENDITURES	1,436,639,138	1,110,105,890	1,266,569,000	1,279,145,700	1,282,291,400

During the 2006 Regular Session of the General Assembly, Senate Bill 105 combined several departments and offices from the former Education, Arts, and Humanities Cabinet and the former Workforce Development Cabinet to create the Education Cabinet. Senate Bill 78 during the 2009 Regular Session of the General Assembly renamed the cabinet to the Education and Workforce Development Cabinet to emphasize the important connection between education and workforce development. Since that time, other changes have been implemented via enacted legislation including moving the Council on Postsecondary Education from the Education and Workforce Development Cabinet to the Governor's Office, for administrative purposes; moving the Governor's Scholars Program from the Governor's Office to the Education and Workforce Development Cabinet; and dissolving the Board for Proprietary Education and creating the Commission on Proprietary Education, and moving it to the Education and Workforce Development Cabinet for administrative purposes.

The following agencies comprise the Education and Workforce Development Cabinet:

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

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,373,800	4,791,700	4,879,300	4,434,100	4,750,100
State Salary and Compensation Allocation	220,400	7,800	15,600		
Total General Fund	4,594,200	4,799,500	4,894,900	4,434,100	4,750,100
Restricted Funds					
Balance Forward	441,536	137,776	271,000	353,600	244,600
Current Receipts	9,208	7,595			
Non-Revenue Receipts	5,013,632	5,315,660	5,142,600	5,022,300	5,224,500
Fund Transfers	-177,200				
Total Restricted Funds	5,287,176	5,461,032	5,413,600	5,375,900	5,469,100
Federal Funds					
Balance Forward		6,500	291,000		
Current Receipts	-189,630	419,275	427,100	659,800	340,500
Non-Revenue Receipts		11,008	-291,000		
ARRA Receipts	393,660				
Total Federal Funds	204,030	436,784	427,100	659,800	340,500
TOTAL SOURCE OF FUNDS	10,085,406	10,697,315	10,735,600	10,469,800	10,559,700
EXPENDITURES BY CLASS					
Personnel Cost	6,134,461	6,944,506	6,446,300	6,562,000	6,929,600
Operating Expenses	1,501,747	1,556,961	1,557,500	939,100	897,400
Grants Loans Benefits	1,807,752	1,885,441	2,347,600	2,693,500	2,631,300
Capital Outlay	28,269	-272,007	30,600	30,600	30,600
Construction		20,329			
TOTAL EXPENDITURES	9,472,229	10,135,229	10,382,000	10,225,200	10,488,900
EXPENDITURES BY FUND SOURCE					
General Fund	4,125,300	4,799,448	4,894,900	4,434,100	4,750,100
Restricted Funds	5,149,399	5,189,998	5,060,000	5,131,300	5,398,300
Federal Funds	197,530	145,784	427,100	659,800	340,500
TOTAL EXPENDITURES	9,472,229	10,135,229	10,382,000	10,225,200	10,488,900
EXPENDITURES BY UNIT					
Secretary	7,656,829	8,306,681	8,551,600	8,256,600	8,518,500
Governor's Scholars	1,815,400	1,828,548	1,830,400	1,968,600	1,970,400
TOTAL EXPENDITURES	9,472,229	10,135,229	10,382,000	10,225,200	10,488,900

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

The program includes the following units:

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

- The Office of Budget and Administration is the Cabinet's chief financial and administrative office. The Division of Administrative Services is responsible for all central office purchasing, auditing and processing financial documents, compliance with the Federal Cash Management Act, federal reporting, development of the Indirect Cost Plan, monitoring and reconciliation of all financial transactions, and compliance with state and federal guidelines. The Division of Human Resources is responsible for all Cabinet personnel activities including personnel and payroll processing, providing benefits services to Cabinet employees and developing workshops and training programs for employees.
- The Office of Technology Services oversees and assists with the Cabinet's application development needs and serves as the central location for all Cabinet data processing programs statewide. The Office works with the Commonwealth Office of Technology to effectuate the Cabinet's information technology infrastructure objectives.
- The Office of Communication provides internal and external communications, marketing support and media advisory services to the Cabinet, Executive Offices, Department for Workforce Investment and other Cabinet agencies. The Office interprets and disseminates information about the Cabinet and its components to employees, the media and the general public.
- The Office of Education and Workforce Statistics and the Board of the Kentucky Center for Education and Workforce Statistics manage and oversee the Kentucky Longitudinal Data System. The System is a data repository housing early childhood through postsecondary education, and training and employment information. The Office removes individual identifiers from the data and links information across agencies, schools, and institutions to provide a complete picture of the education-to-employment process to better inform decisions made by state and local policy makers, the general public, and other stakeholders. The office conducts studies and provides feedback about the performance of high school graduates after they go to college; the outcome of teacher preparation, college, adult education, and other programs; and develops the Kentucky County Profiles book. The Kentucky Center for Education and Workforce Statistics Board is comprised of the heads of the five participating agencies and includes the commissioner of the Department of Education, the president of the Kentucky Council on Postsecondary Education, the secretary of the Education and Workforce Development Cabinet, the Executive Director of the Education Professional Standards Board, and the CEO/Executive Director of the Kentucky Higher Education Assistance Authority. The board is charged with developing a detailed access and use policy for data and information request, overseeing the Office and establishing its research agenda, and overseeing compliance by the Office with the federal Family Educational Rights and Privacy Act and other relevant federal and state privacy laws.
- The Governor's Scholars Program (GSP) is designed to motivate and empower Kentucky's brightest young people to become effective thinkers and citizen leaders with a zeal for excellence and a mind for innovation. The program provides an intensive residential summer academic and personal growth program for academically talented rising high school seniors. The scholars, chosen competitively, spend five uninterrupted weeks in the program on three college campuses. The Program served 1,050 students in the summer of 2013.

Policy

The Budget of the Commonwealth includes an additional \$131,500 General Fund in each fiscal year for the Governor's Scholars Program to increase the number of student participants from 1,050 to 1,100. Also included, is an additional \$250,000 General Fund in fiscal year 2016 for the Office of Education and Workforce Statistics to add new data sources to the Kentucky Longitudinal Data System and to generate information based on the added data.

**Education and Workforce Development
Proprietary Education**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	187,179	153,334	230,300	207,600	171,500
Current Receipts	177,313	163,944	165,000	236,200	245,400
Fund Transfers	-3,100				
Total Restricted Funds	361,392	317,278	395,300	443,800	416,900
TOTAL SOURCE OF FUNDS	361,392	317,278	395,300	443,800	416,900
EXPENDITURES BY CLASS					
Personnel Cost	188,334	53,596	170,700	252,700	263,500
Operating Expenses	19,724	6,128	17,000	19,600	19,600
Grants Loans Benefits		27,235			
TOTAL EXPENDITURES	208,058	86,959	187,700	272,300	283,100
EXPENDITURES BY FUND SOURCE					
Restricted Funds	208,058	86,959	187,700	272,300	283,100
TOTAL EXPENDITURES	208,058	86,959	187,700	272,300	283,100
EXPENDITURES BY UNIT					
Proprietary Education	208,058	86,959	187,700	272,300	283,100
TOTAL EXPENDITURES	208,058	86,959	187,700	272,300	283,100

The Kentucky Commission on Proprietary Education was established by action of the 2012 Kentucky General Assembly; it replaced the Board of Proprietary Education. The 11-member commission is charged with licensing and regulating all proprietary schools, doing business in Kentucky, other than those that offer a four year bachelor's degree. The duties of the Commission include issuing and renewing licenses to eligible proprietary schools, investigating complaints from students and schools, and administering and enforcing the provisions of KRS Chapter 165A pertaining to the conduct, operation, maintenance, and establishment of proprietary education institutions and the activities of agents of the schools.

The Commission also administers the Student Protection Fund. Each licensed school is obligated to contribute to the fund which reimburses eligible students in the event a school closes, loses its accreditation, or discontinues a program.

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	790,700	764,200	775,900	861,300	883,200
State Salary and Compensation Allocation	28,900	1,300	2,600		
Total General Fund	819,600	765,500	778,500	861,300	883,200
Restricted Funds					
Balance Forward	102	102	3,200		
Current Receipts	830,400	864,500	806,600	1,109,200	1,109,200
Non-Revenue Receipts		1,434			
Fund Transfers	-56,800				
Total Restricted Funds	773,702	866,036	809,800	1,109,200	1,109,200
TOTAL SOURCE OF FUNDS	1,593,302	1,631,536	1,588,300	1,970,500	1,992,400
EXPENDITURES BY CLASS					
Personnel Cost	813,801	937,200	1,019,500	1,184,800	1,211,600
Operating Expenses	681,900	691,172	568,800	785,700	780,800
TOTAL EXPENDITURES	1,495,700	1,628,372	1,588,300	1,970,500	1,992,400
EXPENDITURES BY FUND SOURCE					
General Fund	722,100	765,500	778,500	861,300	883,200
Restricted Funds	773,600	862,872	809,800	1,109,200	1,109,200
TOTAL EXPENDITURES	1,495,700	1,628,372	1,588,300	1,970,500	1,992,400
EXPENDITURES BY UNIT					
Commission on the Deaf and Hard of Hearing	1,495,700	1,628,372	1,588,300	1,970,500	1,992,400
TOTAL EXPENDITURES	1,495,700	1,628,372	1,588,300	1,970,500	1,992,400

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

**Education and Workforce Development
Kentucky Educational Television**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	12,105,800	11,861,000	12,049,200	13,037,900	13,245,000
State Salary and Compensation Allocation	488,400	18,600	37,200		
Total General Fund	12,594,200	11,879,600	12,086,400	13,037,900	13,245,000
Restricted Funds					
Balance Forward	1,157,562	1,874,171	1,180,500	250,000	250,000
Current Receipts	1,754,881	1,573,726	1,451,000	1,451,000	1,451,000
Non-Revenue Receipts	18,865	-25,239			
Fund Transfers	-40,000				
Total Restricted Funds	2,891,307	3,422,658	2,631,500	1,701,000	1,701,000
Federal Funds					
Balance Forward	541,016	195,571			
Current Receipts	-81,324	34,429			
Total Federal Funds	459,692	230,000			
TOTAL SOURCE OF FUNDS	15,945,200	15,532,258	14,717,900	14,738,900	14,946,000
EXPENDITURES BY CLASS					
Personnel Cost	8,466,770	9,139,594	9,433,300	10,164,500	10,357,100
Operating Expenses	3,878,734	4,881,188	4,834,100	4,123,900	4,138,400
Grants Loans Benefits	173,604	186,092	150,500	150,500	150,500
Capital Outlay	535,950	136,724	50,000	50,000	50,000
Construction		8,122			
TOTAL EXPENDITURES	13,055,058	14,351,720	14,467,900	14,488,900	14,696,000
EXPENDITURES BY FUND SOURCE					
General Fund	11,773,800	11,879,600	12,086,400	13,037,900	13,245,000
Restricted Funds	1,017,137	2,242,120	2,381,500	1,451,000	1,451,000
Federal Funds	264,121	230,000			
TOTAL EXPENDITURES	13,055,058	14,351,720	14,467,900	14,488,900	14,696,000
EXPENDITURES BY UNIT					
General Administration and Support	2,255,100	2,375,500	2,343,000	2,474,100	2,517,300
Broadcasting and Education	8,653,157	9,887,936	9,902,400	9,498,200	9,638,400
Engineering	2,146,802	2,088,284	2,222,500	2,516,600	2,540,300
TOTAL EXPENDITURES	13,055,058	14,351,720	14,467,900	14,488,900	14,696,000

KET was established by the Kentucky General Assembly in the early 1960s for the purpose of supporting educational excellence in the Commonwealth. The agency's mission includes service to citizens of the Commonwealth in the home, in institutions of education, and in the workplace. As required by KRS 168, the Kentucky Authority for Educational Television (KET) produces and transmits educational programming for students in public schools, state supported institutions of higher education, and others desiring broadcast programs and services. KET is divided into three program areas: General Administration and Support, Broadcasting and Education, and Engineering.

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

Instructional programming for elementary and secondary schools directly supports the learning goals and outcomes of Kentucky's Common Core Standards, adopted in February 2010. The Broadcasting and Education unit produces interactive and other distance learning courses designed to provide equal access to a variety of learning opportunities for all students. It produces professional development opportunities for educators throughout the state and broadcasts programs designed to help

people in the workplace. Acquired and/or locally produced programming services are delivered to under-educated adults, professionals in need of training, and other citizens with various needs related to their jobs and professions. The unit also produces multiple schedules of nationally- and locally-produced programs for citizens at home and in the workplace. This includes educational and public affairs programming as well as quality arts experiences for all Kentuckians. A full line-up of children's educational programs offers a quality alternative to commercial television viewing.

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

The General Administration and Support unit oversees the implementation of KET's mission as directed by the Kentucky Authority for Educational Television and recommends and carries out the policies of the Authority in all matters of the agency. The unit assures that the agency is in compliance with pertinent state regulations and federal broadcast laws and works to ascertain the desires of the citizens of the Commonwealth. The unit conducts research and planning activities to verify the needs of current and potential audiences then works to assure effective, efficient, and appropriate service to those audiences.

**Education and Workforce Development
Environmental Education Council**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	327,027	333,162	307,900	139,300	70,900
Current Receipts	12,425		1,500	1,500	1,500
Non-Revenue Receipts	172,949	175,253	179,300	170,000	170,000
Fund Transfers	-41,200				
Total Restricted Funds	471,201	508,416	488,700	310,800	242,400
Federal Funds					
Non-Revenue Receipts	-12,835				
ARRA Receipts	94,507				
Total Federal Funds	81,673				
TOTAL SOURCE OF FUNDS	552,874	508,416	488,700	310,800	242,400
EXPENDITURES BY CLASS					
Personnel Cost	143,369	167,706	207,500	208,700	212,400
Operating Expenses	59,213	32,684	29,900	31,200	30,000
Grants Loans Benefits	17,129		112,000		
Construction		107			
TOTAL EXPENDITURES	219,711	200,498	349,400	239,900	242,400
EXPENDITURES BY FUND SOURCE					
Restricted Funds	138,038	200,498	349,400	239,900	242,400
Federal Funds	81,673				
TOTAL EXPENDITURES	219,711	200,498	349,400	239,900	242,400
EXPENDITURES BY UNIT					
Ky Environmental Education Council	219,711	200,498	349,400	239,900	242,400
TOTAL EXPENDITURES	219,711	200,498	349,400	239,900	242,400

The Kentucky Environmental Education Council was established in 1990 by KRS 157.910 and is charged with improving the environmental literacy of all Kentuckians. The Council provides opportunities for all Kentuckians to understand both that environmental problems exist and how each person's actions contribute to the health of the environment. In accordance with KRS 224.10-250, the Council receives the first \$150,000 in environmental fines and penalties collected by the Energy and Environment Cabinet for funding programs and activities that improve the quality of environmental education in the Commonwealth. These programs and activities include:

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

Additionally, in accordance with KRS 224.43-505, the Council provides interest accrued on the Kentucky Pride Fund, a fund that receives environmental remediation fees charged on each ton of waste disposed of at Kentucky landfills, to the eight state public universities to operate environmental education centers.

Policy

The low estimates for interest income that accrue to the Environmental Education Council from the Kentucky Pride Fund, \$6,600 in fiscal year 2015 and \$7,200 in fiscal year 2016, and higher retirement costs, require that the Council use it to pay its basic expenses. Should the interest revenue exceed estimates, any available funds will be provided to the eight state universities.

**Education and Workforce Development
Libraries and Archives**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	11,302,800	11,015,900	11,107,500	12,444,200	12,543,400
State Salary and Compensation Allocation	271,400	11,100	22,200		
Total General Fund	11,574,200	11,027,000	11,129,700	12,444,200	12,543,400
Restricted Funds					
Balance Forward	1,542,299	1,943,725	2,343,800	2,031,300	2,430,300
Current Receipts	3,146,145	2,582,760	2,793,600	5,077,400	4,062,000
Fund Transfers	-98,300			-300,000	
Total Restricted Funds	4,590,144	4,526,486	5,137,400	6,808,700	6,492,300
Federal Funds					
Balance Forward	555	6	94,500		
Current Receipts	2,762,681	2,512,944	2,581,300	2,704,600	2,739,900
Non-Revenue Receipts	31,223	-31,223			
ARRA Receipts	880,200	82,579			
Total Federal Funds	3,674,659	2,564,306	2,675,800	2,704,600	2,739,900
TOTAL SOURCE OF FUNDS	19,839,003	18,117,792	18,942,900	21,957,500	21,775,600
EXPENDITURES BY CLASS					
Personnel Cost	6,213,203	6,504,799	6,351,500	7,284,300	6,827,700
Operating Expenses	3,055,623	2,703,004	3,662,500	4,221,700	3,776,900
Grants Loans Benefits	8,085,876	6,453,536	6,662,500	7,619,700	7,577,600
Capital Outlay	32,471	17,950	235,100	401,500	276,500
TOTAL EXPENDITURES	17,387,172	15,679,290	16,911,600	19,527,200	18,458,700
EXPENDITURES BY FUND SOURCE					
General Fund	11,066,100	11,027,000	11,129,700	12,444,200	12,543,400
Restricted Funds	2,646,419	2,182,530	3,106,100	4,378,400	3,175,400
Federal Funds	3,674,653	2,469,760	2,675,800	2,704,600	2,739,900
TOTAL EXPENDITURES	17,387,172	15,679,290	16,911,600	19,527,200	18,458,700
EXPENDITURES BY UNIT					
Libraries and Archives	10,332,453	9,090,697	10,090,600	11,749,000	10,722,600
Direct Local Aid	7,054,719	6,588,593	6,821,000	7,778,200	7,736,100
TOTAL EXPENDITURES	17,387,172	15,679,290	16,911,600	19,527,200	18,458,700

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

The Department is directed by three goals:

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

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

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,767,800	5,690,000	5,781,600	6,118,300	6,217,500
State Salary and Compensation Allocation	271,400	11,100	22,200		
Total General Fund	6,039,200	5,701,100	5,803,800	6,118,300	6,217,500
Restricted Funds					
Balance Forward	1,070,434	1,618,546	1,959,700	1,647,200	2,346,200
Current Receipts	2,232,214	1,857,845	1,897,900	4,181,700	3,166,300
Fund Transfers	-80,600				
Total Restricted Funds	3,222,048	3,476,391	3,857,600	5,828,900	5,512,500
Federal Funds					
Balance Forward	555	6	94,500		
Current Receipts	2,209,599	1,914,697	1,981,900	2,148,000	2,225,400
Non-Revenue Receipts	29,703	-29,703			
ARRA Receipts	880,200	82,579			
Total Federal Funds	3,120,057	1,967,579	2,076,400	2,148,000	2,225,400
TOTAL SOURCE OF FUNDS	12,381,305	11,145,071	11,737,800	14,095,200	13,955,400
EXPENDITURES BY CLASS					
Personnel Cost	6,213,203	6,504,799	6,351,500	7,284,300	6,827,700
Operating Expenses	3,055,369	2,540,084	3,476,100	4,035,300	3,590,500
Grants Loans Benefits	1,031,410	27,863	27,900	27,900	27,900
Capital Outlay	32,471	17,950	235,100	401,500	276,500
TOTAL EXPENDITURES	10,332,453	9,090,697	10,090,600	11,749,000	10,722,600
EXPENDITURES BY FUND SOURCE					
General Fund	5,608,900	5,701,100	5,803,800	6,118,300	6,217,500
Restricted Funds	1,603,502	1,516,563	2,210,400	3,482,700	2,279,700
Federal Funds	3,120,050	1,873,033	2,076,400	2,148,000	2,225,400
TOTAL EXPENDITURES	10,332,453	9,090,697	10,090,600	11,749,000	10,722,600
EXPENDITURES BY UNIT					
Administrative Services	2,840,538	2,551,030	2,818,000	3,014,600	3,033,300
Field Services	2,844,780	1,816,142	1,888,400	1,947,500	2,005,700
State Library Services	1,556,189	1,390,237	1,655,600	1,646,700	1,697,300
Public Records	3,090,945	3,333,289	3,728,600	5,140,200	3,986,300
TOTAL EXPENDITURES	10,332,453	9,090,697	10,090,600	11,749,000	10,722,600

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

Administrative Services

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

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

Field Services

The Division of Field Services supports Kentucky's public libraries for the improvement of library services by providing

consultation, technical assistance, and financial aid. The Division provides services pursuant to KRS Chapter 171.

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

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

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

State Library Services

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

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

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

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

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

Public Records

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

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

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

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

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

The Image Management Branch provides centralized image management and micrographics services to state and local

government agencies on a cost recovery basis. These central services help improve access to information, reduce the volume of paper-based files, and ensure archival preservation of information contained in fragile paper records.

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

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,535,000	5,325,900	5,325,900	6,325,900	6,325,900
Total General Fund	5,535,000	5,325,900	5,325,900	6,325,900	6,325,900
Restricted Funds					
Balance Forward	471,865	325,179	384,100	384,100	84,100
Current Receipts	913,930	724,915	895,700	895,700	895,700
Fund Transfers	-17,700			-300,000	
Total Restricted Funds	1,368,096	1,050,094	1,279,800	979,800	979,800
Federal Funds					
Balance Forward					
Current Receipts	553,082	598,247	599,400	556,600	514,500
Non-Revenue Receipts	1,520	-1,520			
Total Federal Funds	554,603	596,727	599,400	556,600	514,500
TOTAL SOURCE OF FUNDS	7,457,698	6,972,721	7,205,100	7,862,300	7,820,200
EXPENDITURES BY CLASS					
Operating Expenses	254	162,920	186,400	186,400	186,400
Grants Loans Benefits	7,054,465	6,425,673	6,634,600	7,591,800	7,549,700
TOTAL EXPENDITURES	7,054,719	6,588,593	6,821,000	7,778,200	7,736,100
EXPENDITURES BY FUND SOURCE					
General Fund	5,457,200	5,325,900	5,325,900	6,325,900	6,325,900
Restricted Funds	1,042,916	665,967	895,700	895,700	895,700
Federal Funds	554,603	596,727	599,400	556,600	514,500
TOTAL EXPENDITURES	7,054,719	6,588,593	6,821,000	7,778,200	7,736,100
EXPENDITURES BY UNIT					
Field Services	5,549,241	5,303,804	5,263,700	6,220,900	6,178,800
State Library Services	200,000	361,170	386,400	386,400	386,400
Public Records	1,305,478	923,619	1,170,900	1,170,900	1,170,900
TOTAL EXPENDITURES	7,054,719	6,588,593	6,821,000	7,778,200	7,736,100

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

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

These services are administered by the Department's program divisions: Field Services, State Library Services, and Public

Records. Direct services include cash grants, library materials, and bookmobiles.

Policy

The Budget of the Commonwealth provides additional General Fund of \$1,000,000 in each fiscal year to the Public Libraries Facilities Construction Fund for additional grants to public libraries to assist with reduction of debt associated with new construction or renovation of existing library space.

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,177,800	1,203,100	1,229,600	1,385,100	1,413,700
State Salary and Compensation Allocation	36,600	2,800	5,600		
Total General Fund	1,214,400	1,205,900	1,235,200	1,385,100	1,413,700
Restricted Funds					
Balance Forward	1,132,188	223,554	492,100	215,000	209,200
Current Receipts	901,793	1,020,360	476,300	1,170,300	1,078,800
Non-Revenue Receipts	-91,329	-81			
Total Restricted Funds	1,942,652	1,243,833	968,400	1,385,300	1,288,000
Federal Funds					
Balance Forward	1,356,346		15,500		
Current Receipts	7,738,787	7,703,554	6,833,300	7,242,700	7,457,600
Non-Revenue Receipts	-1,315,438	-108,819			
ARRA Receipts	380,026				
Total Federal Funds	8,159,721	7,594,735	6,848,800	7,242,700	7,457,600
TOTAL SOURCE OF FUNDS	11,316,773	10,044,468	9,052,400	10,013,100	10,159,300
EXPENDITURES BY CLASS					
Personnel Cost	6,274,083	6,462,557	5,969,000	6,320,600	6,449,100
Operating Expenses	1,354,763	1,256,137	1,220,300	1,242,500	1,243,800
Grants Loans Benefits	3,379,742	1,809,239	1,646,200	2,238,900	2,190,100
Capital Outlay	11,035	2,081	1,900	1,900	1,900
Construction	295	6,797			
TOTAL EXPENDITURES	11,019,918	9,536,813	8,837,400	9,803,900	9,884,900
EXPENDITURES BY FUND SOURCE					
General Fund	1,141,100	1,205,900	1,235,200	1,385,100	1,413,700
Restricted Funds	1,719,097	751,724	753,400	1,176,100	1,093,800
Federal Funds	8,159,721	7,579,189	6,848,800	7,242,700	7,377,400
TOTAL EXPENDITURES	11,019,918	9,536,813	8,837,400	9,803,900	9,884,900
EXPENDITURES BY UNIT					
General Blind Services	9,574,529	8,565,364	7,692,300	8,407,900	8,465,300
Business Enterprise Program	494,898	380,743	408,400	623,900	633,400
Center for Independent Living	644,645	547,766	734,300	772,100	786,200
Assistive Technology Service	305,846	42,940	2,400		
TOTAL EXPENDITURES	11,019,918	9,536,813	8,837,400	9,803,900	9,884,900

Pursuant to KRS 163.470 and the Rehabilitation Act of 1973 as amended, the Office for the Blind provides services to assist individuals who are blind and visually impaired in preparing for, obtaining, improving, and maintaining employment, as well as enabling them to live more independent and fulfilling lives. Office for the Blind has professional staff located at the central office as well as in Kentucky Career Centers throughout the state. Kentucky Career Centers house not only Office for the Blind staff, but also staff from partner agencies such as Office of Vocational Rehabilitation, Office of Employment and Training, Department for Community Based Services, Kentucky Adult Education, Community Action, and others. Such collaboration affords consumers the convenience of a one-stop approach for accessing various types of assistance necessary for reaching employment goals.

The Office provides vocational rehabilitation of blind and visually impaired Kentuckians. Vocational Rehabilitation Counselors provide vocational counseling, evaluation, physical and mental restoration, vocational and higher education training, assistive technology training, adaptive devices, orientation and mobility training, and job placement services. The Counselors receive ongoing training to maintain certification and to gain knowledge of the latest developments in rehabilitation techniques. The Office provides services through the following avenues:

- The Office has 10 field offices that provide direct vocational rehabilitation services to individuals with severe visual impairments.
- The Charles McDowell Comprehensive Rehabilitation Center for the Blind is a facility in Louisville that provides training in vocational preparation, personal adjustment services, independent living skills, orientation and mobility skills, Braille, assistive technology, career assessment, vocational planning, work adjustment, and work experience.

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

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

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

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

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

Policy

The Budget of the Commonwealth includes an additional \$50,000 General Fund in each fiscal year. This amount will be used to match approximately \$184,700 Federal Fund for a total of \$234,700 in each fiscal year to serve additional clients.

**Education and Workforce Development
Employment and Training**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	1,262,610	32,210,134	3,204,500	3,204,500	3,178,100
Current Receipts	971,719	1,305,834	30,131,900	30,131,900	30,131,900
Non-Revenue Receipts	58,545,154	-953,296			
Fund Transfers	-50,300				
Total Restricted Funds	60,729,183	32,562,671	33,336,400	33,336,400	33,310,000
Federal Funds					
Balance Forward	3,680,344	3,844,666	2,213,700	2,213,700	3,410,500
Current Receipts	1,313,508,291	1,343,410,468	1,118,333,000	1,125,132,100	1,127,507,300
Non-Revenue Receipts	-20,604,493	-382,945,903			
ARRA Receipts	219,289	2,840,850			
Total Federal Funds	1,296,803,431	967,150,082	1,120,546,700	1,127,345,800	1,130,917,800
TOTAL SOURCE OF FUNDS	1,357,532,614	999,712,753	1,153,883,100	1,160,682,200	1,164,227,800
EXPENDITURES BY CLASS					
Personnel Cost	41,400,524	70,670,619	56,043,700	61,661,700	65,234,000
Operating Expenses	14,995,519	14,834,833	15,575,100	15,585,800	15,585,500
Grants Loans Benefits	1,236,254,526	904,683,089	1,061,789,800	1,061,789,800	1,061,789,800
Debt Service	28,150,465	986,577	14,568,500	14,568,500	14,568,500
Capital Outlay	635,781	2,982,000	487,800	487,800	487,800
Construction	41,000	136,646			
TOTAL EXPENDITURES	1,321,477,814	994,293,763	1,148,464,900	1,154,093,600	1,157,665,600
EXPENDITURES BY FUND SOURCE					
Restricted Funds	28,519,049	29,357,461	30,131,900	30,158,300	30,158,300
Federal Funds	1,292,958,765	964,936,302	1,118,333,000	1,123,935,300	1,127,507,300
TOTAL EXPENDITURES	1,321,477,814	994,293,763	1,148,464,900	1,154,093,600	1,157,665,600
EXPENDITURES BY UNIT					
Employer and Placement Services	23,091,618	22,335,864	26,094,800	29,143,400	31,311,500
Unemployment Insurance	1,253,879,110	924,086,909	1,068,114,300	1,070,434,200	1,071,764,900
Special Projects	-37,894	-727			
Workforce Investment Act	44,544,980	47,871,717	54,255,800	54,516,000	54,589,200
TOTAL EXPENDITURES	1,321,477,814	994,293,763	1,148,464,900	1,154,093,600	1,157,665,600

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

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

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

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

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	1,262,606	1,504,081	1,993,500	1,993,500	1,967,100
Current Receipts	718,963	1,288,156	1,500,000	1,500,000	1,500,000
Non-Revenue Receipts	-58,603	-1,397			
Fund Transfers	-50,300				
Total Restricted Funds	1,872,666	2,790,840	3,493,500	3,493,500	3,467,100
Federal Funds					
Balance Forward		-1,361,350	-1,196,800	-1,196,800	
Current Receipts	22,946,547	21,167,634	24,594,800	28,813,800	29,785,100
Non-Revenue Receipts	-1,632,414	535,614			
ARRA Receipts	47,551	-184			
Total Federal Funds	21,361,684	20,341,714	23,398,000	27,617,000	29,785,100
TOTAL SOURCE OF FUNDS	23,234,349	23,132,554	26,891,500	31,110,500	33,252,200
EXPENDITURES BY CLASS					
Personnel Cost	10,562,658	11,619,201	11,472,500	14,497,800	16,666,200
Operating Expenses	3,222,438	4,142,078	4,342,900	4,366,200	4,365,900
Grants Loans Benefits	9,223,217	6,228,722	10,026,500	10,026,500	10,026,500
Capital Outlay	83,020	303,738	252,900	252,900	252,900
Construction	285	42,126			
TOTAL EXPENDITURES	23,091,618	22,335,864	26,094,800	29,143,400	31,311,500
EXPENDITURES BY FUND SOURCE					
Restricted Funds	368,585	797,385	1,500,000	1,526,400	1,526,400
Federal Funds	22,723,034	21,538,479	24,594,800	27,617,000	29,785,100
TOTAL EXPENDITURES	23,091,618	22,335,864	26,094,800	29,143,400	31,311,500
EXPENDITURES BY UNIT					
Job Placement Services	8,152,024	9,961,445	9,973,700	12,140,400	14,055,600
Special Employment Services	13,350,045	10,687,013	14,342,500	15,061,800	15,236,300
Employment Information Support	1,589,549	1,687,406	1,778,600	1,941,200	2,019,600
TOTAL EXPENDITURES	23,091,618	22,335,864	26,094,800	29,143,400	31,311,500

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

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward		30,706,048	1,211,000	1,211,000	1,211,000
Current Receipts	252,756	17,678	28,631,900	28,631,900	28,631,900
Non-Revenue Receipts	58,603,757	-951,900			
Total Restricted Funds	58,856,513	29,771,827	29,842,900	29,842,900	29,842,900
Federal Funds					
Balance Forward	3,680,344	3,798,952	2,355,100	2,355,100	2,355,100
Current Receipts	1,248,613,743	1,277,563,781	1,039,482,400	1,041,802,300	1,043,133,000
Non-Revenue Receipts	-18,922,755	-383,481,516			
ARRA Receipts	-3,843,734				
Total Federal Funds	1,229,527,598	897,881,217	1,041,837,500	1,044,157,400	1,045,488,100
TOTAL SOURCE OF FUNDS	1,288,384,110	927,653,044	1,071,680,400	1,074,000,300	1,075,331,000
EXPENDITURES BY CLASS					
Personnel Cost	27,957,636	56,761,461	42,359,500	44,692,500	46,023,200
Operating Expenses	10,879,665	9,847,667	10,363,000	10,349,900	10,349,900
Grants Loans Benefits	1,186,343,782	853,862,212	1,000,683,300	1,000,683,300	1,000,683,300
Debt Service	28,150,465	986,577	14,568,500	14,568,500	14,568,500
Capital Outlay	547,150	2,542,039	140,000	140,000	140,000
Construction	413	86,953			
TOTAL EXPENDITURES	1,253,879,110	924,086,909	1,068,114,300	1,070,434,200	1,071,764,900
EXPENDITURES BY FUND SOURCE					
Restricted Funds	28,150,465	28,560,803	28,631,900	28,631,900	28,631,900
Federal Funds	1,225,728,645	895,526,105	1,039,482,400	1,041,802,300	1,043,133,000
TOTAL EXPENDITURES	1,253,879,110	924,086,909	1,068,114,300	1,070,434,200	1,071,764,900
EXPENDITURES BY UNIT					
Unemployment Insurance Administration	67,677,477	68,551,120	68,114,300	70,434,200	71,764,900
Unemployment Insurance Benefits	1,186,201,633	855,535,788	1,000,000,000	1,000,000,000	1,000,000,000
TOTAL EXPENDITURES	1,253,879,110	924,086,909	1,068,114,300	1,070,434,200	1,071,764,900

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

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

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

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

KRS Chapter 341 provides the statutory authority and structure for the operation of the UI program in Kentucky. With regard to most particulars involving worker coverage, benefit entitlement, and employer liability, KRS Chapter 341 conforms to federal unemployment law derived from the Social Security Act of 1935. This state and federal statutory conformity is required in order

for Kentucky employers to receive a credit against federal unemployment tax based on state tax payments, and in order for the agency to receive federal administrative funding.

During fiscal year 2013, the Office of Employment and Training paid 2.96 million weeks of compensation to out-of-work Kentuckians with benefits totaling approximately \$876.8 million. That amount is projected to decrease to approximately \$490 million in FY2016 with the expiration of the federal Emergency Unemployment Compensation (EUC) on December 31, 2013.

Total benefits paid in FY2013 included regular state benefits of \$471 million, trade readjustment allowances of \$4 million, and \$401 million in Emergency Unemployment Compensation (EUC) and Extended Benefits (EB).

Policy

The Unemployment Insurance Trust Fund was depleted in January 2009 and Kentucky began to borrow from the Federal Unemployment Account (FUA). As of June 30, 2013, Kentucky's outstanding balance was about \$625 million. Kentucky made an interest payment on the borrowed funds in September 2013. It is estimated that the interest payment due in September 2014 will be approximately \$15,900,000, and the interest payment due in September 2015 will be approximately \$13,200,000, and shall be paid from the Penalty and Interest Account in accordance with KRS 341.295. The Budget of the Commonwealth includes revenue from an employer assessment established by the 2012 General Assembly, through enactment of HB 495, for the purpose of financing the interest payments.

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
Federal Funds					
Balance Forward		1,407,064	1,055,400	1,055,400	1,055,400
Current Receipts	41,948,002	44,679,052	54,255,800	54,516,000	54,589,200
Non-Revenue Receipts	-49,324				
ARRA Receipts	4,053,366	2,841,034			
Total Federal Funds	45,952,044	48,927,151	55,311,200	55,571,400	55,644,600
TOTAL SOURCE OF FUNDS	45,952,044	48,927,151	55,311,200	55,571,400	55,644,600
EXPENDITURES BY CLASS					
Personnel Cost	2,880,230	2,290,684	2,211,700	2,471,400	2,544,600
Operating Expenses	893,416	845,089	869,200	869,700	869,700
Grants Loans Benefits	40,725,421	44,592,154	51,080,000	51,080,000	51,080,000
Capital Outlay	5,611	136,222	94,900	94,900	94,900
Construction	40,301	7,568			
TOTAL EXPENDITURES	44,544,980	47,871,717	54,255,800	54,516,000	54,589,200
EXPENDITURES BY FUND SOURCE					
Federal Funds	44,544,980	47,871,717	54,255,800	54,516,000	54,589,200
TOTAL EXPENDITURES	44,544,980	47,871,717	54,255,800	54,516,000	54,589,200

In accordance with the provisions of the Workforce Investment Act (WIA), Kentucky continues to consolidate, coordinate, and improve employment, training, literacy, and vocational rehabilitation programs. WIA reforms implemented by the Commonwealth include streamlining services through a one-stop service delivery system housed in Kentucky Career Centers located throughout the state, empowering individuals by means of information and access to training resources through individual training accounts, providing universal access to core services, increasing accountability for results, ensuring a strong role for Local Workforce Investment Boards and the private sector in the workforce investment system, facilitating state and local flexibility, and improving youth services.

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

Most services for adults and dislocated workers are provided through the Kentucky Career Centers, and most customers use individual training accounts to determine which training programs and training providers best fit their needs. The Act authorizes core services available to all adults, and intensive services for unemployed individuals who are not able to find jobs through core services alone. In some cases, intensive services are available to employed workers who need more help to find or keep a job that will lead to self-sufficiency.

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

The 42-member Kentucky Workforce Investment Board (KWIB) serves as an advisory board to the Governor on workforce training and development issues. The KWIB is charged with creating a statewide vision for workforce development and adopting a plan to move Kentucky forward through workforce training and development.

**Education and Workforce Development
Vocational Rehabilitation**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	11,547,200	11,074,800	11,109,500	11,585,200	11,709,100
State Salary and Compensation Allocation	51,000	11,500	23,000		
Total General Fund	11,598,200	11,086,300	11,132,500	11,585,200	11,709,100
Restricted Funds					
Balance Forward	1,281,636	1,067,790	412,000	362,300	348,100
Current Receipts	2,422,158	3,242,389	2,290,300	3,125,800	3,286,700
Total Restricted Funds	3,703,795	4,310,178	2,702,300	3,488,100	3,634,800
Federal Funds					
Balance Forward	264,045	1,090,212	704,200		
Current Receipts	41,084,201	41,205,095	42,967,300	44,567,600	45,251,900
Non-Revenue Receipts	635	1,799			
ARRA Receipts	238,011				
Total Federal Funds	41,586,892	42,297,107	43,671,500	44,567,600	45,251,900
TOTAL SOURCE OF FUNDS	56,888,887	57,693,585	57,506,300	59,640,900	60,595,800
EXPENDITURES BY CLASS					
Personnel Cost	23,254,768	23,401,013	23,709,900	24,599,600	25,249,100
Operating Expenses	4,744,243	5,429,652	5,082,700	5,037,200	5,038,500
Grants Loans Benefits	25,685,362	27,653,733	28,225,900	29,536,000	29,855,100
Capital Outlay	521,847	67,663	125,500	120,000	120,000
Construction	966	25,333			
TOTAL EXPENDITURES	54,207,185	56,577,394	57,144,000	59,292,800	60,262,700
EXPENDITURES BY FUND SOURCE					
General Fund	11,074,500	11,086,300	11,132,500	11,585,200	11,709,100
Restricted Funds	2,636,005	3,898,238	2,340,000	3,140,000	3,301,700
Federal Funds	40,496,680	41,592,856	43,671,500	44,567,600	45,251,900
TOTAL EXPENDITURES	54,207,185	56,577,394	57,144,000	59,292,800	60,262,700
EXPENDITURES BY UNIT					
Carl D. Perkins Vocational Training Center	7,650,320	7,884,673	8,335,700	8,254,700	8,399,500
Program Services	45,153,515	47,241,158	47,103,500	49,149,900	49,874,600
Executive Director	1,403,350	1,451,563	1,704,800	1,888,200	1,988,600
TOTAL EXPENDITURES	54,207,185	56,577,394	57,144,000	59,292,800	60,262,700

The Office of Vocational Rehabilitation provides for and improves the vocational rehabilitation of citizens with physical and mental disabilities and helps eligible persons with disabilities achieve suitable employment. The Office of Vocational Rehabilitation has professional staff located at the central office as well as in Kentucky Career Centers throughout the state. Kentucky Career Centers house not only Office of Vocational Rehabilitation staff, but also staff from partner agencies such as Office for the Blind, Office of Employment and Training, Department for Community Based Services, Kentucky Adult Education, Community Action, and others. Such collaboration affords consumers the convenience of a one-stop approach for accessing various types of assistance necessary for reaching employment goals.

The Office employs Vocational Rehabilitation Counselors and Program Specialists who utilize vocational assessments, and counseling and guidance services to match workers with disabilities to labor market needs. An array of services is provided to assist clients with reaching employment goals. Job preparation activities include on-the-job training and vocational and classroom instruction. Job development and placement services assist the individual in obtaining and maintaining suitable employment. Transition activities support a move from the classroom to the workplace. Rehabilitation technology adapts the physical environment at work or home to meet employment needs. Follow-up services ensure that employment is progressing satisfactorily. Counselors and Specialists receive ongoing training to maintain certification and to gain knowledge of the latest developments in rehabilitation strategies and techniques.

The Office also provides services for employers. Such services include preparing job-qualified applicants, conducting job analyses, recommending job modifications, and conducting disability awareness programs. Other services include disability awareness training programs and affirmative action planning and services to employees with disability-related problems. As a

result, employers experience risk reduction, save resources spent on training new hires, and increase cash flow through access to tax incentives.

The Rehabilitation Act of 1973, as amended, authorizes and provides federal funding for state vocational rehabilitation programs. Kentucky Revised Statutes 151B.180-210 complies with all provisions of the Act. The Code of Federal Regulations (CFR Chapter 34) and Title 781 of the Kentucky Administrative Regulations establish functions of the program. The Office also complies with relevant sections of the Kentucky Department of Education's administrative regulations.

The Program Services Division provides direct vocational rehabilitation services to eligible individuals who have physical or mental disabilities and is responsible for the actual intake and client service delivery efforts of the Office and performs certain administrative functions. The Division implements the federal Rehabilitation Act of 1973 and must make available, services appropriate to the needs of individuals with disabilities. The services enumerated in the Rehabilitation Act include: evaluation of vocational rehabilitation potential; counseling and guidance; physical and mental restoration services; vocational and other training services; maintenance; transportation; services to family members; interpreter services and note-taking services for persons who are deaf; reader services and note-taking services for persons who are blind; assistive technology and devices; personal assistance services; recruitment and training services; placement; post-employment services; occupational licenses, equipment, initial stock and supplies; and other goods and services needed for employment.

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

The Carl D. Perkins Vocational Training Center (CDPVTC) at Thelma, Kentucky, is a multi-disciplinary residential rehabilitation facility located in Johnson County. The CDPVTC operates five major programs: Vocational Evaluation, Work Adjustment, Vocational Training, Physical Restoration/Outpatient Medical Rehabilitation, and Brain Injury Community Re-entry. All programs meet standards for program quality as documented by the Commission on Accreditation of Rehabilitation Facilities (CARF). Within these five programs, the following professional services are available: comprehensive vocational assessment, vocational training, physical therapy, occupational therapy, speech therapy, nursing services, physician services, adjustment services, psychological and psychiatric services, adult therapeutic recreation, vocational rehabilitation counseling, social services, assistive technology, transportation, and administrative services. A wide range of educational programs and services including developmental math, reading, GED test preparation, and the External Diploma Program are also available. The CDPVTC offers individualized placement services through Preparing Adults for Competitive Employment (PACE) and an Employment Relations Specialist.

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

The Administrative Management Division provides all administrative, technical, and budget related services for the Office and is responsive to the needs of the direct service delivery program staff. Responsibilities include budgeting, purchasing, financial reporting, and federal grant accounting. The Division oversees the implementation and administration of the automated case management system and coordinates the development of application programs. Beginning in fiscal year 2014, the Division absorbed the duties associated with budget and financial management of Office for the Blind.

Policy

The Budget of the Commonwealth includes an additional \$200,000 General Fund in each fiscal year. This amount will be used to match approximately \$739,000 Federal Fund for a total of \$939,000 in each fiscal year to serve additional clients.

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,606,900	7,141,900	7,170,700	7,307,100	7,361,300
State Salary and Compensation Allocation	79,600	3,900	7,800		
Total General Fund	7,686,500	7,145,800	7,178,500	7,307,100	7,361,300
Restricted Funds					
Balance Forward	1,167,851	1,386,099	1,839,000	1,731,000	158,100
Current Receipts	800,343	750,278	750,000	750,000	750,000
Fund Transfers	-32,600			-600,000	
Total Restricted Funds	1,935,594	2,136,377	2,589,000	1,881,000	908,100
Federal Funds					
Balance Forward	69,822	69,182	56,500	44,200	44,200
Current Receipts	244,857	160,000	187,000	201,400	205,300
Total Federal Funds	314,679	229,182	243,500	245,600	249,500
TOTAL SOURCE OF FUNDS	9,936,773	9,511,358	10,011,000	9,433,700	8,518,900
EXPENDITURES BY CLASS					
Personnel Cost	2,888,243	2,836,115	3,595,200	3,454,000	3,665,000
Operating Expenses	646,869	535,402	783,300	650,100	794,400
Grants Loans Benefits	4,447,667	4,244,334	3,857,300	3,857,300	3,857,300
Capital Outlay	113,513			1,270,000	
TOTAL EXPENDITURES	8,096,292	7,615,852	8,235,800	9,231,400	8,316,700
EXPENDITURES BY FUND SOURCE					
General Fund	7,301,300	7,145,800	7,178,500	7,307,100	7,361,300
Restricted Funds	549,495	297,382	858,000	1,722,900	750,100
Federal Funds	245,497	172,670	199,300	201,400	205,300
TOTAL EXPENDITURES	8,096,292	7,615,852	8,235,800	9,231,400	8,316,700
EXPENDITURES BY UNIT					
Operations	3,188,274	3,060,451	3,320,300	3,412,600	3,456,700
Kentucky Teacher Internship Program	3,306,663	3,293,576	3,360,300	3,360,300	3,360,300
Certification	1,084,355	987,596	1,555,200	2,458,500	1,499,700
TOTAL EXPENDITURES	7,579,292	7,341,622	8,235,800	9,231,400	8,316,700

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

The EPSB is responsible for issuing, suspending, and revoking certificates for Kentucky's more than 50,000 active Kentucky educators, and ensures, via an annual review, that all professional positions in the state's 173 public school districts are appropriately staffed. It is responsible for developing (in cooperation with the Kentucky Department of Education and the Council on Postsecondary Education) a statewide data system for the collection, interpretation, and dissemination of data relative to the quality of educator preparation, supply, demand, and effectiveness. The board establishes performance-based standards for teacher/administrator preparation and induction, and for the accreditation of the 29 preparation programs at Kentucky's public and independent colleges and universities. It oversees the teacher/administrator assessments and the related Title II reporting, and annually publishes the Kentucky Educator Preparation Program Report Card. It administers the Continuing Education Option, in which teachers can use professional development to renew certification and move up in rank. It also administers the National Board Certification Incentive program for teachers enrolled in the program prior to 2013, the supervising teacher stipend program, and alternative routes to certification, including the Troops to Teachers program.

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

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