

Energy and Environment

Energy and Environment

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	80,652,100	76,004,500	77,144,600	76,996,900	78,113,400
State Salary and Compensation Allocation	4,095,800	133,200	266,400		
Current Year Appropriation	952,000		742,600		
Continuing Approp.-General Fund	409,760	462,487	675,400		
Mandated Allotments	3,040,642	4,672,725			
Total General Fund	89,150,302	81,272,912	78,829,000	76,996,900	78,113,400
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	6,000,000	3,000,000	2,500,000	6,000,000	
Continuing Approp.-Tobacco Settlement	7,463,478	8,340,255	7,544,900		
Budget Reduction-General Fund Tobacco			-2,500,000		
Total Tobacco Settlement - Phase I	13,463,478	11,340,255	7,544,900	6,000,000	
Restricted Funds					
Balance Forward	17,575,607	21,395,020	29,373,900	13,218,900	8,792,500
Current Receipts	23,861,052	22,657,684	20,240,700	22,867,100	23,024,100
Non-Revenue Receipts	92,186,309	66,501,035	71,199,100	75,634,600	74,226,200
Fund Transfers	-40,591,200	-13,500,000	-13,500,000	-12,477,000	-10,723,000
Total Restricted Funds	93,031,768	97,053,739	107,313,700	99,243,600	95,319,800
Federal Funds					
Balance Forward	68,503	184,633	79,600		
Current Receipts	88,910,653	78,198,556	85,107,800	83,817,000	83,624,400
Non-Revenue Receipts	-13,032,164	644,770	-9,176,400	-2,043,500	-2,020,700
ARRA Receipts	21,309,367	1,398,967			
Total Federal Funds	97,256,360	80,426,926	76,011,000	81,773,500	81,603,700
Road Fund					
Regular Appropriation	300,000	300,000	300,000	316,400	320,900
Total Road Fund	300,000	300,000	300,000	316,400	320,900
TOTAL SOURCE OF FUNDS	293,201,907	270,393,832	269,998,600	264,330,400	255,357,800
EXPENDITURES BY CLASS					
Personnel Cost	127,942,259	130,005,613	128,723,700	126,874,600	129,220,300
Operating Expenses	39,528,260	34,654,338	45,882,600	47,265,100	47,167,500
Grants Loans Benefits	54,094,997	42,711,031	46,948,200	42,830,000	35,717,200
Debt Service	7,216,000	589,000	589,000	589,000	616,000
Capital Outlay	5,533,558	3,375,436	7,386,300	6,598,400	6,160,600
Construction	18,719,838	15,403,560	21,934,500	24,167,200	24,167,200
TOTAL EXPENDITURES	253,034,912	226,738,978	251,464,300	248,324,300	243,048,800
EXPENDITURES BY FUND SOURCE					
General Fund	78,905,815	75,054,998	73,513,600	69,783,300	71,045,400
Tobacco Settlement - Phase I	5,123,223	3,356,736	7,544,900	6,000,000	
Restricted Funds	71,636,748	67,680,032	94,094,800	90,451,100	90,078,800
Federal Funds	97,071,727	80,347,212	76,011,000	81,773,500	81,603,700
Road Fund	297,400	300,000	300,000	316,400	320,900
TOTAL EXPENDITURES	253,034,912	226,738,978	251,464,300	248,324,300	243,048,800
EXPENDITURES BY UNIT					
Secretary	6,052,289	5,515,096	6,144,900	5,559,300	5,589,100
Environmental Protection	107,042,760	95,501,659	113,186,900	115,119,800	115,408,400
Natural Resources	105,228,715	107,693,394	112,214,500	111,405,900	106,375,100
Energy Development and Independence	23,760,781	5,866,298	7,323,300	4,515,500	3,784,200
Kentucky Nature Preserves Commission	1,408,099	2,230,992	1,755,100	1,486,600	1,500,000

Public Service Commission	9,542,267	9,931,539	10,839,600	10,237,200	10,392,000
TOTAL EXPENDITURES	253,034,912	226,738,978	251,464,300	248,324,300	243,048,800

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

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

**Energy and Environment
Secretary**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,154,400	3,254,500	3,316,300	3,290,600	3,244,400
State Salary and Compensation Allocation	175,700	4,500	9,000		
Total General Fund	4,330,100	3,259,000	3,325,300	3,290,600	3,244,400
Restricted Funds					
Balance Forward	279,888	390,916	792,300	412,900	264,400
Current Receipts	60,433	43,742	40,300	40,300	40,300
Non-Revenue Receipts	1,036,375	1,533,762	1,287,800	6,004,800	4,004,900
Fund Transfers	-24,100			-5,000,000	-3,000,000
Total Restricted Funds	1,352,597	1,968,420	2,120,400	1,458,000	1,309,600
Federal Funds					
Balance Forward	2,478	42,745	46,800		
Current Receipts	1,090,271	1,118,037	1,099,100	1,107,200	1,077,200
Non-Revenue Receipts	-35,796	-33,988	-33,800	-32,100	-30,800
Total Federal Funds	1,056,954	1,126,793	1,112,100	1,075,100	1,046,400
TOTAL SOURCE OF FUNDS	6,739,650	6,354,214	6,557,800	5,823,700	5,600,400
EXPENDITURES BY CLASS					
Personnel Cost	4,152,965	4,416,786	5,021,600	4,652,500	4,700,400
Operating Expenses	1,066,795	1,061,935	1,123,300	906,800	888,700
Grants Loans Benefits	105,688	36,375			
Debt Service	726,500				
Capital Outlay	342				
TOTAL EXPENDITURES	6,052,289	5,515,096	6,144,900	5,559,300	5,589,100
EXPENDITURES BY FUND SOURCE					
General Fund	4,076,400	3,259,000	3,325,300	3,290,600	3,244,400
Restricted Funds	961,680	1,176,137	1,707,500	1,193,600	1,298,300
Federal Funds	1,014,209	1,079,959	1,112,100	1,075,100	1,046,400
TOTAL EXPENDITURES	6,052,289	5,515,096	6,144,900	5,559,300	5,589,100
EXPENDITURES BY UNIT					
Administrative Hearings	661,782	682,437	718,800	760,700	772,300
Ofc of Sec - Leg & Interg Aff - Gen Coun	5,212,203	4,639,154	5,202,700	4,798,600	4,816,800
Environmental Quality Commission	178,304	193,504	223,400		
TOTAL EXPENDITURES	6,052,289	5,515,096	6,144,900	5,559,300	5,589,100

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

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

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

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

Policy

The Budget of the Commonwealth eliminated planned funding for the Environmental Quality Commission and transferred these funds to the General Fund. The biennial budget bill includes a provision that permits entities administratively attached to the Energy and Environment Cabinet to receive support from the appropriate budgetary unit(s) of the Cabinet.

**Energy and Environment
Environmental Protection**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	27,182,800	20,566,000	20,950,900	21,417,700	21,846,400
State Salary and Compensation Allocation	1,169,300	40,800	81,600		
Total General Fund	28,352,100	20,606,800	21,032,500	21,417,700	21,846,400
Restricted Funds					
Balance Forward	7,951,833	9,136,988	17,615,200	7,531,600	4,920,200
Current Receipts	17,392,782	17,000,644	15,637,300	18,065,000	18,369,400
Non-Revenue Receipts	78,062,256	55,303,712	56,388,300	56,483,900	56,718,300
Fund Transfers	-40,018,200	-13,500,000	-13,500,000	-7,477,000	-7,723,000
Total Restricted Funds	63,388,672	67,941,345	76,140,800	74,603,500	72,284,900
Federal Funds					
Balance Forward		68,383			
Current Receipts	25,415,685	22,462,870	27,421,500	24,713,600	24,239,000
Non-Revenue Receipts	-1,668,330	1,735,232	-4,176,300	-1,011,200	-1,008,100
ARRA Receipts	2,238,605	2,210			
Total Federal Funds	25,985,960	24,268,695	23,245,200	23,702,400	23,230,900
Road Fund					
Regular Appropriation	300,000	300,000	300,000	316,400	320,900
Total Road Fund	300,000	300,000	300,000	316,400	320,900
TOTAL SOURCE OF FUNDS	118,026,732	113,116,840	120,718,500	120,040,000	117,683,100
EXPENDITURES BY CLASS					
Personnel Cost	54,438,362	56,338,432	59,104,000	60,295,500	61,303,700
Operating Expenses	26,910,290	22,122,900	33,248,700	34,620,600	34,511,500
Grants Loans Benefits	15,623,119	13,771,467	14,698,200	14,511,900	14,193,700
Debt Service	5,900,500				27,000
Capital Outlay	1,407,039	2,389,182	4,503,400	4,059,200	3,739,900
Construction	2,763,450	879,678	1,632,600	1,632,600	1,632,600
TOTAL EXPENDITURES	107,042,760	95,501,659	113,186,900	115,119,800	115,408,400
EXPENDITURES BY FUND SOURCE					
General Fund	26,576,100	20,606,800	21,032,500	21,417,700	21,846,400
Restricted Funds	54,251,684	50,326,164	68,609,200	69,683,300	70,010,200
Federal Funds	25,917,577	24,268,695	23,245,200	23,702,400	23,230,900
Road Fund	297,400	300,000	300,000	316,400	320,900
TOTAL EXPENDITURES	107,042,760	95,501,659	113,186,900	115,119,800	115,408,400
EXPENDITURES BY UNIT					
Commissioner	479,839	576,800	560,200	575,700	586,900
Water	26,361,397	26,839,262	28,027,600	27,706,700	27,754,000
Waste Management	31,417,488	28,259,026	30,534,500	30,580,200	30,524,400
Air Quality	12,489,636	13,733,694	14,636,300	15,655,500	15,898,500
Environmental Program Support	4,303,931	4,394,226	4,828,000	4,745,700	4,660,600
Enforcement	1,374,489	1,411,062	1,610,400	1,654,500	1,670,600
Compliance Assistance	1,379,412	1,309,281	1,684,200	1,654,000	1,652,900
Petroleum Storage Tank	29,236,568	18,978,309	31,305,700	32,547,500	32,660,500
Environmental Assurance Fund					
TOTAL EXPENDITURES	107,042,760	95,501,659	113,186,900	115,119,800	115,408,400

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

**Energy and Environment
Environmental Protection
Commissioner**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	723,600	576,800	560,000	544,600	355,200
Other	-29,800				
Total General Fund	693,800	576,800	560,000	544,600	355,200
Restricted Funds					
Balance Forward	7,196	5,949	6,000	5,800	4,700
Current Receipts	91	3			
Non-Revenue Receipts				30,000	231,500
Total Restricted Funds	7,287	5,951	6,000	35,800	236,200
Federal Funds					
Balance Forward		1			
Current Receipts	214,139	29,168			
Non-Revenue Receipts	-214,138	-29,169			
Total Federal Funds	1				
TOTAL SOURCE OF FUNDS	701,088	582,752	566,000	580,400	591,400
EXPENDITURES BY CLASS					
Personnel Cost	419,573	516,800	500,400	608,300	624,800
Operating Expenses	60,034	60,000	59,600	59,400	59,400
Capital Outlay	232		200	-92,000	-97,300
TOTAL EXPENDITURES	479,839	576,800	560,200	575,700	586,900
EXPENDITURES BY FUND SOURCE					
General Fund	478,500	576,800	560,000	544,600	355,200
Restricted Funds	1,339		200	31,100	231,700
TOTAL EXPENDITURES	479,839	576,800	560,200	575,700	586,900

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

**Energy and Environment
Environmental Protection**

	Water				
	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	10,561,600	10,096,600	9,712,100	9,809,700	10,120,300
Other	-33,400				
Total General Fund	10,528,200	10,096,600	9,712,100	9,809,700	10,120,300
Restricted Funds					
Balance Forward	1,684,712	2,128,696	3,858,700	2,416,000	1,436,300
Current Receipts	1,270,167	1,445,831	1,295,500	1,446,500	1,597,500
Non-Revenue Receipts	527,715	1,553,092	408,000	413,800	410,800
Fund Transfers	-30,500				
Total Restricted Funds	3,452,093	5,127,619	5,562,200	4,276,300	3,444,600
Federal Funds					
Balance Forward					
Current Receipts	15,402,758	14,343,246	17,302,300	15,259,400	14,959,900
Non-Revenue Receipts	-419,295	830,474	-2,433,000	-518,800	-517,000
ARRA Receipts	295,537				
Total Federal Funds	15,279,000	15,173,720	14,869,300	14,740,600	14,442,900
Road Fund					
Regular Appropriation	300,000	300,000	300,000	316,400	320,900
Total Road Fund	300,000	300,000	300,000	316,400	320,900
TOTAL SOURCE OF FUNDS	29,559,293	30,697,939	30,443,600	29,143,000	28,328,700
EXPENDITURES BY CLASS					
Personnel Cost	21,482,352	21,082,218	21,544,100	21,555,800	21,989,700
Operating Expenses	2,436,844	2,462,878	2,739,800	2,842,700	2,814,800
Grants Loans Benefits	1,995,846	3,030,139	3,453,700	3,228,200	2,922,500
Debt Service	99,000				27,000
Capital Outlay	347,355	264,026	290,000	80,000	
TOTAL EXPENDITURES	26,361,397	26,839,262	28,027,600	27,706,700	27,754,000
EXPENDITURES BY FUND SOURCE					
General Fund	9,461,600	10,096,600	9,712,100	9,809,700	10,120,300
Restricted Funds	1,323,397	1,268,941	3,146,200	2,840,000	2,869,900
Federal Funds	15,279,000	15,173,720	14,869,300	14,740,600	14,442,900
Road Fund	297,400	300,000	300,000	316,400	320,900
TOTAL EXPENDITURES	26,361,397	26,839,262	28,027,600	27,706,700	27,754,000

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

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

Policy

The [Budget of the Commonwealth](#) includes General Fund debt service in the amount of \$27,000 in fiscal year 2016 to support a \$600,000 bond issue for the State-Owned Dam Repair program.

**Energy and Environment
Environmental Protection
Waste Management**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,711,000	4,608,800	5,113,400	5,324,600	5,501,000
State Salary and Compensation Allocation	547,600				
Total General Fund	5,258,600	4,608,800	5,113,400	5,324,600	5,501,000
Restricted Funds					
Balance Forward	3,590,917	3,961,698	3,200,200	1,067,900	603,600
Current Receipts	4,629,447	5,193,585	3,246,100	3,446,100	3,346,100
Non-Revenue Receipts	15,691,284	12,129,064	14,887,000	15,460,300	15,461,300
Fund Transfers	-1,176,200				
Total Restricted Funds	22,735,448	21,284,347	21,333,300	19,974,300	19,411,000
Federal Funds					
Balance Forward		68,383			
Current Receipts	6,582,780	4,997,839	6,226,400	6,234,000	6,203,700
Non-Revenue Receipts	-738,171	497,631	-1,070,700	-349,100	-350,100
ARRA Receipts	1,912,512	2,210			
Total Federal Funds	7,757,121	5,566,063	5,155,700	5,884,900	5,853,600
TOTAL SOURCE OF FUNDS	35,751,169	31,459,209	31,602,400	31,183,800	30,765,600
EXPENDITURES BY CLASS					
Personnel Cost	14,153,722	14,059,805	14,182,000	14,189,300	14,356,400
Operating Expenses	2,688,502	2,352,666	2,452,900	2,597,400	2,569,500
Grants Loans Benefits	13,225,735	10,208,353	10,641,900	10,819,400	10,806,900
Capital Outlay	588,158	1,357,893	1,625,100	1,341,500	1,159,000
Construction	761,371	280,309	1,632,600	1,632,600	1,632,600
TOTAL EXPENDITURES	31,417,488	28,259,026	30,534,500	30,580,200	30,524,400
EXPENDITURES BY FUND SOURCE					
General Fund	4,955,000	4,608,800	5,113,400	5,324,600	5,501,000
Restricted Funds	18,773,751	18,084,163	20,265,400	19,370,700	19,169,800
Federal Funds	7,688,738	5,566,063	5,155,700	5,884,900	5,853,600
TOTAL EXPENDITURES	31,417,488	28,259,026	30,534,500	30,580,200	30,524,400

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

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

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

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

Policy

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

**Energy and Environment
Environmental Protection**

Air Quality

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,281,700	1,023,900	788,100	956,000	1,017,900
State Salary and Compensation Allocation	50,000				
Total General Fund	1,331,700	1,023,900	788,100	956,000	1,017,900
Restricted Funds					
Balance Forward	836,199	2,479,892	1,999,900	567,200	266,000
Current Receipts	10,818,543	9,747,282	10,463,900	12,552,500	12,768,800
Non-Revenue Receipts	109,062	107,441	80,200	82,100	79,800
Fund Transfers	-14,800				
Total Restricted Funds	11,749,004	12,334,615	12,544,000	13,201,800	13,114,600
Federal Funds					
Balance Forward					
Current Receipts	2,080,730	1,954,403	2,409,300	1,845,800	1,845,800
Non-Revenue Receipts	-190,462	420,686	-537,900	-82,100	-79,800
ARRA Receipts	30,556				
Total Federal Funds	1,920,823	2,375,088	1,871,400	1,763,700	1,766,000
TOTAL SOURCE OF FUNDS	15,001,528	15,733,603	15,203,500	15,921,500	15,898,500
EXPENDITURES BY CLASS					
Personnel Cost	10,150,345	10,964,855	11,682,900	12,811,400	13,108,300
Operating Expenses	1,554,181	1,488,629	1,739,300	1,765,000	1,736,100
Grants Loans Benefits	333,218	527,347	394,200	259,300	259,300
Capital Outlay	451,892	752,863	819,900	819,800	794,800
TOTAL EXPENDITURES	12,489,636	13,733,694	14,636,300	15,655,500	15,898,500
EXPENDITURES BY FUND SOURCE					
General Fund	1,299,700	1,023,900	788,100	956,000	1,017,900
Restricted Funds	9,269,112	10,334,706	11,976,800	12,935,800	13,114,600
Federal Funds	1,920,824	2,375,089	1,871,400	1,763,700	1,766,000
TOTAL EXPENDITURES	12,489,636	13,733,694	14,636,300	15,655,500	15,898,500

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

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

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,090,500	3,375,900	3,599,400	3,600,100	3,630,200
State Salary and Compensation Allocation	496,800		81,600		
Other	63,200				
Total General Fund	3,650,500	3,375,900	3,681,000	3,600,100	3,630,200
Restricted Funds					
Balance Forward	96,342	100,217	159,200	27,200	
Current Receipts	49,351	142,155	150,000	184,000	202,500
Non-Revenue Receipts	536,958	623,329	656,700	759,600	797,900
Fund Transfers	-15,200				
Total Restricted Funds	667,451	865,701	965,900	970,800	1,000,400
Federal Funds					
Balance Forward	-1				
Current Receipts	209,715	314,320	208,300	174,800	30,000
Non-Revenue Receipts	-12,617	-2,452			
Total Federal Funds	197,097	311,868	208,300	174,800	30,000
TOTAL SOURCE OF FUNDS	4,515,048	4,553,469	4,855,200	4,745,700	4,660,600
EXPENDITURES BY CLASS					
Personnel Cost	3,010,699	3,094,589	3,334,000	3,221,000	3,143,700
Operating Expenses	1,274,410	1,279,610	1,317,400	1,335,800	1,328,500
Grants Loans Benefits	6,655	5,628	8,400	5,000	5,000
Capital Outlay	12,167	14,400	168,200	183,900	183,400
TOTAL EXPENDITURES	4,303,931	4,394,226	4,828,000	4,745,700	4,660,600
EXPENDITURES BY FUND SOURCE					
General Fund	3,539,600	3,375,900	3,681,000	3,600,100	3,630,200
Restricted Funds	567,234	706,458	938,700	970,800	1,000,400
Federal Funds	197,097	311,868	208,300	174,800	30,000
TOTAL EXPENDITURES	4,303,931	4,394,226	4,828,000	4,745,700	4,660,600

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

**Energy and Environment
Environmental Protection**

Enforcement

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	772,500	672,900	808,700	878,600	908,400
State Salary and Compensation Allocation	74,900	40,800			
Total General Fund	847,400	713,700	808,700	878,600	908,400
Restricted Funds					
Balance Forward	210,703	230,732	121,500	54,600	19,800
Non-Revenue Receipts	341,852	350,680	417,100	423,400	424,700
Fund Transfers	-10,400				
Total Restricted Funds	542,155	581,413	538,600	478,000	444,500
Federal Funds					
Balance Forward	1				
Current Receipts	279,705	228,955	355,000	337,800	337,800
Non-Revenue Receipts	-27,439	8,477	-37,300	-20,100	-20,100
Total Federal Funds	252,267	237,432	317,700	317,700	317,700
TOTAL SOURCE OF FUNDS	1,641,822	1,532,545	1,665,000	1,674,300	1,670,600
EXPENDITURES BY CLASS					
Personnel Cost	1,224,346	1,270,757	1,447,100	1,492,500	1,508,600
Operating Expenses	149,120	140,305	163,300	162,000	162,000
Capital Outlay	1,024				
TOTAL EXPENDITURES	1,374,489	1,411,062	1,610,400	1,654,500	1,670,600
EXPENDITURES BY FUND SOURCE					
General Fund	810,800	713,700	808,700	878,600	908,400
Restricted Funds	311,423	459,930	484,000	458,200	444,500
Federal Funds	252,267	237,431	317,700	317,700	317,700
TOTAL EXPENDITURES	1,374,489	1,411,062	1,610,400	1,654,500	1,670,600

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

**Energy and Environment
Environmental Protection
Compliance Assistance**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	240,400	211,100	369,200	304,100	313,400
Total General Fund	240,400	211,100	369,200	304,100	313,400
Restricted Funds					
Balance Forward	212,703	229,804	244,600	250,100	200,000
Current Receipts	388,869	323,658	321,800	303,200	321,800
Non-Revenue Receipts	214,393	184,788	175,900	175,900	175,900
Fund Transfers	-15,800				
Total Restricted Funds	800,165	738,250	742,300	729,200	697,700
Federal Funds					
Balance Forward	1				
Current Receipts	645,858	594,940	920,200	861,800	861,800
Non-Revenue Receipts	-66,208	9,585	-97,400	-41,100	-41,100
Total Federal Funds	579,651	604,524	822,800	820,700	820,700
TOTAL SOURCE OF FUNDS	1,620,216	1,553,875	1,934,300	1,854,000	1,831,800
EXPENDITURES BY CLASS					
Personnel Cost	1,082,191	1,096,832	1,239,800	1,183,800	1,208,900
Operating Expenses	234,670	212,449	244,400	244,200	244,000
Grants Loans Benefits	61,666		200,000	200,000	200,000
Capital Outlay	884			26,000	
TOTAL EXPENDITURES	1,379,412	1,309,281	1,684,200	1,654,000	1,652,900
EXPENDITURES BY FUND SOURCE					
General Fund	229,400	211,100	369,200	304,100	313,400
Restricted Funds	570,361	493,657	492,200	529,200	518,800
Federal Funds	579,651	604,524	822,800	820,700	820,700
TOTAL EXPENDITURES	1,379,412	1,309,281	1,684,200	1,654,000	1,652,900

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

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,801,500				
Total General Fund	5,801,500				
Restricted Funds					
Balance Forward	1,313,061		8,025,100	3,142,800	2,389,800
Current Receipts	236,315	148,131	160,000	132,700	132,700
Non-Revenue Receipts	60,640,992	40,355,318	39,763,400	39,138,800	39,136,400
Fund Transfers	-38,755,300	-13,500,000	-13,500,000	-7,477,000	-7,723,000
Total Restricted Funds	23,435,068	27,003,448	34,448,500	34,937,300	33,935,900
TOTAL SOURCE OF FUNDS	29,236,568	27,003,448	34,448,500	34,937,300	33,935,900
EXPENDITURES BY CLASS					
Personnel Cost	2,915,133	4,252,577	5,173,700	5,233,400	5,363,300
Operating Expenses	18,512,528	14,126,363	24,532,000	25,614,100	25,597,200
Debt Service	5,801,500				
Capital Outlay	5,328		1,600,000	1,700,000	1,700,000
Construction	2,002,079	599,369			
TOTAL EXPENDITURES	29,236,568	18,978,309	31,305,700	32,547,500	32,660,500
EXPENDITURES BY FUND SOURCE					
General Fund	5,801,500				
Restricted Funds	23,435,068	18,978,309	31,305,700	32,547,500	32,660,500
TOTAL EXPENDITURES	29,236,568	18,978,309	31,305,700	32,547,500	32,660,500

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

**Energy and Environment
Natural Resources**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	33,836,000	34,879,900	35,528,700	32,882,900	33,579,600
State Salary and Compensation Allocation	2,182,000	70,300	140,600		
Current Year Appropriation	952,000		742,600		
Mandated Allotments	3,040,642	4,672,725			
Total General Fund	40,010,642	39,622,925	36,411,900	32,882,900	33,579,600
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	6,000,000	3,000,000	2,500,000	6,000,000	
Continuing Approp.-Tobacco Settlement	7,463,478	8,340,255	7,544,900		
Budget Reduction-General Fund Tobacco			-2,500,000		
Total Tobacco Settlement - Phase I	13,463,478	11,340,255	7,544,900	6,000,000	
Restricted Funds					
Balance Forward	5,674,754	8,308,056	5,688,000	3,125,600	2,227,600
Current Receipts	6,124,539	4,692,049	4,073,900	4,499,200	4,351,600
Non-Revenue Receipts	9,120,697	6,003,880	10,989,900	11,034,500	11,570,200
Fund Transfers	-498,300				
Total Restricted Funds	20,421,690	19,003,985	20,751,800	18,659,300	18,149,400
Federal Funds					
Balance Forward					
Current Receipts	61,545,859	52,026,679	55,414,300	56,908,600	57,269,900
Non-Revenue Receipts	-10,580,822	-636,812	-4,782,800	-817,300	-816,800
ARRA Receipts	2,280	7,760			
Total Federal Funds	50,967,317	51,397,626	50,631,500	56,091,300	56,453,100
TOTAL SOURCE OF FUNDS	124,863,127	121,364,791	115,340,100	113,633,500	108,182,100
EXPENDITURES BY CLASS					
Personnel Cost	52,785,032	58,458,843	53,328,700	51,228,100	52,303,300
Operating Expenses	9,540,867	9,455,612	9,355,200	9,557,700	9,598,000
Grants Loans Benefits	22,820,251	24,305,014	26,407,400	25,546,300	19,518,500
Capital Outlay	4,126,178	950,041	2,821,300	2,539,200	2,420,700
Construction	15,956,388	14,523,883	20,301,900	22,534,600	22,534,600
TOTAL EXPENDITURES	105,228,715	107,693,394	112,214,500	111,405,900	106,375,100
EXPENDITURES BY FUND SOURCE					
General Fund	37,024,542	39,622,925	36,411,900	32,882,900	33,579,600
Tobacco Settlement - Phase I	5,123,223	3,356,736	7,544,900	6,000,000	
Restricted Funds	12,113,634	13,316,106	17,626,200	16,431,700	16,342,400
Federal Funds	50,967,317	51,397,626	50,631,500	56,091,300	56,453,100
TOTAL EXPENDITURES	105,228,715	107,693,394	112,214,500	111,405,900	106,375,100
EXPENDITURES BY UNIT					
Commissioner	940,155	915,603	887,600	838,000	840,300
Forestry	20,446,736	19,368,518	16,544,400	15,760,400	15,880,100
Technical and Administrative Support	672,064	722,281	686,300	797,100	784,800
Conservation	9,147,264	7,264,396	11,943,400	10,338,500	4,365,000
Oil and Gas	1,803,197	1,737,409	1,965,400	2,092,400	2,132,700
Mine Permits	7,500,416	7,428,401	6,382,400	7,078,400	7,197,700
Mine Reclamation and Enforcement	12,047,128	12,807,218	13,073,500	13,218,100	13,432,700
Abandoned Mine Lands	11,549,194	13,087,534	17,001,000	17,849,400	18,037,600
Bond Pool Reclamation Fund	235,157		545,000	545,000	545,000
Reclamation Guaranty Fund	71,174	60,751	558,500	610,400	625,500
Abandoned Mine Land Reclamation Projects	26,688,319	29,410,221	28,242,400	31,742,400	31,742,400

Mine Safety Review Commission	172,358	189,300	175,500	176,000	178,100
Mine Safety and Licensing	13,955,553	14,701,763	14,209,100	10,359,800	10,613,200
TOTAL EXPENDITURES	105,228,715	107,693,394	112,214,500	111,405,900	106,375,100

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

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

Policy

The Budget of the Commonwealth includes General Fund of \$742,600 in fiscal year 2014, \$750,000 in fiscal year 2015 and \$750,000 in fiscal year 2016 to cover cumulative and ongoing operating shortfalls in the department. A significant part of these shortfalls is due to declines in Restricted Fund revenue (permit fees in the Division of Oil and Gas and acreage fees in Mine Permits) as well as reductions in federal funding (Small Operator's Assistance Grant in Mine Permits and the Mine Health and Safety grant in the Office of Mine Safety and Licensing).

**Energy and Environment
Natural Resources
Commissioner**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	419,200	478,700	420,300	388,000	390,300
State Salary and Compensation Allocation	96,800				
Total General Fund	516,000	478,700	420,300	388,000	390,300
Restricted Funds					
Balance Forward	460	5,205	17,300		
Non-Revenue Receipts	516,200	449,007	450,000	450,000	450,000
Fund Transfers	-45,100				
Total Restricted Funds	471,560	454,211	467,300	450,000	450,000
TOTAL SOURCE OF FUNDS	987,560	932,911	887,600	838,000	840,300
EXPENDITURES BY CLASS					
Personnel Cost	839,949	814,432	797,800	746,900	758,100
Operating Expenses	100,206	101,171	89,800	91,100	82,200
TOTAL EXPENDITURES	940,155	915,603	887,600	838,000	840,300
EXPENDITURES BY FUND SOURCE					
General Fund	473,800	478,700	420,300	388,000	390,300
Restricted Funds	466,355	436,903	467,300	450,000	450,000
TOTAL EXPENDITURES	940,155	915,603	887,600	838,000	840,300

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

Energy and Environment

Natural Resources

Forestry

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	9,606,900	9,940,800	10,199,200	10,784,600	11,005,800
State Salary and Compensation Allocation	883,600				
Current Year Appropriation			354,100		
Mandated Allotments	3,040,642	4,672,725			
Other	371,600	401,200			
Total General Fund	13,902,742	15,014,725	10,553,300	10,784,600	11,005,800
Restricted Funds					
Balance Forward	450,378	425,463	286,300	168,200	333,200
Current Receipts	1,622,804	1,406,404	854,500	1,195,800	1,036,300
Non-Revenue Receipts	63,749	323,675	1,654,200	32,000	31,800
Total Restricted Funds	2,136,931	2,155,542	2,795,000	1,396,000	1,401,300
Federal Funds					
Balance Forward		-1			
Current Receipts	6,046,023	2,660,257	4,400,200	3,945,000	3,925,000
Non-Revenue Receipts	-534,597	-175,747	-1,035,900	-32,000	-31,800
Total Federal Funds	5,511,427	2,484,509	3,364,300	3,913,000	3,893,200
TOTAL SOURCE OF FUNDS	21,551,099	19,654,776	16,712,600	16,093,600	16,300,300
EXPENDITURES BY CLASS					
Personnel Cost	12,937,166	14,719,160	10,177,200	10,184,500	10,375,700
Operating Expenses	3,158,518	3,328,701	2,503,000	2,906,400	2,963,400
Grants Loans Benefits	727,588	917,849	1,493,200	930,600	920,600
Capital Outlay	3,623,465	402,808	2,371,000	1,738,900	1,620,400
TOTAL EXPENDITURES	20,446,736	19,368,518	16,544,400	15,760,400	15,880,100
EXPENDITURES BY FUND SOURCE					
General Fund	13,223,842	15,014,725	10,553,300	10,784,600	11,005,800
Restricted Funds	1,711,468	1,869,283	2,626,800	1,062,800	981,100
Federal Funds	5,511,426	2,484,510	3,364,300	3,913,000	3,893,200
TOTAL EXPENDITURES	20,446,736	19,368,518	16,544,400	15,760,400	15,880,100

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

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

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

Policy

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

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	29,801	109,422	32,100		
Current Receipts		2,588			
Non-Revenue Receipts	775,785	642,400	654,200	797,100	784,800
Fund Transfers	-24,100				
Total Restricted Funds	781,485	754,410	686,300	797,100	784,800
TOTAL SOURCE OF FUNDS	781,485	754,410	686,300	797,100	784,800
EXPENDITURES BY CLASS					
Personnel Cost	507,938	564,264	508,600	623,900	611,600
Operating Expenses	110,126	100,730	117,700	113,200	113,200
Grants Loans Benefits	54,000	57,287	60,000	60,000	60,000
TOTAL EXPENDITURES	672,064	722,281	686,300	797,100	784,800
EXPENDITURES BY FUND SOURCE					
Restricted Funds	672,064	722,281	686,300	797,100	784,800
TOTAL EXPENDITURES	672,064	722,281	686,300	797,100	784,800

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

**Energy and Environment
Natural Resources
Conservation**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,117,900	2,244,800	2,272,900	2,132,700	2,132,700
State Salary and Compensation Allocation	328,200				
Other		137,200			
Total General Fund	2,446,100	2,382,000	2,272,900	2,132,700	2,132,700
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	6,000,000	3,000,000	2,500,000	6,000,000	
Continuing Approp.-Tobacco Settlement	7,463,478	8,340,255	7,544,900		
Budget Reduction-General Fund Tobacco			-2,500,000		
Total Tobacco Settlement - Phase I	13,463,478	11,340,255	7,544,900	6,000,000	
Restricted Funds					
Balance Forward	1,957,678	2,523,484	2,667,500	2,237,000	1,725,600
Current Receipts	148,264	63,340	165,800	170,000	170,000
Non-Revenue Receipts	640,960	633,608	632,200	633,100	633,200
Fund Transfers	-600				
Total Restricted Funds	2,746,302	3,220,432	3,465,500	3,040,100	2,528,800
Federal Funds					
Balance Forward					
Current Receipts	1,290,947	1,107,547	961,800	893,900	931,600
Non-Revenue Receipts	155,896	-142,656	-64,700	-2,600	-2,700
ARRA Receipts	2,280	7,760			
Total Federal Funds	1,449,123	972,651	897,100	891,300	928,900
TOTAL SOURCE OF FUNDS	20,105,002	17,915,338	14,180,400	12,064,100	5,590,400
EXPENDITURES BY CLASS					
Personnel Cost	1,478,521	1,506,690	1,349,800	1,167,400	1,193,900
Operating Expenses	181,581	179,684	192,100	200,700	200,700
Grants Loans Benefits	7,487,162	5,578,022	10,401,500	8,970,400	2,970,400
TOTAL EXPENDITURES	9,147,264	7,264,396	11,943,400	10,338,500	4,365,000
EXPENDITURES BY FUND SOURCE					
General Fund	2,352,100	2,382,000	2,272,900	2,132,700	2,132,700
Tobacco Settlement - Phase I	5,123,223	3,356,736	7,544,900	6,000,000	
Restricted Funds	222,818	553,008	1,228,500	1,314,500	1,303,400
Federal Funds	1,449,123	972,651	897,100	891,300	928,900
TOTAL EXPENDITURES	9,147,264	7,264,396	11,943,400	10,338,500	4,365,000

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

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

Policy

The [Budget of the Commonwealth](#) provides Phase I Tobacco Settlement Funds of \$6,000,000 in fiscal year 2015 for the state share of the Environmental Stewardship Program.

Energy and Environment

Natural Resources

Oil and Gas

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	744,700	1,156,000	1,178,200	1,522,900	1,563,200
State Salary and Compensation Allocation	505,400		120,800		
Current Year Appropriation			88,600		
Other		-40,000			
Total General Fund	1,250,100	1,116,000	1,387,600	1,522,900	1,563,200
Restricted Funds					
Balance Forward	40,959	110,202	33,300		
Current Receipts	713,040	544,526	544,500	569,500	569,500
Fund Transfers	-20,800				
Total Restricted Funds	733,198	654,728	577,800	569,500	569,500
TOTAL SOURCE OF FUNDS	1,983,298	1,770,728	1,965,400	2,092,400	2,132,700
EXPENDITURES BY CLASS					
Personnel Cost	1,431,685	1,379,229	1,591,900	1,747,700	1,788,000
Operating Expenses	303,693	297,597	301,000	272,200	272,200
Grants Loans Benefits	67,819	60,583	72,500	72,500	72,500
TOTAL EXPENDITURES	1,803,197	1,737,409	1,965,400	2,092,400	2,132,700
EXPENDITURES BY FUND SOURCE					
General Fund	1,180,200	1,116,000	1,387,600	1,522,900	1,563,200
Restricted Funds	622,997	621,409	577,800	569,500	569,500
TOTAL EXPENDITURES	1,803,197	1,737,409	1,965,400	2,092,400	2,132,700

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

Energy and Environment

Natural Resources

Mine Permits

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,163,100	1,212,700	1,307,500	1,643,900	1,702,400
State Salary and Compensation Allocation		70,000			
Current Year Appropriation			299,900		
Other		-31,300			
Total General Fund	1,163,100	1,251,400	1,607,400	1,643,900	1,702,400
Restricted Funds					
Balance Forward	517,571	221,871	41,300	11,900	
Current Receipts	2,537,713	1,842,005	1,782,400	1,799,900	1,811,800
Non-Revenue Receipts	88,879	399,081	-158,900	34,600	34,600
Fund Transfers	-97,300				
Total Restricted Funds	3,046,863	2,462,957	1,664,800	1,846,400	1,846,400
Federal Funds					
Balance Forward					
Current Receipts	4,086,705	3,937,922	3,175,500	3,764,600	3,825,400
Non-Revenue Receipts	-350,481	-182,542	-53,400	-176,500	-176,500
Total Federal Funds	3,736,225	3,755,380	3,122,100	3,588,100	3,648,900
TOTAL SOURCE OF FUNDS	7,946,188	7,469,737	6,394,300	7,078,400	7,197,700
EXPENDITURES BY CLASS					
Personnel Cost	6,144,504	5,940,275	5,110,800	5,960,700	6,080,000
Operating Expenses	694,419	604,373	750,100	676,300	676,300
Grants Loans Benefits	661,493	883,754	521,500	441,400	441,400
TOTAL EXPENDITURES	7,500,416	7,428,401	6,382,400	7,078,400	7,197,700
EXPENDITURES BY FUND SOURCE					
General Fund	939,200	1,251,400	1,607,400	1,643,900	1,702,400
Restricted Funds	2,824,991	2,421,622	1,652,900	1,846,400	1,846,400
Federal Funds	3,736,225	3,755,380	3,122,100	3,588,100	3,648,900
TOTAL EXPENDITURES	7,500,416	7,428,401	6,382,400	7,078,400	7,197,700

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

**Energy and Environment
Natural Resources**

Mine Reclamation and Enforcement

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,874,800	6,170,300	6,291,100	6,531,400	6,650,300
State Salary and Compensation Allocation	321,500				
Other		-240,000	210,800		
Total General Fund	6,196,300	5,930,300	6,501,900	6,531,400	6,650,300
Restricted Funds					
Balance Forward	431,062	332,155	44,800	3,200	
Current Receipts	208,187	119,051	97,900	95,200	95,200
Non-Revenue Receipts	-171,832	26,026	54,600	53,300	53,300
Total Restricted Funds	467,417	477,232	197,300	151,700	148,500
Federal Funds					
Balance Forward					
Current Receipts	6,518,439	6,678,309	6,457,100	6,796,500	6,895,000
Non-Revenue Receipts	-527,772	-233,861	-79,600	-261,500	-261,100
Total Federal Funds	5,990,667	6,444,449	6,377,500	6,535,000	6,633,900
TOTAL SOURCE OF FUNDS	12,654,384	12,851,981	13,076,700	13,218,100	13,432,700
EXPENDITURES BY CLASS					
Personnel Cost	9,661,971	10,322,876	10,295,500	10,173,700	10,413,900
Operating Expenses	2,262,831	2,043,179	2,506,900	2,476,600	2,468,800
Grants Loans Benefits	122,327	319,081	271,100	217,800	200,000
Capital Outlay		122,082		350,000	350,000
TOTAL EXPENDITURES	12,047,128	12,807,218	13,073,500	13,218,100	13,432,700
EXPENDITURES BY FUND SOURCE					
General Fund	5,921,200	5,930,300	6,501,900	6,531,400	6,650,300
Restricted Funds	135,262	432,470	194,100	151,700	148,500
Federal Funds	5,990,667	6,444,448	6,377,500	6,535,000	6,633,900
TOTAL EXPENDITURES	12,047,128	12,807,218	13,073,500	13,218,100	13,432,700

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

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	875,782	3,507,095	1,357,900	153,000	161,500
Current Receipts	96,491	64,177	12,400	12,400	12,400
Non-Revenue Receipts	7,117,989	2,885,748	7,447,800	8,746,500	8,749,400
Fund Transfers	-10,400				
Total Restricted Funds	8,079,862	6,457,019	8,818,100	8,911,900	8,923,300
Federal Funds					
Balance Forward					
Current Receipts	7,508,925	8,094,532	8,662,700	9,432,700	9,609,400
Non-Revenue Receipts	-532,498	-106,126	-326,800	-333,700	-333,700
Total Federal Funds	6,976,427	7,988,406	8,335,900	9,099,000	9,275,700
TOTAL SOURCE OF FUNDS	15,056,289	14,445,425	17,154,000	18,010,900	18,199,000
EXPENDITURES BY CLASS					
Personnel Cost	7,371,275	10,325,206	10,328,300	11,174,900	11,363,100
Operating Expenses	814,305	908,004	937,600	940,700	940,700
Grants Loans Benefits	53,739	45,087	18,000	18,000	18,000
Capital Outlay	499,213	425,152	450,300	450,300	450,300
Construction	2,810,662	1,384,085	5,266,800	5,265,500	5,265,500
TOTAL EXPENDITURES	11,549,194	13,087,534	17,001,000	17,849,400	18,037,600
EXPENDITURES BY FUND SOURCE					
Restricted Funds	4,572,768	5,099,126	8,665,100	8,750,400	8,761,900
Federal Funds	6,976,427	7,988,407	8,335,900	9,099,000	9,275,700
TOTAL EXPENDITURES	11,549,194	13,087,534	17,001,000	17,849,400	18,037,600

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

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

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

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	795,375	560,218	1,097,300	552,300	7,300
Non-Revenue Receipts		537,051			537,700
Total Restricted Funds	795,375	1,097,269	1,097,300	552,300	545,000
TOTAL SOURCE OF FUNDS	795,375	1,097,269	1,097,300	552,300	545,000
EXPENDITURES BY CLASS					
Personnel Cost	235,157		545,000	545,000	545,000
Construction					
TOTAL EXPENDITURES	235,157		545,000	545,000	545,000
EXPENDITURES BY FUND SOURCE					
Restricted Funds	235,157		545,000	545,000	545,000
TOTAL EXPENDITURES	235,157		545,000	545,000	545,000

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

**Energy and Environment
Natural Resources
Reclamation Guaranty Fund**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	18,087	712	10,500		
Current Receipts		1			
Non-Revenue Receipts	56,500	70,500	255,800	287,900	295,400
Fund Transfers	-2,700				
Total Restricted Funds	71,887	71,213	266,300	287,900	295,400
Federal Funds					
Current Receipts			303,200	333,500	341,100
Non-Revenue Receipts			-11,000	-11,000	-11,000
Total Federal Funds			292,200	322,500	330,100
TOTAL SOURCE OF FUNDS	71,887	71,213	558,500	610,400	625,500
EXPENDITURES BY CLASS					
Personnel Cost	68,821	60,489	332,500	383,900	399,000
Operating Expenses	2,354	262	56,000	56,500	56,500
Grants Loans Benefits			170,000	170,000	170,000
TOTAL EXPENDITURES	71,174	60,751	558,500	610,400	625,500
EXPENDITURES BY FUND SOURCE					
Restricted Funds	71,174	60,751	266,300	287,900	295,400
Federal Funds			292,200	322,500	330,100
TOTAL EXPENDITURES	71,174	60,751	558,500	610,400	625,500

The Office of Reclamation Guaranty Fund, pursuant to KRS 350.500-350.521, provides the additional money necessary to reclaim permitted mine areas. In the event a permit-specific reclamation bond is insufficient to complete reclamation on the permitted mine site, the Fund provides financial assistance to the cabinet for reclamation.

**Energy and Environment
Natural Resources**

Abandoned Mine Land Reclamation Projects

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
Federal Funds					
Balance Forward					
Current Receipts	34,928,319	29,421,251	31,231,400	31,742,400	31,742,400
Non-Revenue Receipts	-8,240,000	-11,030	-2,989,000		
Total Federal Funds	26,688,320	29,410,222	28,242,400	31,742,400	31,742,400
TOTAL SOURCE OF FUNDS	26,688,320	29,410,222	28,242,400	31,742,400	31,742,400
EXPENDITURES BY CLASS					
Personnel Cost	85,227	2,473			
Grants Loans Benefits	13,457,367	16,267,950	13,207,300	14,473,300	14,473,300
Construction	13,145,725	13,139,798	15,035,100	17,269,100	17,269,100
TOTAL EXPENDITURES	26,688,319	29,410,221	28,242,400	31,742,400	31,742,400
EXPENDITURES BY FUND SOURCE					
Federal Funds	26,688,319	29,410,221	28,242,400	31,742,400	31,742,400
TOTAL EXPENDITURES	26,688,319	29,410,221	28,242,400	31,742,400	31,742,400

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

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	159,200	152,600	154,800	176,000	178,100
State Salary and Compensation Allocation	10,100	300	19,800		
Other	5,500	36,400			
Total General Fund	174,800	189,300	174,600	176,000	178,100
Restricted Funds					
Balance Forward	5,787	929	900		
Total Restricted Funds	5,787	929	900		
TOTAL SOURCE OF FUNDS	180,587	190,229	175,500	176,000	178,100
EXPENDITURES BY CLASS					
Personnel Cost	152,812	156,800	157,600	158,100	160,200
Operating Expenses	19,546	32,500	17,900	17,900	17,900
TOTAL EXPENDITURES	172,358	189,300	175,500	176,000	178,100
EXPENDITURES BY FUND SOURCE					
General Fund	167,500	189,300	174,600	176,000	178,100
Restricted Funds	4,858		900		
TOTAL EXPENDITURES	172,358	189,300	175,500	176,000	178,100

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

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

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	13,750,200	13,524,000	13,704,700	9,703,400	9,956,800
State Salary and Compensation Allocation	36,400				
Current Year Appropriation	952,000				
Other	-377,100	-263,500	-210,800		
Total General Fund	14,361,500	13,260,500	13,493,900	9,703,400	9,956,800
Restricted Funds					
Balance Forward	551,817	511,301	98,800		
Current Receipts	798,040	649,959	616,400	656,400	656,400
Non-Revenue Receipts	32,467	36,784			
Fund Transfers	-297,300				
Total Restricted Funds	1,085,024	1,198,044	715,200	656,400	656,400
Federal Funds					
Balance Forward	-1				
Current Receipts	1,166,500	126,861	222,400		
Non-Revenue Receipts	-551,370	215,149	-222,400		
Total Federal Funds	615,128	342,010			
TOTAL SOURCE OF FUNDS	16,061,652	14,800,554	14,209,100	10,359,800	10,613,200
EXPENDITURES BY CLASS					
Personnel Cost	11,870,007	12,666,952	12,133,700	8,361,400	8,614,800
Operating Expenses	1,893,289	1,859,411	1,883,100	1,806,100	1,806,100
Grants Loans Benefits	188,757	175,401	192,300	192,300	192,300
Capital Outlay	3,500				
TOTAL EXPENDITURES	13,955,553	14,701,763	14,209,100	10,359,800	10,613,200
EXPENDITURES BY FUND SOURCE					
General Fund	12,766,700	13,260,500	13,493,900	9,703,400	9,956,800
Restricted Funds	573,723	1,099,253	715,200	656,400	656,400
Federal Funds	615,130	342,010			
TOTAL EXPENDITURES	13,955,553	14,701,763	14,209,100	10,359,800	10,613,200
EXPENDITURES BY UNIT					
Mine Safety and Licensing-Administrative Support	1,005,600	943,200	896,900	818,300	832,600
Safety Inspection and Licensing	8,338,469	8,819,199	8,542,000	4,568,700	4,712,200
Safety Analysis, Training and Certification	4,611,484	4,939,364	4,770,200	4,972,800	5,068,400
TOTAL EXPENDITURES	13,955,553	14,701,763	14,209,100	10,359,800	10,613,200

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

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

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

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

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

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

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

Policy

The Budget of the Commonwealth includes \$3,219,800 of General Fund for fiscal year 2015 and fiscal year 2016 to provide state-sponsored mine rescue teams pursuant to KRS 351.191 as well as for staff including mine inspectors, mine safety analysts, and mine safety instructors to comply with the increased inspection and training requirements of KRS 351.140 and KRS 351.242. The originating source of this General Fund money is the Coal Severance Tax.

Notwithstanding KRS 351.140, the number of mandatory mine safety inspections to be carried out by the Office of Mine Safety and Licensing shall be equal to the number of mine safety inspections required annually by the Mine Safety and Health Administration.

Energy and Environment
Energy Development and Independence

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,448,000	1,324,400	1,347,800	1,344,000	1,356,600
State Salary and Compensation Allocation	57,500	1,800	3,600		
Total General Fund	1,505,500	1,326,200	1,351,400	1,344,000	1,356,600
Restricted Funds					
Balance Forward	3,301,568	3,335,704	4,825,900	1,865,200	1,168,100
Current Receipts	16,498	50,621	16,500	16,500	16,500
Non-Revenue Receipts	3,968,911	3,761,221	2,251,600	1,835,900	1,657,300
Fund Transfers	-39,900				
Total Restricted Funds	7,247,076	7,147,546	7,094,000	3,717,600	2,841,900
Federal Funds					
Balance Forward			11,300		
Current Receipts	546,472	1,361,731	913,400	803,400	743,700
Non-Revenue Receipts	-743,812	-418,078	-181,600	-181,400	-163,500
ARRA Receipts	18,699,149	1,286,159			
Total Federal Funds	18,501,809	2,229,812	743,100	622,000	580,200
TOTAL SOURCE OF FUNDS	27,254,386	10,703,558	9,188,500	5,683,600	4,778,700
EXPENDITURES BY CLASS					
Personnel Cost	7,956,952	1,853,904	1,459,800	1,567,800	1,601,500
Operating Expenses	311,991	318,852	247,400	286,100	286,100
Grants Loans Benefits	15,491,839	3,693,542	5,616,100	2,661,600	1,896,600
TOTAL EXPENDITURES	23,760,781	5,866,298	7,323,300	4,515,500	3,784,200
EXPENDITURES BY FUND SOURCE					
General Fund	1,347,600	1,326,200	1,351,400	1,344,000	1,356,600
Restricted Funds	3,911,372	2,321,645	5,228,800	2,549,500	1,847,400
Federal Funds	18,501,809	2,218,453	743,100	622,000	580,200
TOTAL EXPENDITURES	23,760,781	5,866,298	7,323,300	4,515,500	3,784,200
EXPENDITURES BY UNIT					
Energy Development and Independence	23,760,781	5,866,298	7,323,300	4,515,500	3,784,200
TOTAL EXPENDITURES	23,760,781	5,866,298	7,323,300	4,515,500	3,784,200

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

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

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

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

Policy

The Budget of the Commonwealth includes Restricted Funds of \$1,584,500 in fiscal year 2015 and \$1,423,800 in fiscal year 2016 for research grants. These funds originate from the Local Government Economic Development Fund Multi-county Fund (coal severance tax).

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

**Energy and Environment
Kentucky Nature Preserves Commission**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,030,900	979,700	1,000,900	1,061,700	1,086,400
State Salary and Compensation Allocation	51,200	2,000	4,000		
Total General Fund	1,082,100	981,700	1,004,900	1,061,700	1,086,400
Restricted Funds					
Balance Forward	358,230	210,582	295,600	138,800	79,500
Current Receipts	208,361	703,411	461,700	235,100	235,300
Non-Revenue Receipts	-1,931	-295,562	81,500	75,500	75,500
Fund Transfers	-10,700				
Total Restricted Funds	553,960	618,431	838,800	449,400	390,300
Federal Funds					
Balance Forward		4,957			
Current Receipts	66,583	923,083	52,100	56,500	57,700
Non-Revenue Receipts	-3,404	-1,583	-1,900	-1,500	-1,500
Total Federal Funds	63,178	926,457	50,200	55,000	56,200
TOTAL SOURCE OF FUNDS	1,699,238	2,526,588	1,893,900	1,566,100	1,532,900
EXPENDITURES BY CLASS					
Personnel Cost	1,175,280	1,127,851	1,256,700	1,196,900	1,222,800
Operating Expenses	178,719	183,183	210,300	179,500	168,800
Grants Loans Benefits	54,100	904,632	226,500	110,200	108,400
Capital Outlay		15,326	61,600		
TOTAL EXPENDITURES	1,408,099	2,230,992	1,755,100	1,486,600	1,500,000
EXPENDITURES BY FUND SOURCE					
General Fund	1,006,500	981,700	1,004,900	1,061,700	1,086,400
Restricted Funds	343,378	322,835	700,000	369,900	357,400
Federal Funds	58,221	926,457	50,200	55,000	56,200
TOTAL EXPENDITURES	1,408,099	2,230,992	1,755,100	1,486,600	1,500,000
EXPENDITURES BY UNIT					
Kentucky Nature Preserves Commission	1,408,099	2,230,992	1,755,100	1,486,600	1,500,000
TOTAL EXPENDITURES	1,408,099	2,230,992	1,755,100	1,486,600	1,500,000

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

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

**Energy and Environment
Public Service Commission**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	13,000,000	15,000,000	15,000,000	17,000,000	17,000,000
State Salary and Compensation Allocation	460,100	13,800	27,600		
Continuing Approp.-General Fund	409,760	462,487	675,400		
Total General Fund	13,869,860	15,476,287	15,703,000	17,000,000	17,000,000
Restricted Funds					
Balance Forward	9,334	12,774	156,900	144,800	132,700
Current Receipts	58,440	167,217	11,000	11,000	11,000
Non-Revenue Receipts		194,022	200,000	200,000	200,000
Total Restricted Funds	67,774	374,012	367,900	355,800	343,700
Federal Funds					
Balance Forward	66,025	68,548	21,500		
Current Receipts	245,784	306,155	207,400	227,700	236,900
ARRA Receipts	369,333	102,839			
Total Federal Funds	681,142	477,542	228,900	227,700	236,900
TOTAL SOURCE OF FUNDS	14,618,775	16,327,841	16,299,800	17,583,500	17,580,600
EXPENDITURES BY CLASS					
Personnel Cost	7,433,667	7,809,796	8,552,900	7,933,800	8,088,600
Operating Expenses	1,519,600	1,511,856	1,697,700	1,714,400	1,714,400
Debt Service	589,000	589,000	589,000	589,000	589,000
Capital Outlay		20,887			
TOTAL EXPENDITURES	9,542,267	9,931,539	10,839,600	10,237,200	10,392,000
EXPENDITURES BY FUND SOURCE					
General Fund	8,874,673	9,258,373	10,387,600	9,786,400	9,932,000
Restricted Funds	55,000	217,145	223,100	223,100	223,100
Federal Funds	612,594	456,021	228,900	227,700	236,900
TOTAL EXPENDITURES	9,542,267	9,931,539	10,839,600	10,237,200	10,392,000
EXPENDITURES BY UNIT					
Commission Operations	4,574,806	4,789,268	5,292,000	4,698,600	4,754,500
Financial Analysis	1,332,144	1,451,745	1,695,300	1,692,500	1,730,200
Engineering	1,351,139	1,283,122	1,277,300	1,310,400	1,334,600
Division of Filings	1,493,213	1,473,997	1,604,300	1,599,900	1,625,300
Consumer Services	341,679	396,763	407,000	408,700	416,900
Gas Pipeline Safety	449,286	536,645	563,700	527,100	530,500
TOTAL EXPENDITURES	9,542,267	9,931,539	10,839,600	10,237,200	10,392,000

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

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

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

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

Policy

The Budget of the Commonwealth includes \$7,213,600 in fiscal year 2015 and \$7,068,000 in fiscal year 2016 that shall lapse to the credit of the General Fund from the Public Service Commission.

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Finance and Administration

Finance and Administration

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	415,360,300	575,958,700	595,188,600	591,338,800	594,545,900
State Salary and Compensation Allocation	6,258,400	200,200	400,400		
Mandated Allotments	600,000	4,602,000			
Total General Fund	422,218,700	580,760,900	595,589,000	591,338,800	594,545,900
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	30,550,700	28,566,900	30,935,800	30,820,000	30,907,000
Continuing Approp.-Tobacco Settlement	142				
Budget Reduction-General Fund Tobacco	-464,770		-5,806,300		
Other			5,751,000		
Total Tobacco Settlement - Phase I	30,086,072	28,566,900	30,880,500	30,820,000	30,907,000
Restricted Funds					
Balance Forward	56,773,205	50,904,462	59,328,500	38,954,000	21,385,000
Current Receipts	152,030,648	176,204,649	173,253,700	223,265,100	225,862,400
Non-Revenue Receipts	889,570	5,391,279	4,895,200	2,202,000	2,240,400
Fund Transfers	-20,963,356	-6,750,000	-6,750,000	-6,000,000	-1,000,000
Total Restricted Funds	188,730,067	225,750,391	230,727,400	258,421,100	248,487,800
Federal Funds					
Balance Forward	1	1			
Current Receipts	2,766,252	5,894,402	6,324,700	5,168,000	5,168,000
Non-Revenue Receipts	-157,275				
ARRA Receipts	26,089,780	5,132,829			
Total Federal Funds	28,698,758	11,027,232	6,324,700	5,168,000	5,168,000
Road Fund					
Regular Appropriation	2,725,000	3,120,400	3,120,400	3,335,700	3,399,600
Current Year Appropriation	395,400				
Total Road Fund	3,120,400	3,120,400	3,120,400	3,335,700	3,399,600
TOTAL SOURCE OF FUNDS	672,853,996	849,225,823	866,642,000	889,083,600	882,508,300
EXPENDITURES BY CLASS					
Personnel Cost	178,959,411	214,714,405	215,584,300	229,674,900	231,483,800
Operating Expenses	95,956,107	106,952,861	119,996,800	154,786,700	154,704,600
Grants Loans Benefits	29,222,829	11,451,679	7,030,200	5,923,500	5,873,500
Debt Service	217,450,414	421,433,892	434,784,100	443,171,600	444,950,500
Capital Outlay	6,340,285	8,918,906	14,925,100	19,669,400	19,717,500
Construction	117				
TOTAL EXPENDITURES	527,929,164	763,471,742	792,320,500	853,226,100	856,729,900
EXPENDITURES BY FUND SOURCE					
General Fund	340,338,467	556,629,227	562,515,000	579,045,800	582,252,900
Tobacco Settlement - Phase I	18,043,736	26,273,206	28,587,000	28,640,500	28,727,500
Restricted Funds	137,825,604	166,421,678	191,773,400	237,036,100	237,181,900
Federal Funds	28,698,757	11,027,231	6,324,700	5,168,000	5,168,000
Road Fund	3,022,600	3,120,400	3,120,400	3,335,700	3,399,600
TOTAL EXPENDITURES	527,929,164	763,471,742	792,320,500	853,226,100	856,729,900
EXPENDITURES BY UNIT					
General Administration	59,617,218	42,341,412	41,645,200	46,695,200	49,037,100
Controller	13,399,218	13,607,995	16,054,700	14,769,100	15,066,400
Debt Service	215,792,402	421,189,017	434,695,100	441,537,100	441,105,000
Facilities and Support Services	38,400,966	41,437,692	45,339,700	47,703,500	48,528,100
County Costs	18,709,944	22,616,512	18,436,200	17,599,500	17,599,500
Commonwealth Office of Technology	60,271,350	85,063,847	95,980,100	139,019,000	139,495,500
Revenue	81,147,496	93,590,398	95,892,900	103,559,800	102,342,800

Property Valuation Administrators	40,590,570	43,624,870	44,276,600	42,342,900	43,555,500
TOTAL EXPENDITURES	527,929,164	763,471,742	792,320,500	853,226,100	856,729,900

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

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

Finance and Administration
General Administration

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,055,600	6,644,500	6,784,300	9,794,100	10,416,900
State Salary and Compensation Allocation	434,000	12,800	25,600		
Total General Fund	7,489,600	6,657,300	6,809,900	9,794,100	10,416,900
Restricted Funds					
Balance Forward	21,468,991	10,920,196	10,164,400	6,981,300	4,917,400
Current Receipts	27,459,295	27,992,623	29,418,500	31,237,300	33,901,500
Non-Revenue Receipts	393,200	500,000	500,000		
Fund Transfers	-13,158,200	-3,000,000	-3,000,000		-1,000,000
Total Restricted Funds	36,163,287	36,412,820	37,082,900	38,218,600	37,818,900
Federal Funds					
Balance Forward	1	1			
Current Receipts	2,760,752	5,506,242	4,333,700	3,177,000	3,177,000
ARRA Receipts	24,565,859	3,529,770			
Total Federal Funds	27,326,612	9,036,012	4,333,700	3,177,000	3,177,000
Road Fund					
Regular Appropriation	400,000	400,000	400,000	422,900	429,000
Total Road Fund	400,000	400,000	400,000	422,900	429,000
TOTAL SOURCE OF FUNDS	71,379,498	52,506,132	48,626,500	51,612,600	51,841,800
EXPENDITURES BY CLASS					
Personnel Cost	9,268,876	9,832,552	11,029,900	13,858,800	12,825,100
Operating Expenses	20,743,902	19,393,546	19,614,500	19,793,300	19,859,300
Grants Loans Benefits	27,326,611	8,974,143	4,333,700	3,227,000	3,177,000
Debt Service				1,271,500	3,083,000
Capital Outlay	2,277,829	4,141,171	6,667,100	8,544,600	10,092,700
TOTAL EXPENDITURES	59,617,218	42,341,412	41,645,200	46,695,200	49,037,100
EXPENDITURES BY FUND SOURCE					
General Fund	6,654,916	6,657,020	6,809,900	9,794,100	10,416,900
Restricted Funds	25,243,090	26,248,380	30,101,600	33,301,200	35,014,200
Federal Funds	27,326,611	9,036,012	4,333,700	3,177,000	3,177,000
Road Fund	392,600	400,000	400,000	422,900	429,000
TOTAL EXPENDITURES	59,617,218	42,341,412	41,645,200	46,695,200	49,037,100
EXPENDITURES BY UNIT					
Secretary	1,514,136	1,596,549	2,192,400	5,632,400	5,963,000
Gubernatorial Transition					220,000
Office of General Counsel	1,888,711	1,980,200	2,086,100	2,209,400	2,241,900
Office of Administrative Services	2,768,195	2,918,678	3,008,900	3,436,200	3,526,200
Fleet Management	23,092,921	23,633,283	26,318,200	28,355,400	29,947,600
Postal Services	2,258,897	2,432,137	2,885,900	3,052,100	3,115,700
Policy and Audit	767,748	744,554	820,000	832,700	845,700
Weatherization	27,326,611	9,036,012	4,333,700	3,177,000	3,177,000
TOTAL EXPENDITURES	59,617,218	42,341,412	41,645,200	46,695,200	49,037,100

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

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

boards and commissions including the Kentucky Economic Development Partnership Board, the Kentucky Economic Development Finance Authority, the Kentucky Infrastructure Authority, the Kentucky Higher Education Assistance Authority, and the Kentucky Housing Corporation.

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

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

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

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

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

Policy

The Budget of the Commonwealth provides General Fund in the amount of \$1,271,500 in fiscal year 2015 and \$3,083,000 in fiscal year 2016 for debt service on new bonds included in the capital budget.

General Fund in the amount of \$220,000 is appropriated in support of Gubernatorial Transition in fiscal year 2016.

General Fund in the amount of \$50,000 is appropriated in support of the Kentucky State University Health Initiative Trust Fund in fiscal year 2015.

The Budget of the Commonwealth provides General Fund in the amount of \$1,500,000 in fiscal year 2015 for the Rupp Arena/Lexington Convention Center project. The funding requires a dollar-for-dollar local match.

**Finance and Administration
Controller**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,869,900	6,077,800	6,143,800	5,914,100	5,984,000
State Salary and Compensation Allocation	234,200	5,700	11,400		
Total General Fund	6,104,100	6,083,500	6,155,200	5,914,100	5,984,000
Restricted Funds					
Balance Forward	4,441,573	5,250,387	3,930,800	2,680,500	1,920,600
Current Receipts	2,475,258	2,632,470	5,004,000	5,893,100	5,893,100
Non-Revenue Receipts	6,391,115	4,322,553	4,395,200	2,202,000	2,240,400
Fund Transfers	-491,000	-750,000	-750,000		
Total Restricted Funds	12,816,946	11,455,410	12,580,000	10,775,600	10,054,100
TOTAL SOURCE OF FUNDS	18,921,046	17,538,910	18,735,200	16,689,700	16,038,100
EXPENDITURES BY CLASS					
Personnel Cost	7,080,084	7,453,582	8,026,900	8,292,700	8,410,400
Operating Expenses	6,316,584	6,131,538	8,027,800	6,476,400	6,656,000
Debt Service	2,550	22,875			
TOTAL EXPENDITURES	13,399,218	13,607,995	16,054,700	14,769,100	15,066,400
EXPENDITURES BY FUND SOURCE					
General Fund	5,832,659	6,083,370	6,155,200	5,914,100	5,984,000
Restricted Funds	7,566,559	7,524,625	9,899,500	8,855,000	9,082,400
TOTAL EXPENDITURES	13,399,218	13,607,995	16,054,700	14,769,100	15,066,400
EXPENDITURES BY UNIT					
Controller	2,311,763	2,423,100	2,520,200	2,229,300	2,260,200
Local Government Services	647,015	683,469	728,700	752,700	767,100
Financial Management	3,391,347	3,645,086	4,216,300	4,251,300	4,279,600
Procurement Services	1,361,471	1,500,300	1,531,400	1,632,900	1,661,300
Customer Resource Center	4,387,783	3,997,652	5,558,100	4,323,900	4,497,100
State Risk and Insurance Services	1,299,841	1,358,387	1,500,000	1,579,000	1,601,100
TOTAL EXPENDITURES	13,399,218	13,607,995	16,054,700	14,769,100	15,066,400

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

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

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

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

The Office of Material and Procurement Services is responsible for the central purchasing and materials management for state

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

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

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

**Finance and Administration
Debt Service**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	271,087,500	419,292,900	439,425,200	425,439,600	424,920,500
Total General Fund	271,087,500	419,292,900	439,425,200	425,439,600	424,920,500
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	30,275,700	28,320,300	30,692,700	30,570,000	30,657,000
Continuing Approp.-Tobacco Settlement	142				
Budget Reduction-General Fund Tobacco	-462,288		-5,806,300		
Other			5,751,000		
Total Tobacco Settlement - Phase I	29,813,554	28,320,300	30,637,400	30,570,000	30,657,000
TOTAL SOURCE OF FUNDS	300,901,054	447,613,200	470,062,600	456,009,600	455,577,500
EXPENDITURES BY CLASS					
Debt Service	215,792,402	421,189,017	434,695,100	441,537,100	441,105,000
TOTAL EXPENDITURES	215,792,402	421,189,017	434,695,100	441,537,100	441,105,000
EXPENDITURES BY FUND SOURCE					
General Fund	198,021,184	395,162,410	406,351,200	413,146,600	412,627,500
Tobacco Settlement - Phase I	17,771,218	26,026,607	28,343,900	28,390,500	28,477,500
TOTAL EXPENDITURES	215,792,402	421,189,017	434,695,100	441,537,100	441,105,000
EXPENDITURES BY UNIT					
Debt Service	215,792,402	421,189,017	434,695,100	441,537,100	441,105,000
TOTAL EXPENDITURES	215,792,402	421,189,017	434,695,100	441,537,100	441,105,000

Previously authorized State Property and Buildings Commission General Fund debt service for all agencies is consolidated in the Finance and Administration Cabinet. All new 2014-2016 General Fund debt service is reflected in budgets of the affected agencies.

Policy

The American Recovery and Reinvestment Act of 2009 created a new debt instrument for tax-exempt municipal bond issuers, called Build America Bonds. Municipal bond issuers could issue Build America Bonds for eligible tax-exempt purposes on a permanent basis only. The Commonwealth was eligible for a subsidy for bonds issued as Build America Bonds prior to December 31, 2010. Subsidies from the Build America Bonds shall lapse to the General Fund. The amount of the General Fund lapse is \$12,293,000 in each fiscal year. The amount of Tobacco Fund lapse is \$2,179,500 in each fiscal year.

The Budget of the Commonwealth assumes a 5% tax-exempt and 6% taxable interest rate for newly authorized debt with a 20-year term.

**Finance and Administration
Facilities and Support Services**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,246,900	5,351,700	5,231,300	5,618,900	6,129,300
State Salary and Compensation Allocation	346,000	11,200	22,400		
Total General Fund	6,592,900	5,362,900	5,253,700	5,618,900	6,129,300
Restricted Funds					
Balance Forward	8,959,897	12,979,464	15,619,500	12,658,500	7,654,000
Current Receipts	37,533,445	37,119,155	37,125,000	37,080,100	37,080,100
Non-Revenue Receipts	798,455	1,595,735			
Fund Transfers	-2,606,178				
Total Restricted Funds	44,685,618	51,694,353	52,744,500	49,738,600	44,734,100
Federal Funds					
Non-Revenue Receipts	-152,877				
ARRA Receipts	736,788				
Total Federal Funds	583,911				
TOTAL SOURCE OF FUNDS	51,862,430	57,057,253	57,998,200	55,357,500	50,863,400
EXPENDITURES BY CLASS					
Personnel Cost	20,763,285	21,910,324	22,851,400	24,780,800	25,205,900
Operating Expenses	16,046,644	17,870,241	18,714,100	18,757,700	18,757,700
Grants Loans Benefits	3,360				
Debt Service	1,004,463	222,000	89,000	363,000	762,500
Capital Outlay	583,214	1,435,127	3,685,200	3,802,000	3,802,000
TOTAL EXPENDITURES	38,400,966	41,437,692	45,339,700	47,703,500	48,528,100
EXPENDITURES BY FUND SOURCE					
General Fund	6,110,900	5,362,900	5,253,700	5,618,900	6,129,300
Restricted Funds	31,706,155	36,074,792	40,086,000	42,084,600	42,398,800
Federal Funds	583,911				
TOTAL EXPENDITURES	38,400,966	41,437,692	45,339,700	47,703,500	48,528,100
EXPENDITURES BY UNIT					
Commissioner's Office	462,945	501,146	551,800	859,700	1,267,300
Facility Development and Efficiency	4,897,700	4,954,434	5,391,200	6,916,400	7,002,900
Real Property	1,177,711	1,167,358	1,200,800	1,216,700	1,245,900
Historic Properties	348,513	2,118,608	439,300	455,200	461,600
Building and Mechanical Services	30,492,778	31,744,594	36,584,500	37,022,400	37,298,100
State Surplus Property	475,518	406,620	565,700	591,500	599,900
Federal Surplus Property	545,801	544,933	606,400	641,600	652,400
TOTAL EXPENDITURES	38,400,966	41,437,692	45,339,700	47,703,500	48,528,100

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

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

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

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

The Office of Facility Development and Efficiency also includes the Division of Facility Efficiency which is responsible for managing the Guaranteed Energy Saving Performance Contracting program and for implementing the Commonwealth Energy Management and Control System (CEMCS). The CEMCS project is an aggressive effort to use an enterprise software platform to reduce energy use in state buildings.

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

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

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

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

Policy

The [Budget of the Commonwealth](#) provides General Fund in the amount of \$274,000 in fiscal year 2015 and \$673,500 in fiscal year 2016 for debt service on new bonds included in the capital budget.

**Finance and Administration
County Costs**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	16,739,800	16,733,700	16,733,700	15,897,000	15,897,000
Mandated Allotments	600,000	4,602,000			
Total General Fund	17,339,800	21,335,700	16,733,700	15,897,000	15,897,000
Restricted Funds					
Balance Forward	7,103	16,486	88,300		
Current Receipts	1,380,022	1,352,847	1,614,200	1,702,500	1,702,500
Total Restricted Funds	1,387,125	1,369,333	1,702,500	1,702,500	1,702,500
TOTAL SOURCE OF FUNDS	18,726,925	22,705,033	18,436,200	17,599,500	17,599,500
EXPENDITURES BY CLASS					
Personnel Cost	2,334,471	3,967,941	1,892,300	1,892,300	1,892,300
Operating Expenses	15,511,804	17,797,679	15,348,400	14,511,700	14,511,700
Grants Loans Benefits	863,670	850,892	1,195,500	1,195,500	1,195,500
TOTAL EXPENDITURES	18,709,944	22,616,512	18,436,200	17,599,500	17,599,500
EXPENDITURES BY FUND SOURCE					
General Fund	17,339,305	21,335,499	16,733,700	15,897,000	15,897,000
Restricted Funds	1,370,639	1,281,013	1,702,500	1,702,500	1,702,500
TOTAL EXPENDITURES	18,709,944	22,616,512	18,436,200	17,599,500	17,599,500
EXPENDITURES BY UNIT					
Public Defender Program	2,310,592	3,934,286	1,858,200	1,858,200	1,858,200
Witnesses	89,000	80,043	82,500	82,500	82,500
DUI Service Fees	863,670	850,892	1,195,500	1,195,500	1,195,500
Sheriffs Fees'	10,699,791	12,952,397	10,468,400	9,631,700	9,631,700
County Clerks (Make Tax Bills)	272,112	251,796	275,000	275,000	275,000
Board Of Assessment Appeals	37,850	32,050	40,000	40,000	40,000
Fugitive From Justice	1,061,370	1,169,500	1,139,000	1,139,000	1,139,000
Jury Fund	2,943,072	2,870,353	2,900,000	2,900,000	2,900,000
Sheriffs Expense Allowance	421,965	465,955	466,600	466,600	466,600
Premium On Sheriffs' Bonds	10,523	9,240	11,000	11,000	11,000
TOTAL EXPENDITURES	18,709,944	22,616,512	18,436,200	17,599,500	17,599,500

The County Costs program provides payment to local officials for the performance of functions required by state statutes. Payments under the County Costs program are statutorily mandated and are regarded as a necessary governmental expense.

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

In accordance with KRS 421.015 and 421.250, circuit and district court clerks provide witnesses compensation with reimbursement being provided by the State Treasury upon claim accompanied by documentation.

The service fee imposed by KRS 189.050 for persons convicted of driving under the influence of alcohol or other substances shall be disbursed among various state and local agencies to fund such programs as enforcement, indigent defense, and the traumatic brain injury trust fund.

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

Pursuant to KRS 133.240, county clerks are paid \$0.30 per tax bill for preparing property tax bills and \$1.00 for omitted assessments. The Finance and Administration Cabinet is responsible for remitting half of the allowed amount to the county clerk.

Pursuant to KRS 133.030, each member of a county board of assessment appeals is compensated \$100 per day for their services

in hearing tax appeals and reviewing tax assessments. The Finance and Administration Cabinet refunds county fiscal courts for half of the board members' compensation.

As authorized by the County Judge Executive or the Governor, and pursuant to KRS 440.090 and 440.380, duly appointed officers are reimbursed by the Finance and Administration Cabinet for mileage and expenses incurred while traveling out of state and returning a fugitive from justice to Kentucky.

KRS 29A.170 and KRS 30A.110 require that all jurors in circuit and district court be paid a daily compensation of \$12.50 per day plus expenses. The Finance and Administration Cabinet administers this compensation and reimbursement program in cooperation with each county circuit court clerk office. Under KRS 29A.180, sequestered jurors are provided meals, housing, transportation, and security which are funded by the Finance and Administration Cabinet.

Pursuant to KRS 70.170, the Finance and Administration Cabinet administers the sheriffs' expense allowance program by issuing monthly checks to each of the 120 county sheriffs. The payments of \$300 per month are for expenses incurred in the performance of his or her official duties.

KRS 62.140 and KRS 62.155 requires the Commonwealth to reimburse each county sheriff for the cost of bond premiums required by law in the performance of his or her official duties.

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

Policy

Funds required to pay county costs are appropriated and additional funds may be allotted from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705) by the Secretary of the Finance and Administration Cabinet as a necessary governmental expense, subject to the conditions and procedures provided in the Appropriations Act.

The Budget of the Commonwealth includes a wage of \$9 per hour for court security officers.

Finance and Administration
Commonwealth Office of Technology

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	17,155,282	15,093,655	16,677,700	3,110,300	2,859,300
Current Receipts	67,825,890	88,683,708	83,421,700	136,777,000	136,710,100
Non-Revenue Receipts	-6,693,200	-1,027,009			
Fund Transfers	-3,710,100	-3,000,000	-3,000,000		
Total Restricted Funds	74,577,872	99,750,355	97,099,400	139,887,300	139,569,400
Federal Funds					
Current Receipts		388,160	1,991,000	1,991,000	1,991,000
ARRA Receipts	787,133	1,603,060			
Total Federal Funds	787,133	1,991,219	1,991,000	1,991,000	1,991,000
TOTAL SOURCE OF FUNDS	75,365,005	101,741,575	99,090,400	141,878,300	141,560,400
EXPENDITURES BY CLASS					
Personnel Cost	45,160,310	65,974,548	65,128,600	68,758,100	69,562,900
Operating Expenses	10,610,909	14,158,206	24,777,700	64,187,100	63,858,800
Grants Loans Benefits	1,020,888	1,626,644	1,501,000	1,501,000	1,501,000
Capital Outlay	3,479,243	3,304,448	4,572,800	4,572,800	4,572,800
TOTAL EXPENDITURES	60,271,350	85,063,847	95,980,100	139,019,000	139,495,500
EXPENDITURES BY FUND SOURCE					
Restricted Funds	59,484,217	83,072,628	93,989,100	137,028,000	137,504,500
Federal Funds	787,133	1,991,219	1,991,000	1,991,000	1,991,000
TOTAL EXPENDITURES	60,271,350	85,063,847	95,980,100	139,019,000	139,495,500
EXPENDITURES BY UNIT					
Commonwealth Office of Technology	3,883,441	6,792,152	5,348,300	5,676,700	5,635,500
Chief Information Security Officer	1,008,418	1,469,807	3,049,700	3,248,700	3,296,400
Application Development	11,358,000	17,664,669	17,002,800	17,485,200	17,598,800
Infrastructure Services	42,766,387	57,300,296	62,529,100	104,083,000	104,302,300
Office of Enterprise Technology	1,255,104	1,836,922	3,572,600	3,688,700	3,732,800
IT Service Management			4,477,600	4,836,700	4,929,700
TOTAL EXPENDITURES	60,271,350	85,063,847	95,980,100	139,019,000	139,495,500

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

COT consists of six units: Commissioner, Chief Information Security Officer, Application Development, Infrastructure Services, Enterprise Technology, and IT Service Management.

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

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

The Office of Infrastructure Services operates the Commonwealth's enterprise computing and communications environment. This Office includes the daily operation of the Commonwealth Data Center and the Alternate Data Center, operation and maintenance of the Kentucky Information Highway, and all communication services, including data, voice, video, and wireless. Other responsibilities include providing help desk assistance to end-users and ensuring the security of client information in the areas of electronic commerce and network computing.

The Office of Enterprise Technology is responsible for the statewide strategic information technology (IT) plan. Staff in this office

assist state agencies in developing their own IT plans that conform with the policies and architecture standards determined by COT. Other responsibilities include enterprise capacity planning, testing, research, and development.

The Office of IT Service Management is responsible for the IT Infrastructure Library (ITIL) framework and support functions of COT. The office will oversee the transition of agency IT infrastructure to COT as part of the IT infrastructure consolidation initiative.

The Office of Application Development analyzes, designs, develops and installs systems and applications for client agencies throughout state government. Support is provided for systems that drive mission-critical activities for the Commonwealth, including public assistance, public health and safety, collection of taxes, and financial and personnel management of state government. The Office provides consulting services and support in a broad range of technical environments including Windows NT, 2000, and XP; UNIX; and Z/OS using languages such as Java, VB, .NET, COBOL, SAS, and others.

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

Policy

Executive Order 2012-880, which was ratified by the 2014 General Assembly in HB 296, directed that operational control and management of all information technology infrastructure services for the Executive Branch be consolidated under COT. Infrastructure services include computing equipment, server, storage, network, desktop support, telephony, IT facilities and enterprise-level shared systems, IT security, disaster recovery and business continuity, database administration, software licensing, and related planning, administration, asset management, and procurement. The consolidation of IT infrastructure services required the transfer of 218 IT infrastructure employees from various state agencies to COT. The Executive Order also created the position of Chief Information Officer (CIO) as the head of COT and made the CIO a member of the Governor's Executive Cabinet.

**Finance and Administration
Revenue**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	73,737,800	85,318,900	83,505,600	86,332,200	87,642,700
State Salary and Compensation Allocation	2,902,700	84,900	169,800		
Total General Fund	76,640,500	85,403,800	83,675,400	86,332,200	87,642,700
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	275,000	246,600	243,100	250,000	250,000
Budget Reduction-General Fund Tobacco	-2,482				
Total Tobacco Settlement - Phase I	272,518	246,600	243,100	250,000	250,000
Restricted Funds					
Balance Forward	4,470,348	6,440,801	12,835,500	13,523,400	4,033,700
Current Receipts	9,570,005	11,614,910	9,941,900	10,575,100	10,575,100
Non-Revenue Receipts					
Fund Transfers	-997,878			-6,000,000	
Total Restricted Funds	13,042,475	18,055,711	22,777,400	18,098,500	14,608,800
Federal Funds					
Current Receipts	5,500				
Non-Revenue Receipts	-4,398				
Total Federal Funds	1,102				
Road Fund					
Regular Appropriation	2,325,000	2,720,400	2,720,400	2,912,800	2,970,600
Current Year Appropriation	395,400				
Total Road Fund	2,720,400	2,720,400	2,720,400	2,912,800	2,970,600
TOTAL SOURCE OF FUNDS	92,676,995	106,426,511	109,416,300	107,593,500	105,472,100
EXPENDITURES BY CLASS					
Personnel Cost	54,240,323	62,425,699	62,807,000	70,186,600	70,469,400
Operating Expenses	26,247,756	31,126,539	33,085,900	30,623,200	30,623,400
Grants Loans Benefits	8,300				
Debt Service	651,000				
Capital Outlay		38,160		2,750,000	1,250,000
Construction	117				
TOTAL EXPENDITURES	81,147,496	93,590,398	95,892,900	103,559,800	102,342,800
EXPENDITURES BY FUND SOURCE					
General Fund	71,642,203	85,403,229	83,675,400	86,332,200	87,642,700
Tobacco Settlement - Phase I	272,518	246,599	243,100	250,000	250,000
Restricted Funds	6,601,673	5,220,170	9,254,000	14,064,800	11,479,500
Federal Funds	1,102				
Road Fund	2,630,000	2,720,400	2,720,400	2,912,800	2,970,600
TOTAL EXPENDITURES	81,147,496	93,590,398	95,892,900	103,559,800	102,342,800
EXPENDITURES BY UNIT					
Commissioner's Office	28,397,700	32,795,306	30,839,400	31,354,500	31,390,500
Property Valuation	5,373,673	5,911,443	6,235,400	7,997,600	8,124,900
Field Operations	12,421,215	13,073,923	13,254,000	14,315,800	14,622,300
Income Taxation	7,110,539	7,827,868	8,301,800	8,986,600	9,190,300
Sales and Excise Taxes	6,162,182	6,454,195	7,115,700	10,704,800	8,157,700
Processing and Enforcement	21,682,187	27,527,663	30,146,600	30,200,500	30,857,100
TOTAL EXPENDITURES	81,147,496	93,590,398	95,892,900	103,559,800	102,342,800

The Department of Revenue is responsible for the accurate and equitable administration of all state revenue laws, and for the assessment and collection of over 40 separate state taxes. The Department aims to ensure the taxpayer's voluntary compliance with the revenue laws, to enforce such laws in those instances where necessary, and to supervise and assist county property valuation administrators in assessing property for taxation.

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

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

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

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

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

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

Policy

The Budget of the Commonwealth includes General Fund in the amount of \$2,000,000 in each fiscal year to participate in an enterprise fraud initiative with other state agencies. It is anticipated that this initiative will increase General Fund revenues by \$6,000,000 over the biennium.

**Finance and Administration
Property Valuation Administrators**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	34,622,800	36,539,200	37,364,700	42,342,900	43,555,500
State Salary and Compensation Allocation	2,341,500	85,600	171,200		
Total General Fund	36,964,300	36,624,800	37,535,900	42,342,900	43,555,500
Restricted Funds					
Balance Forward	270,010	203,473	12,300		
Current Receipts	5,786,733	6,808,936	6,728,400		
Total Restricted Funds	6,056,743	7,012,409	6,740,700		
TOTAL SOURCE OF FUNDS	43,021,043	43,637,209	44,276,600	42,342,900	43,555,500
EXPENDITURES BY CLASS					
Personnel Cost	40,112,062	43,149,758	43,848,200	41,905,600	43,117,800
Operating Expenses	478,509	475,112	428,400	437,300	437,700
TOTAL EXPENDITURES	40,590,570	43,624,870	44,276,600	42,342,900	43,555,500
EXPENDITURES BY FUND SOURCE					
General Fund	34,737,300	36,624,800	37,535,900	42,342,900	43,555,500
Restricted Funds	5,853,270	7,000,070	6,740,700		
TOTAL EXPENDITURES	40,590,570	43,624,870	44,276,600	42,342,900	43,555,500
EXPENDITURES BY UNIT					
Property Valuation Administrators	40,590,570	43,624,870	44,276,600	42,342,900	43,555,500
TOTAL EXPENDITURES	40,590,570	43,624,870	44,276,600	42,342,900	43,555,500

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

Policy

The Budget of the Commonwealth provides an additional \$916,900 in fiscal year 2015 and \$915,800 in fiscal year 2016 to support operations of the Property Valuation Administrators.

Health and Family Services

Health and Family Services

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,110,375,300	1,997,288,400	2,184,786,300	2,310,593,300	2,382,166,800
State Salary and Compensation Allocation	7,255,800	323,800	647,600		
Special Appropriation	-97,295,800				
Continuing Approp.-General Fund	16,350,700				
Total General Fund	2,036,686,000	1,997,612,200	2,185,433,900	2,310,593,300	2,382,166,800
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	41,511,500	37,203,800	36,777,900	23,672,700	22,990,200
Continuing Approp.-Tobacco Settlement	1,516,960	3,795,691	3,698,000		
Budget Reduction-General Fund Tobacco	-402,185		-19,355,200		
Other		2,118,026			
Total Tobacco Settlement - Phase I	42,626,275	43,117,516	21,120,700	23,672,700	22,990,200
Restricted Funds					
Balance Forward	73,344,102	62,605,113	49,599,900	31,440,900	20,382,900
Current Receipts	560,634,471	579,051,495	521,976,700	520,596,700	527,400,000
Non-Revenue Receipts	320,289,262	375,787,662	463,723,900	514,551,900	493,035,200
Fund Transfers	-6,551,600				
Total Restricted Funds	947,716,235	1,017,444,271	1,035,300,500	1,066,589,500	1,040,818,100
Federal Funds					
Balance Forward	79,018,730	44,606,583	153,594,800		
Current Receipts	5,115,393,851	5,042,082,196	5,990,554,200	6,903,557,200	7,179,243,100
Non-Revenue Receipts	1,877,149	1,154,160			
ARRA Receipts	49,997,543	53,341,787	3,000,000		
Total Federal Funds	5,246,287,271	5,141,184,726	6,147,149,000	6,903,557,200	7,179,243,100
TOTAL SOURCE OF FUNDS	8,273,315,781	8,199,358,712	9,389,004,100	10,304,412,700	10,625,218,200
EXPENDITURES BY CLASS					
Personnel Cost	649,886,743	676,583,484	678,618,600	737,909,900	737,389,800
Operating Expenses	110,721,070	122,011,598	126,249,100	116,837,800	122,863,000
Grants Loans Benefits	7,385,089,496	7,186,391,249	8,535,459,000	9,415,984,400	9,739,175,900
Debt Service	2,642,500	482,500		11,246,300	11,667,500
Capital Outlay	1,560,547	1,172,771	986,500	986,400	836,400
Construction	67,538	5,824,454	750,000	1,065,000	1,065,000
TOTAL EXPENDITURES	8,149,967,894	7,992,466,056	9,342,063,200	10,284,029,800	10,612,997,600
EXPENDITURES BY FUND SOURCE					
General Fund	2,024,345,500	1,997,612,200	2,169,933,900	2,310,593,300	2,382,166,800
Tobacco Settlement - Phase I	38,830,584	39,419,523	21,120,700	23,672,700	22,990,200
Restricted Funds	885,111,122	967,844,438	1,003,859,600	1,046,206,600	1,028,597,500
Federal Funds	5,201,680,689	4,987,589,895	6,147,149,000	6,903,557,200	7,179,243,100
TOTAL EXPENDITURES	8,149,967,894	7,992,466,056	9,342,063,200	10,284,029,800	10,612,997,600
EXPENDITURES BY UNIT					
General Administration and Program Support	82,689,267	88,693,660	87,941,900	92,889,100	88,738,500
Comm for Children with Special Health Care Needs	15,212,106	15,859,999	16,313,700	16,938,400	17,124,100
Medicaid Services	6,069,433,944	5,910,899,080	7,203,086,400	8,067,173,300	8,390,815,800
Behavioral Health, Developmental & Intellectual Disabilities	442,388,777	432,855,237	462,258,600	469,605,800	460,324,400
Public Health	351,986,442	342,735,699	378,927,800	379,819,400	368,148,500
Health Policy	6,038,934	3,294,201	1,216,000	1,257,800	1,273,700
Family Resource Centers and Volunteer Services	4,974,332	4,459,143	3,603,600	4,576,800	4,548,400
Income Support	97,083,715	94,797,449	110,225,400	102,623,500	104,465,400

Community Based Services	992,861,788	1,000,918,972	962,004,700	1,042,806,800	1,078,099,800
Aging and Independent Living	65,939,882	69,077,520	71,849,500	72,401,500	72,570,700
Health Benefit Exchange	21,358,709	28,875,097	44,635,600	33,937,400	26,888,300
TOTAL EXPENDITURES	8,149,967,894	7,992,466,056	9,342,063,200	10,284,029,800	10,612,997,600

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

Health and Family Services
General Administration and Program Support

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	34,549,700	31,625,800	31,607,100	28,450,600	29,028,600
State Salary and Compensation Allocation	1,039,800	40,200	80,400		
Total General Fund	35,589,500	31,666,000	31,687,500	28,450,600	29,028,600
Restricted Funds					
Balance Forward	1,328,740	4,824,142	2,099,900	6,086,700	3,064,600
Current Receipts	6,749,985	5,304,747	6,043,800	4,551,700	7,543,800
Non-Revenue Receipts	5,933,705	6,689,171	12,276,000	6,291,800	6,291,800
Fund Transfers	-386,900				
Total Restricted Funds	13,625,530	16,818,061	20,419,700	16,930,200	16,900,200
Federal Funds					
Balance Forward	4,355,386	5,599,859	2,936,800		
Current Receipts	39,035,936	36,774,081	35,984,600	50,572,900	42,809,700
Non-Revenue Receipts	-14,222	84,128			
ARRA Receipts	2,600,038	2,788,178	3,000,000		
Total Federal Funds	45,977,139	45,246,246	41,921,400	50,572,900	42,809,700
TOTAL SOURCE OF FUNDS	95,192,168	93,730,307	94,028,600	95,953,700	88,738,500
EXPENDITURES BY CLASS					
Personnel Cost	53,509,612	57,278,967	56,499,000	66,190,600	58,770,000
Operating Expenses	28,212,015	30,398,967	30,489,100	25,264,900	28,474,900
Grants Loans Benefits		660			
Debt Service	406,500	109,500		105,000	315,000
Capital Outlay	493,603	173,466	203,800	263,600	113,600
Construction	67,538	732,099	750,000	1,065,000	1,065,000
TOTAL EXPENDITURES	82,689,267	88,693,660	87,941,900	92,889,100	88,738,500
EXPENDITURES BY FUND SOURCE					
General Fund	33,510,600	31,666,000	31,687,500	28,450,600	29,028,600
Restricted Funds	8,801,388	14,718,214	14,333,000	13,865,600	16,900,200
Federal Funds	40,377,279	42,309,445	41,921,400	50,572,900	42,809,700
TOTAL EXPENDITURES	82,689,267	88,693,660	87,941,900	92,889,100	88,738,500
EXPENDITURES BY UNIT					
Administrative Support	63,926,847	68,371,889	67,504,400	70,862,300	63,202,800
Inspector General	18,762,421	20,321,771	20,437,500	22,026,800	25,535,700
TOTAL EXPENDITURES	82,689,267	88,693,660	87,941,900	92,889,100	88,738,500

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

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

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

Policy

The Budget of the Commonwealth includes General Fund in the amount of \$105,000 in fiscal year 2015 and \$315,000 in fiscal year 2016 to support \$5,000,000 in bonds for the cabinets 2014-2016 Maintenance Pool project.

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	29,142,100	27,224,800	27,507,400	23,774,100	24,213,000
State Salary and Compensation Allocation	647,400	29,900	60,300		
Other		450,000			
Total General Fund	29,789,500	27,704,700	27,567,700	23,774,100	24,213,000
Restricted Funds					
Balance Forward	656,277	1,087,467	768,400		
Current Receipts	2,901,124	4,627,713	4,088,800	3,038,800	3,038,800
Non-Revenue Receipts	5,958,705	6,714,171	6,316,800	6,316,800	6,316,800
Fund Transfers	-274,700				
Total Restricted Funds	9,241,407	12,429,351	11,174,000	9,355,600	9,355,600
Federal Funds					
Balance Forward	3,132,324	4,570,467	1,544,500		
Current Receipts	26,564,193	23,164,607	24,218,200	37,732,600	29,634,200
Non-Revenue Receipts	-6,268	84,128			
ARRA Receipts	2,523,824	2,731,511	3,000,000		
Total Federal Funds	32,214,074	30,550,713	28,762,700	37,732,600	29,634,200
TOTAL SOURCE OF FUNDS	71,244,980	70,684,764	67,504,400	70,862,300	63,202,800
EXPENDITURES BY CLASS					
Personnel Cost	37,007,369	40,019,789	39,176,700	46,124,300	38,359,500
Operating Expenses	25,962,451	28,137,514	28,227,700	24,383,000	24,428,300
Grants Loans Benefits		660			
Debt Service	406,500	109,500		105,000	315,000
Capital Outlay	482,989	104,426	100,000	250,000	100,000
Construction	67,538				
TOTAL EXPENDITURES	63,926,847	68,371,889	67,504,400	70,862,300	63,202,800
EXPENDITURES BY FUND SOURCE					
General Fund	28,129,300	27,704,700	27,567,700	23,774,100	24,213,000
Restricted Funds	8,153,940	11,660,986	11,174,000	9,355,600	9,355,600
Federal Funds	27,643,606	29,006,203	28,762,700	37,732,600	29,634,200
TOTAL EXPENDITURES	63,926,847	68,371,889	67,504,400	70,862,300	63,202,800

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

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

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

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

Human Resource Management serves all Cabinet employees and programs and provides payroll and health benefits administration, equal employment opportunity compliance, and professional development and training activities. This office

serves as the Cabinet's appointing authority and performs all the duties, responsibilities and functions required to maintain an effective

and efficient personnel management system in accordance with the Kentucky Revised Statutes, Kentucky Administrative Regulations, and the policy guidelines of the Secretary of the Cabinet.

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

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

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

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

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	5,407,600	4,401,000	4,099,700	4,676,500	4,815,600
State Salary and Compensation Allocation	392,400	10,300	20,100		
Other		-450,000			
Total General Fund	5,800,000	3,961,300	4,119,800	4,676,500	4,815,600
Restricted Funds					
Balance Forward	672,463	3,736,676	1,331,500	6,086,700	3,064,600
Current Receipts	3,848,860	677,034	1,955,000	1,512,900	4,505,000
Non-Revenue Receipts	-25,000	-25,000	5,959,200	-25,000	-25,000
Fund Transfers	-112,200				
Total Restricted Funds	4,384,123	4,388,710	9,245,700	7,574,600	7,544,600
Federal Funds					
Balance Forward	1,223,062	1,029,392	1,392,300		
Current Receipts	12,471,743	13,609,474	11,766,400	12,840,300	13,175,500
Non-Revenue Receipts	-7,954				
ARRA Receipts	76,214	56,667			
Total Federal Funds	13,763,065	14,695,533	13,158,700	12,840,300	13,175,500
TOTAL SOURCE OF FUNDS	23,947,188	23,045,543	26,524,200	25,091,400	25,535,700
EXPENDITURES BY CLASS					
Personnel Cost	16,502,243	17,259,178	17,322,300	20,066,300	20,410,500
Operating Expenses	2,249,564	2,261,453	2,261,400	881,900	4,046,600
Capital Outlay	10,614	69,040	103,800	13,600	13,600
Construction		732,099	750,000	1,065,000	1,065,000
TOTAL EXPENDITURES	18,762,421	20,321,771	20,437,500	22,026,800	25,535,700
EXPENDITURES BY FUND SOURCE					
General Fund	5,381,300	3,961,300	4,119,800	4,676,500	4,815,600
Restricted Funds	647,448	3,057,228	3,159,000	4,510,000	7,544,600
Federal Funds	12,733,673	13,303,243	13,158,700	12,840,300	13,175,500
TOTAL EXPENDITURES	18,762,421	20,321,771	20,437,500	22,026,800	25,535,700

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

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

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

Health Care Licensing is responsible for inspecting, monitoring, licensing and certifying all health care facilities as defined by KRS 216.510 (1). On-site inspections are conducted of all health facilities and services throughout the state (including nursing homes, hospitals and laboratories) to determine compliance with state licensing standards and federal Medicare and Medicaid certification requirements. Allegations of abuse and neglect that may occur in a licensed health facility are also investigated.

Policy

The Budget of the Commonwealth includes restricted funds of \$2,992,100 in each fiscal year for the legislatively mandated Kentucky All Schedule Prescription Electronic Reporting System (KASPER). Improvements will be made to reduce response times, increase the accuracy of reports, and integrate KASPER into existing provider workflows, and support compliance monitoring and enforcement for dispenser reporting and prescriber usage requirements. Funds are available from a settlement with the Office of Attorney General related to the Merck Sharp & Dohme Corp. and GlaxoSmithKline.

The Budget of the Commonwealth includes restricted funds of \$1,525,000 in each fiscal year for the Kentucky Applicant Registry and Employment Screening Program (KARES). KARES is a fingerprint-supported state and FBI background check program available to long-term care facilities and other providers. Fingerprints are checked against a national database to help protect elderly and vulnerable adults from possible abuse, neglect and exploitation by preventing new employees in long-term care settings from hiding criminal or abusive actions committed in other states.

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,934,700	4,674,000	4,761,600	5,401,500	5,587,200
State Salary and Compensation Allocation	242,700	7,600	15,200		
Total General Fund	5,177,400	4,681,600	4,776,800	5,401,500	5,587,200
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	350,000	100,000			
Budget Reduction-General Fund Tobacco	-136,400				
Total Tobacco Settlement - Phase I	213,600	100,000			
Restricted Funds					
Balance Forward	1,059,040	4,254,429	242,900		
Current Receipts	10,217,289	2,499,356	6,727,900	6,970,800	6,970,800
Non-Revenue Receipts	-50,000	-85,000			
Fund Transfers	-149,500				
Total Restricted Funds	11,076,829	6,668,786	6,970,800	6,970,800	6,970,800
Federal Funds					
Balance Forward			61,200		
Current Receipts	3,367,321	4,826,424	4,504,900	4,566,100	4,566,100
Non-Revenue Receipts	5,086	-112,797			
Total Federal Funds	3,372,406	4,713,627	4,566,100	4,566,100	4,566,100
TOTAL SOURCE OF FUNDS	19,840,236	16,164,012	16,313,700	16,938,400	17,124,100
EXPENDITURES BY CLASS					
Personnel Cost	10,580,958	11,443,458	11,331,500	12,369,500	12,618,600
Operating Expenses	1,643,016	1,763,328	1,902,300	1,709,900	1,656,400
Grants Loans Benefits	2,844,023	2,539,622	2,918,900	2,703,000	2,693,100
Capital Outlay	144,109	113,591	161,000	156,000	156,000
TOTAL EXPENDITURES	15,212,106	15,859,999	16,313,700	16,938,400	17,124,100
EXPENDITURES BY FUND SOURCE					
General Fund	4,803,700	4,681,600	4,776,800	5,401,500	5,587,200
Tobacco Settlement - Phase I	213,600	100,000			
Restricted Funds	6,822,400	6,425,922	6,970,800	6,970,800	6,970,800
Federal Funds	3,372,406	4,652,477	4,566,100	4,566,100	4,566,100
TOTAL EXPENDITURES	15,212,106	15,859,999	16,313,700	16,938,400	17,124,100
EXPENDITURES BY UNIT					
Children's Health Services	15,212,106	15,859,999	16,313,700	16,938,400	17,124,100
TOTAL EXPENDITURES	15,212,106	15,859,999	16,313,700	16,938,400	17,124,100

The Commission for Children with Special Health Care Needs (CCSHCN) has over 85 years of experience in providing care for children with a variety of special needs. Through the years, the Commission has evolved from providing surgeries for “crippled children” to offering comprehensive medical care for children with a range of complex needs. A family-centered approach ensures that the family is valued as an integral part of the care plan and services are provided to assist the family in meeting children’s needs.

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

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

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

Policy

The Budget of the Commonwealth includes General Fund in the amount of \$200,000 in each fiscal year to support the Kentucky Advisory Council on Autism. This council was established by Executive Order 2013-805 on November 3, 2013 to provide a central location for the collection, dissemination and coordination of information regarding services and supports for Kentucky citizens on the Autism Spectrum.

Health and Family Services

Medicaid Services

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,470,805,900	1,336,472,700	1,510,706,800	1,558,838,900	1,611,591,800
State Salary and Compensation Allocation	296,900	8,300	16,600		
Special Appropriation	-97,295,800				
Continuing Approp.-General Fund	16,350,700				
Total General Fund	1,390,157,700	1,336,481,000	1,510,723,400	1,558,838,900	1,611,591,800
Restricted Funds					
Balance Forward	41,340,741	2,087,663	3,276,400	556,700	6,700
Current Receipts	57,950,659	93,874,271	22,000	53,400	60,700
Non-Revenue Receipts	289,857,698	357,418,259	464,552,100	516,321,600	484,268,600
Total Restricted Funds	389,149,099	453,380,192	467,850,500	516,931,700	484,336,000
Federal Funds					
Balance Forward	47,950,819	14,505,572	141,152,500		
Current Receipts	4,215,060,578	4,200,607,783	5,083,916,700	5,991,409,400	6,294,888,000
Non-Revenue Receipts	2,000,828	39,981			
ARRA Receipts	42,721,455	50,313,535			
Total Federal Funds	4,307,733,680	4,265,466,872	5,225,069,200	5,991,409,400	6,294,888,000
TOTAL SOURCE OF FUNDS	6,087,040,479	6,055,328,064	7,203,643,100	8,067,180,000	8,390,815,800
EXPENDITURES BY CLASS					
Personnel Cost	80,678,629	80,249,061	74,926,000	102,167,300	103,279,700
Operating Expenses	2,348,899	9,815,473	1,372,800	1,191,600	1,191,600
Grants Loans Benefits	5,986,406,416	5,820,492,284	7,126,787,600	7,963,814,400	8,286,344,500
Debt Service		329,000			
Capital Outlay		13,261			
TOTAL EXPENDITURES	6,069,433,944	5,910,899,080	7,203,086,400	8,067,173,300	8,390,815,800
EXPENDITURES BY FUND SOURCE					
General Fund	1,389,144,400	1,336,481,000	1,510,723,400	1,558,838,900	1,611,591,800
Restricted Funds	387,061,436	450,103,741	467,293,800	516,925,000	484,336,000
Federal Funds	4,293,228,108	4,124,314,339	5,225,069,200	5,991,409,400	6,294,888,000
TOTAL EXPENDITURES	6,069,433,944	5,910,899,080	7,203,086,400	8,067,173,300	8,390,815,800
EXPENDITURES BY UNIT					
Medicaid Administration	111,522,572	114,292,091	106,564,100	127,396,100	128,508,500
Medicaid Benefits	5,957,911,371	5,796,606,989	7,096,522,300	7,939,777,200	8,262,307,300
TOTAL EXPENDITURES	6,069,433,944	5,910,899,080	7,203,086,400	8,067,173,300	8,390,815,800

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

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

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

Health and Family Services

Medicaid Services

Medicaid Administration

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	35,550,300	34,775,400	33,181,800	33,314,500	33,398,600
State Salary and Compensation Allocation	296,900	8,300	16,600		
Total General Fund	35,847,200	34,783,700	33,198,400	33,314,500	33,398,600
Restricted Funds					
Balance Forward	10,845,223		2,242,200		
Current Receipts	30,726	21,350	22,000	53,400	60,700
Non-Revenue Receipts	3,174,090	15,922,950	14,363,900	16,716,900	17,339,300
Total Restricted Funds	14,050,039	15,944,300	16,628,100	16,770,300	17,400,000
Federal Funds					
Balance Forward	17,358,810	14,247,590	16,578,000		
Current Receipts	55,857,616	63,461,651	40,159,600	77,311,300	77,709,900
Non-Revenue Receipts	271,837	-191,884			
ARRA Receipts	3,397,960	4,866,940			
Total Federal Funds	76,886,223	82,384,298	56,737,600	77,311,300	77,709,900
TOTAL SOURCE OF FUNDS	126,783,462	133,112,298	106,564,100	127,396,100	128,508,500
EXPENDITURES BY CLASS					
Personnel Cost	80,678,629	80,249,061	74,926,000	102,167,300	103,279,700
Operating Expenses	2,341,718	1,859,365	1,372,800	1,191,600	1,191,600
Grants Loans Benefits	28,502,226	31,841,404	30,265,300	24,037,200	24,037,200
Debt Service		329,000			
Capital Outlay		13,261			
TOTAL EXPENDITURES	111,522,572	114,292,091	106,564,100	127,396,100	128,508,500
EXPENDITURES BY FUND SOURCE					
General Fund	34,833,900	34,783,700	33,198,400	33,314,500	33,398,600
Restricted Funds	14,050,040	13,702,096	16,628,100	16,770,300	17,400,000
Federal Funds	62,638,633	65,806,295	56,737,600	77,311,300	77,709,900
TOTAL EXPENDITURES	111,522,572	114,292,091	106,564,100	127,396,100	128,508,500
EXPENDITURES BY UNIT					
Medical Assistance Administration	110,045,972	113,110,609	105,537,600	126,360,900	127,472,300
KCHIP Administration	1,476,600	1,181,482	1,026,500	1,035,200	1,036,200
TOTAL EXPENDITURES	111,522,572	114,292,091	106,564,100	127,396,100	128,508,500

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

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

Health and Family Services

Medicaid Services

Medicaid Benefits

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,435,255,600	1,301,697,300	1,477,525,000	1,525,524,400	1,578,193,200
Special Appropriation	-97,295,800				
Continuing Approp.-General Fund	16,350,700				
Total General Fund	1,354,310,500	1,301,697,300	1,477,525,000	1,525,524,400	1,578,193,200
Restricted Funds					
Balance Forward	30,495,518	2,087,663	1,034,200	556,700	6,700
Current Receipts	57,919,933	93,852,921			
Non-Revenue Receipts	286,683,608	341,495,309	450,188,200	499,604,700	466,929,300
Total Restricted Funds	375,099,060	437,435,893	451,222,400	500,161,400	466,936,000
Federal Funds					
Balance Forward	30,592,009	257,982	124,574,500		
Current Receipts	4,159,202,962	4,137,146,132	5,043,757,100	5,914,098,100	6,217,178,100
Non-Revenue Receipts	1,728,991	231,865			
ARRA Receipts	39,323,495	45,446,595			
Total Federal Funds	4,230,847,457	4,183,082,574	5,168,331,600	5,914,098,100	6,217,178,100
TOTAL SOURCE OF FUNDS	5,960,257,017	5,922,215,766	7,097,079,000	7,939,783,900	8,262,307,300
EXPENDITURES BY CLASS					
Operating Expenses	7,181	7,956,108			
Grants Loans Benefits	5,957,904,190	5,788,650,881	7,096,522,300	7,939,777,200	8,262,307,300
TOTAL EXPENDITURES	5,957,911,371	5,796,606,989	7,096,522,300	7,939,777,200	8,262,307,300
EXPENDITURES BY FUND SOURCE					
General Fund	1,354,310,500	1,301,697,300	1,477,525,000	1,525,524,400	1,578,193,200
Restricted Funds	373,011,396	436,401,645	450,665,700	500,154,700	466,936,000
Federal Funds	4,230,589,475	4,058,508,044	5,168,331,600	5,914,098,100	6,217,178,100
TOTAL EXPENDITURES	5,957,911,371	5,796,606,989	7,096,522,300	7,939,777,200	8,262,307,300
EXPENDITURES BY UNIT					
Medicaid Benefits	5,781,418,806	5,626,376,288	6,876,820,500	7,710,569,900	8,020,819,400
KCHIP Benefits	176,492,565	170,230,701	219,701,800	229,207,300	241,487,900
TOTAL EXPENDITURES	5,957,911,371	5,796,606,989	7,096,522,300	7,939,777,200	8,262,307,300

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

Medicare beneficiaries with incomes below the federal poverty level receive Medicaid assistance for payment of Medicare premiums, deductibles and cost sharing. These individuals are Qualified Medicare Beneficiaries (QMBs). Individuals at the lowest income levels are entitled to full Medicaid benefits. Medicare beneficiaries with income levels slightly higher than poverty receive Medicaid assistance for payment of Medicare premiums. These individuals are Specified Low-Income Medicare Beneficiaries (SLMBs).

Effective January 1, 2014, the federal Patient Protection and Affordable Care Act (ACA) changed the basis for Medicaid eligibility from eligibility categories tied to deprivation to income-based eligibility, with household income for most beneficiaries determined by the Modified Adjusted Gross Income (MAGI) reported on income tax returns. ACA also simplified and streamlined eligibility

processes for most beneficiaries. ACA required states with Medicaid benchmark benefit packages, including Kentucky, to align their Medicaid benefits with the ten essential health benefits mandated by ACA and defined by the benchmark plan adopted for

the state's health benefit exchange (the 2012 Anthem PPO plan for Kentucky). This required Kentucky to add substance use treatment services and private duty nursing to its benefit package for all Medicaid beneficiaries. Prior to ACA, Kentucky Medicaid only covered substance use treatment for children and pregnant women. Kentucky adopted the ACA adult Medicaid eligibility expansion which extends Medicaid eligibility to individuals in households with income at or below 138% of the federal poverty level (FPL).

Kentucky Medical Assistance Program (KMAP) Recipient Groups

Based on the eligibility changes in ACA, individuals who are eligible for KMAP benefits are classified into two groups: the Modified Adjusted Gross Income (MAGI) eligibility group and the non-MAGI eligibility group.

The **MAGI eligibility group** includes children and non-disabled adults under age 65. Specifically, this group includes children, pregnant women, caretaker relatives of children eligible for Medicaid, the new adult Medicaid expansion eligibility group authorized by ACA and former foster care children who are eligible for Medicaid up to age 26, as mandated by ACA.

The **non-MAGI eligibility group includes** aged, blind and disabled individuals whose eligibility is associated with their health status and who are subject to resource requirements as well as income limits in establishing Medicaid eligibility.

2013 Federal Poverty Level Guidelines (100%)

<u>Family Size</u>	<u>Monthly Income</u>
1	\$958
2	\$1,293
3	\$1,628
4	\$1,963
5	\$2,298
6	\$2,633
7	\$2,968
8	\$3,303

Projecting Benefits Cost

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

Provider Taxes

Although the majority of the funds that the Commonwealth uses to match federal Medicaid dollars are derived from the General Fund, approximately 25 percent of the program's fiscal year 2015 and 20 percent of the program's fiscal year 2016 expenditure match will be secured from dedicated provider assessments. The assessments are levied on hospitals, home health agencies, Intermediate Care Facilities for Persons with Intellectual Disabilities, providers of alternative community services and long-term care facilities. The Budget of the Commonwealth assumes continuation of the current level of provider tax collections to maintain existing reimbursement levels for hospitals established in state fiscal year 2006.

Disproportionate Share Hospital (DSH) Payments

The budget includes funding for Disproportionate Share Hospital (DSH) payments equal to the maximum amount established by federal law. Disproportionate Share Hospital payments to state mental hospitals are budgeted in each year of the biennium. This budget includes funds transferred from the university teaching hospitals to be used as state matching funds for the portion of DSH funds received by those facilities.

Managed Care

The budget request assumes that Region Three Medicaid managed care will continue in Jefferson County and the 15 surrounding counties through four Managed Care Organizations (MCOs): CoventryCares of Kentucky, WellCare of Kentucky, Humana CareSource and Passport Health Plan. In addition, effective January 1, 2014 for fiscal year 2015, services will be provided through 5 contracted managed care organizations in the remaining 7 regions of the Commonwealth for individuals enrolled through the ACA adult eligibility expansion. Those MCOs include the current providers, Wellcare and CoventryCares, plus Anthem, Humana and Passport. Anthem, Humana and Passport will begin covering traditional Medicaid enrollees effective July 1, 2014. Recipients in long term care facilities and waiver programs are excluded from managed care enrollment.

Benefit Match Rate

The enacted budget assumes a federal medical assistance percentage of 69.91 for state fiscal year 2015 and 69.94 percent for state fiscal year 2016 for eligibility groups other than the ACA Medicaid expansion group for most budget items. The federal medical assistance percentage for the Medicaid expansion eligibility group authorized by the ACA is 100% for state fiscal years 2015 and 2016. The federal Medicaid match rate for KCHIP for state fiscal year 2015 is calculated at 78.94 percent and the match rate for the first quarter of state fiscal year 2016 is calculated at 78.96 percent. Effective October 1, 2015, the KCHIP program will be funded with 100% federal funds. The 100% federal funding for KCHIP will continue through September 30, 2019.

Kentucky Children's Health Insurance Program (KCHIP)

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

The CHIP program was officially reauthorized effective April 1, 2009 with enactment of the Children's Health Insurance Program Reauthorization Act (CHIPRA). CHIPRA restructured the funding formula in order to provide, to the extent possible, predictable and adequate federal funding for the program through September 2015.

Policy

The Budget of the Commonwealth includes General Fund of \$2,346,800 in fiscal year 2015 and \$9,378,700 in fiscal year 2016 to continue the roll-out of the Supports for Community Living program. There will be 200 slots added in fiscal year 2015 and an additional 240 slots added in fiscal year 2016 for a total of 440 new slots added over the biennium. The total funds added to the Supports for Community Living program for increased slots for fiscal year 2015 is \$7,800,000 and \$31,200,000 in fiscal year 2016.

The Budget of the Commonwealth includes General Fund of \$2,027,800 in fiscal year 2015 and \$8,184,600 in fiscal year 2016 to continue the roll-out of the Acquired Brain Injury program. There will be an additional 90 acute care slots and an additional 60 long-term care slots added in fiscal year 2015 for a combined total of 150 slots. There will be an additional 93 acute care slots and an additional 60 long-term care slots added in fiscal year 2016 for a combined total of 153 slots. There will be a combined total of 303 new slots added over the biennium. The total funds added to the Acquired Brain Injury program for increased slots for fiscal year 2015 is \$6,744,100 and \$27,227,600 in fiscal year 2016.

The Budget of the Commonwealth includes General Fund of \$909,100 in fiscal year 2015 and \$3,633,300 in fiscal year 2016 to continue the roll-out of the Michelle P program. There will be 250 slots added in fiscal year 2015 and an additional 250 slots added in fiscal year 2016 for a total of 500 new slots added over the biennium. The total funds added to the Michelle P program for increased slots for fiscal year 2015 is \$3,021,600 and \$12,086,900 in fiscal year 2016.

Health and Family Services
Behavioral Health, Developmental & Intellectual Disabilities

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	181,941,100	182,586,000	197,081,600	202,604,500	194,854,000
State Salary and Compensation Allocation	782,900	39,700	79,400		
Total General Fund	182,724,000	182,625,700	197,161,000	202,604,500	194,854,000
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	900,000	683,400	697,400	891,400	891,400
Continuing Approp.-Tobacco Settlement	69,341	59,341	75,700		
Budget Reduction-General Fund Tobacco	-56,700		-75,600		
Total Tobacco Settlement - Phase I	912,641	742,741	697,500	891,400	891,400
Restricted Funds					
Balance Forward	2,024,854	3,881,078	7,432,800		
Current Receipts	225,525,200	215,821,178	213,859,700	221,895,000	222,144,600
Non-Revenue Receipts	2,638,605	2,290,315	12,518,600	5,553,600	5,556,900
Fund Transfers	-2,019,700				
Total Restricted Funds	228,168,958	221,992,570	233,811,100	227,448,600	227,701,500
Federal Funds					
Balance Forward		230,276			
Current Receipts	35,560,747	34,594,227	39,589,000	38,661,300	36,877,500
Non-Revenue Receipts	-35,175	178,191			
Total Federal Funds	35,525,572	35,002,695	39,589,000	38,661,300	36,877,500
TOTAL SOURCE OF FUNDS	447,331,171	440,363,705	471,258,600	469,605,800	460,324,400
EXPENDITURES BY CLASS					
Personnel Cost	119,510,242	120,590,137	109,015,100	105,595,500	106,899,600
Operating Expenses	20,818,859	19,449,171	21,161,100	21,023,800	21,023,000
Grants Loans Benefits	299,086,246	292,140,390	331,515,600	331,490,900	320,907,500
Debt Service	2,236,000	44,000		10,928,800	10,927,500
Capital Outlay	737,431	631,540	566,800	566,800	566,800
TOTAL EXPENDITURES	442,388,777	432,855,237	462,258,600	469,605,800	460,324,400
EXPENDITURES BY FUND SOURCE					
General Fund	181,952,300	182,625,700	188,161,000	202,604,500	194,854,000
Tobacco Settlement - Phase I	853,301	667,081	697,500	891,400	891,400
Restricted Funds	224,287,880	214,559,761	233,811,100	227,448,600	227,701,500
Federal Funds	35,295,296	35,002,695	39,589,000	38,661,300	36,877,500
TOTAL EXPENDITURES	442,388,777	432,855,237	462,258,600	469,605,800	460,324,400
EXPENDITURES BY UNIT					
Community Behavioral Health	119,421,153	116,843,435	132,664,000	132,085,100	130,437,200
Community Developmental and Intellectual Disabilities	25,864,717	25,741,970	27,683,900	27,974,100	28,097,400
General Support	32,233,000	31,480,600	37,439,900	34,406,000	25,662,200
Residential	264,869,907	258,789,232	264,470,800	275,140,600	276,127,600
TOTAL EXPENDITURES	442,388,777	432,855,237	462,258,600	469,605,800	460,324,400

The Department for Behavioral Health, Developmental and Intellectual Disabilities operates behavioral health, substance abuse, developmental and intellectual disabilities, and brain injury programs. Services are provided in the community and in state-owned, state-operated and contracted residential facilities. Approximately 1,300 inpatients are cared for daily in the facilities operated or contracted by the Cabinet, and several thousand more are treated as outpatients in the community setting by the 14 Regional Boards for Mental Health or Individuals with an Intellectual Disability established by KRS 210.

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	46,798,900	47,904,400	54,394,400	54,656,100	54,833,700
State Salary and Compensation Allocation	16,000				
Other	-366,000	-509,600			
Total General Fund	46,448,900	47,394,800	54,394,400	54,656,100	54,833,700
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	900,000	683,400	697,400	891,400	891,400
Continuing Approp.-Tobacco Settlement	69,341	59,341	75,700		
Budget Reduction-General Fund Tobacco	-56,700		-75,600		
Total Tobacco Settlement - Phase I	912,641	742,741	697,500	891,400	891,400
Restricted Funds					
Balance Forward	1,888,806	2,050,886	3,237,600		
Current Receipts	35,919,240	39,281,040	37,552,600	40,799,200	40,799,200
Non-Revenue Receipts	5,578,193	-100,985	2,495,300	2,486,300	2,486,300
Fund Transfers	-1,800				
Total Restricted Funds	43,384,439	41,230,942	43,285,500	43,285,500	43,285,500
Federal Funds					
Balance Forward		455,980	459,100		
Current Receipts	31,365,055	30,613,208	33,827,500	33,252,100	31,426,600
Non-Revenue Receipts	-35,175	178,191			
Total Federal Funds	31,329,880	31,247,380	34,286,600	33,252,100	31,426,600
TOTAL SOURCE OF FUNDS	122,075,860	120,615,862	132,664,000	132,085,100	130,437,200
EXPENDITURES BY CLASS					
Personnel Cost	4,924,033	3,736,378	3,619,100	3,629,300	3,578,800
Operating Expenses	490,567	492,505	563,000	563,000	549,000
Grants Loans Benefits	113,993,713	112,614,552	128,481,900	127,892,800	126,309,400
Capital Outlay	12,840				
TOTAL EXPENDITURES	119,421,153	116,843,435	132,664,000	132,085,100	130,437,200
EXPENDITURES BY FUND SOURCE					
General Fund	46,360,400	47,394,800	54,394,400	54,656,100	54,833,700
Tobacco Settlement - Phase I	853,301	667,081	697,500	891,400	891,400
Restricted Funds	41,333,553	37,993,328	43,285,500	43,285,500	43,285,500
Federal Funds	30,873,899	30,788,225	34,286,600	33,252,100	31,426,600
TOTAL EXPENDITURES	119,421,153	116,843,435	132,664,000	132,085,100	130,437,200
EXPENDITURES BY UNIT					
Community Alcohol and Drug Services	34,716,289	35,013,048	37,359,200	37,656,300	36,896,200
Community Mental Health Services	84,704,864	81,830,387	95,304,800	94,428,800	93,541,000
TOTAL EXPENDITURES	119,421,153	116,843,435	132,664,000	132,085,100	130,437,200

Community Mental Health Services

The Community Mental Health Services program provides services and support to Kentuckians with mental health problems in an effort to improve their ability to function in the community. The Department for Behavioral Health, Developmental and Intellectual Disabilities contracts with 14 Regional Community Mental Health Centers (CMHCs) and other local entities. In addition, the Community Mental Health Services program has targeted funds to the most vulnerable citizens with behavioral health conditions. These include:

- Adults with severe mental illness (KRS 210, KRS 202A),
- Children/youth with severe emotional disabilities (KRS 200.500 to KRS 200.509)
- Uninsured or underinsured individuals with behavioral health disorders.

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

State and federal funds are used to provide psychiatric screening and assessment services, case management services, psychotropic medications, housing, and vocational support services for adults with severe mental illness. Funds are also provided for unique services and supports designed to “wraparound” an adult or child who is at risk of psychiatric hospitalization. Provision of wraparound services and supports is aimed at diverting individuals from costly inpatient care when their needs can be met in a less restrictive environment (i.e., in their own home, community). Examples of wraparound may include peer mentoring services, respite for families/caregivers, and skills development/enhancement (e.g., independent daily living skills, social skills, supportive housing, supported employment, etc.).

Funding is also used to support promotion of mental “wellness” and early intervention assessment and treatment services. Suicide prevention for youth, adults and older adults is an important focus of the Department as well as services to individuals, and their families, dealing with behavioral health issues related to or exasperated by military service.

The Community Mental Health program assists in statewide needs assessment and planning, monitors services, provides technical assistance and training, and procures and administers federal and other funds for the provision of effective, community-based services and supports. There is currently a focus to integrate mental health services with services for individuals with substance use disorders or co-occurring mental health and substance use disorders, as well as individuals with behavioral health disorders and physical health concerns and preventive care.

Community Alcohol and Drug Services

The Community Alcohol and Drug Services Program provides quality treatment, prevention, and education services to citizens suffering from, or at-risk of, substance use disorders (tobacco, alcohol and prescription or illegal drugs). Services are provided primarily through contracts with 14 Regional CMHCs. Substance abuse prevention and treatment services are provided pursuant to KRS 222. The receipts from alcohol intoxication fines are received pursuant to KRS 431.100. Other statutes under which the program operates include: KRS 189A (*Driving Under the Influence* assessment, education, and treatment) and KRS 218A.410 (Drug Forfeiture).

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

During the past two years, CMHCs have confronted the challenges of adjusting to delivery system changes due to implementation of Medicaid Managed care. In the upcoming biennium, the behavioral health delivery system will experience significant changes as a result of:

- The Medicaid Expansion;
- The Patient Protection and Affordable Care Act (“PPACA”; Public Law 111-148);
- The Health Care and Education Reconciliation Act and the Mental Health Parity; and
- The Addiction Equity Act (MHPAEA).

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	19,829,600	19,847,000	19,863,400	20,080,200	20,169,900
Other	-362,500	-402,600			
Total General Fund	19,467,100	19,444,400	19,863,400	20,080,200	20,169,900
Restricted Funds					
Balance Forward	136,048	110,228	111,300		
Current Receipts	7,000				
Non-Revenue Receipts	2,545,153	2,624,583	2,954,000	3,067,300	3,070,600
Fund Transfers	-23,000				
Total Restricted Funds	2,665,201	2,734,811	3,065,300	3,067,300	3,070,600
Federal Funds					
Balance Forward		-254,032	-504,200		
Current Receipts	3,621,012	3,423,817	5,259,400	4,826,600	4,856,900
Total Federal Funds	3,621,012	3,169,785	4,755,200	4,826,600	4,856,900
TOTAL SOURCE OF FUNDS	25,753,313	25,348,996	27,683,900	27,974,100	28,097,400
EXPENDITURES BY CLASS					
Personnel Cost	4,414,212	4,389,025	4,911,600	5,202,000	5,325,300
Operating Expenses	836,137	916,317	854,800	854,800	854,800
Grants Loans Benefits	20,614,369	20,436,629	21,917,500	21,917,300	21,917,300
TOTAL EXPENDITURES	25,864,717	25,741,970	27,683,900	27,974,100	28,097,400
EXPENDITURES BY FUND SOURCE					
General Fund	19,434,700	19,444,400	19,863,400	20,080,200	20,169,900
Restricted Funds	2,554,973	2,623,557	3,065,300	3,067,300	3,070,600
Federal Funds	3,875,044	3,674,013	4,755,200	4,826,600	4,856,900
TOTAL EXPENDITURES	25,864,717	25,741,970	27,683,900	27,974,100	28,097,400
EXPENDITURES BY UNIT					
Local Developmental and Intellectual Disabilities	24,692,219	24,839,302	26,271,900	26,535,500	26,649,700
KY Developmental Disability Council	1,172,498	902,668	1,412,000	1,438,600	1,447,700
TOTAL EXPENDITURES	25,864,717	25,741,970	27,683,900	27,974,100	28,097,400

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

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

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

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	32,877,700	34,028,800	46,439,900	34,406,000	25,662,200
Other	-488,400	-2,548,200			
Total General Fund	32,389,300	31,480,600	46,439,900	34,406,000	25,662,200
TOTAL SOURCE OF FUNDS	32,389,300	31,480,600	46,439,900	34,406,000	25,662,200
EXPENDITURES BY CLASS					
Personnel Cost	3,227,510	3,777,200	4,133,800	4,533,700	4,789,900
Operating Expenses	608,960	612,400	680,000	519,400	519,400
Grants Loans Benefits	28,396,530	27,091,000	32,626,100	29,352,900	20,352,900
TOTAL EXPENDITURES	32,233,000	31,480,600	37,439,900	34,406,000	25,662,200
EXPENDITURES BY FUND SOURCE					
General Fund	32,233,000	31,480,600	37,439,900	34,406,000	25,662,200
TOTAL EXPENDITURES	32,233,000	31,480,600	37,439,900	34,406,000	25,662,200

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

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

Policy

The General Fund for fiscal year 2014 includes \$5,187,500 for employer contribution rates to the Kentucky Employees Retirement system. The Budget of the Commonwealth includes additional General Fund of \$19,638,200 in each fiscal year to fully fund the increase in employer contribution rates for Regional Mental Health/Mental Retardation Boards that are currently participating in the Kentucky Employees Retirement system.

The Budget of the Commonwealth includes General Fund of \$326,000 in fiscal year 2015 to complete construction of the Oakwood Specialty Clinic on the grounds of Oakwood Intermediate Care Facility of the Mentally Retarded (ICF/MR) in Somerset, KY. The original project was funded in the 2010-2012 Budget of the Commonwealth for \$2,164,000.

The Budget of the Commonwealth includes savings as a result of the expansion of the Medicaid program under the Affordable Care Act. As a result of expanded coverage and expanded benefits General Fund savings of \$21,000,000 in fiscal year 2015 and \$30,000,000 in fiscal year 2016 are included.

Health and Family Services
Behavioral Health, Developmental & Intellectual Disabilities

Residential

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	82,434,900	80,805,800	76,383,900	93,462,200	94,188,200
State Salary and Compensation Allocation	766,900	39,700	79,400		
Other	1,216,900	3,460,400			
Total General Fund	84,418,700	84,305,900	76,463,300	93,462,200	94,188,200
Restricted Funds					
Balance Forward		1,719,964	4,083,900		
Current Receipts	189,598,960	176,540,138	176,307,100	181,095,800	181,345,400
Non-Revenue Receipts	-5,484,742	-233,284	7,069,300		
Fund Transfers	-1,994,900				
Total Restricted Funds	182,119,318	178,026,818	187,460,300	181,095,800	181,345,400
Federal Funds					
Balance Forward		28,328	45,100		
Current Receipts	574,680	557,202	502,100	582,600	594,000
Total Federal Funds	574,680	585,530	547,200	582,600	594,000
TOTAL SOURCE OF FUNDS	267,112,699	262,918,248	264,470,800	275,140,600	276,127,600
EXPENDITURES BY CLASS					
Personnel Cost	106,944,487	108,687,534	96,350,600	92,230,500	93,205,600
Operating Expenses	18,883,195	17,427,949	19,063,300	19,086,600	19,099,800
Grants Loans Benefits	136,081,634	131,998,209	148,490,100	152,327,900	152,327,900
Debt Service	2,236,000	44,000		10,928,800	10,927,500
Capital Outlay	724,591	631,540	566,800	566,800	566,800
TOTAL EXPENDITURES	264,869,907	258,789,232	264,470,800	275,140,600	276,127,600
EXPENDITURES BY FUND SOURCE					
General Fund	83,924,200	84,305,900	76,463,300	93,462,200	94,188,200
Restricted Funds	180,399,355	173,942,875	187,460,300	181,095,800	181,345,400
Federal Funds	546,353	540,456	547,200	582,600	594,000
TOTAL EXPENDITURES	264,869,907	258,789,232	264,470,800	275,140,600	276,127,600

Residential Services provides inpatient care in the areas of psychiatric hospitalization, intermediate care for persons with developmental and intellectual disabilities, nursing facility care, and forensic psychiatry for 992 individuals each day.

Inpatient psychiatric services are provided for adults through four psychiatric hospitals: Eastern State Hospital in Lexington with an average daily census (ADC) of 132; Central State Hospital in Louisville with an ADC of 56; and Western State Hospital in Hopkinsville with an ADC of 114. The Hazard Psychiatric Facility, owned and operated by Appalachian Regional Healthcare, Inc., with an ADC of 90, provides acute inpatient psychiatric services through a contract with the Department. Eastern State Hospital is operated under a management contract with University of Kentucky.

Glasgow Nursing Facility with an ADC of 81 and Western State Nursing Facility with an ADC of 111 provide nursing facility services for adults with behavioral health illness who are admitted from state psychiatric hospitals.

Ten facilities provide intermediate care for individuals with development and intellectual disabilities who are unable to live unassisted in their communities: the Oakwood Community Center in Somerset with an ADC of 120, Outwood in Dawson Springs with an ADC of 41, Hazelwood in Louisville with an ADC of 105, Bingham Gardens located in Louisville with an ADC of 21, Del Maria in Fern Creek with an ADC of 8, the Meadows in Mount Washington with an ADC of 8, and Windsong in Crestwood with an ADC of 8. Residents are assisted in self-care skills and appropriate social behavior and are provided specialized services to promote their personal growth.

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

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

Policy

The Budget of the Commonwealth includes General Fund of \$10,928,800 in fiscal year 2015 and \$10,927,500 in fiscal year 2016 for debt service for the new Eastern State Hospital on the grounds of University of Kentucky's Coldstream Research Campus on Newtown Pike in Lexington. This project was authorized in the 2008-2010 Budget of the Commonwealth and financed by a conduit bond issued by the Lexington Fayette Urban County Government. The bond funds for this project repaid the Lexington Fayette Urban County Government and will fund the cost of construction of the hospital. The amount of the project is \$129,005,000.

Health and Family Services

Public Health

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	61,312,500	56,085,300	56,884,600	68,820,000	71,111,300
State Salary and Compensation Allocation	691,200	25,800	51,600		
Total General Fund	62,003,700	56,111,100	56,936,200	68,820,000	71,111,300
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	14,505,100	12,838,200	12,708,200	14,066,300	13,383,800
Continuing Approp.-Tobacco Settlement	1,444,708	3,708,407	3,522,300		
Budget Reduction-General Fund Tobacco	-59,468		-4,522,300		
Other		471,003			
Total Tobacco Settlement - Phase I	15,890,340	17,017,611	11,708,200	14,066,300	13,383,800
Restricted Funds					
Balance Forward	10,202,836	10,585,193	26,264,500	19,383,400	14,903,100
Current Receipts	99,529,384	102,407,774	118,799,200	103,247,400	105,188,800
Non-Revenue Receipts	-6,238,816	-5,217,701	-9,427,200	-10,711,300	-10,711,300
Fund Transfers	-660,200				
Total Restricted Funds	102,833,204	107,775,267	135,636,500	111,919,500	109,380,600
Federal Funds					
Balance Forward	3,317,823	2,219,224	796,000		
Current Receipts	183,275,063	189,953,271	199,234,300	199,916,700	186,493,400
Non-Revenue Receipts	-170,712				
ARRA Receipts	4,002,650	241,982			
Total Federal Funds	190,424,824	192,414,477	200,030,300	199,916,700	186,493,400
TOTAL SOURCE OF FUNDS	371,152,067	373,318,455	404,311,200	394,722,500	380,369,100
EXPENDITURES BY CLASS					
Personnel Cost	61,146,092	68,623,041	63,292,200	66,692,600	67,342,500
Operating Expenses	10,356,488	11,239,036	11,860,900	11,588,200	11,543,100
Grants Loans Benefits	280,309,411	262,775,600	303,774,700	301,326,100	288,837,900
Debt Service				212,500	425,000
Capital Outlay	174,452	98,022			
TOTAL EXPENDITURES	351,986,442	342,735,699	378,927,800	379,819,400	368,148,500
EXPENDITURES BY FUND SOURCE					
General Fund	59,350,900	56,111,100	50,936,200	68,820,000	71,111,300
Tobacco Settlement - Phase I	12,181,933	13,495,277	11,708,200	14,066,300	13,383,800
Restricted Funds	92,248,010	81,510,792	116,253,100	97,016,400	97,160,000
Federal Funds	188,205,599	191,618,530	200,030,300	199,916,700	186,493,400
TOTAL EXPENDITURES	351,986,442	342,735,699	378,927,800	379,819,400	368,148,500
EXPENDITURES BY UNIT					
General Health Support	50,285,723	33,723,168	47,739,800	46,410,100	40,849,800
Women's Health	13,292,810	12,656,392	12,625,700	12,378,900	12,358,600
Prevention and Quality Improvement	10,321,441	10,394,714	13,115,000	11,728,700	11,741,900
Epidemiology and Health Planning	45,188,385	47,638,614	56,560,800	58,200,900	58,074,200
Maternal and Child Health	216,862,133	220,898,354	230,068,500	231,958,800	225,832,900
Laboratory Services	6,063,312	7,044,463	7,323,100	7,557,200	7,619,100
Public Health Protection and Safety	9,972,638	10,379,994	11,494,900	11,584,800	11,672,000
TOTAL EXPENDITURES	351,986,442	342,735,699	378,927,800	379,819,400	368,148,500

The Department for Public Health (DPH) is responsible for developing, monitoring and operating state public health programs and activities for the citizens of Kentucky. DPH oversees a variety of programs designed to improve the lives of our citizens and visitors through prevention of negative health outcomes, promotion of healthy lifestyles and protection from diseases, injury, and environmental health impacts. DPH has almost 150 different programs to help Kentuckians become healthier in cooperation with its partners such as local health departments, universities, private providers, etc.

The Department for Public Health, as authorized by KRS 211.025 and 211.180, supervises and assists all local boards of health and local health departments. There are 61 local health department units serving all 120 counties in Kentucky.

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

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

In fiscal year 2013, the public health departments of Kentucky reported the following accomplishments:

- Provided adult health preventive visits to 204,104 people
- Provided cancer-related clinical visits (primarily breast and cervical cancer) to 153,276 people
- Provided individual and group diabetes education services to 1,348 people
- Provided family planning services to 105,709 people
- Provided maternity services to 3,300 women
- Provided 203,841 medical home health units/visits to 7,399 patients
- Provided 133,494 units/visits of Medicaid Home and Community Based Services to 884 people
- Provided children's preventive services to 223,654 children.
- Enrolled 126,930 Women, Infants and Children participants
- Referred 826 infants with positive or inconclusive results from newborn metabolic screening (approximately 30 disorders) to university diagnostic centers
- Performed genetic testing, counseling and education for 1,831 families
- Provided 959,730 doses of vaccine to Kentuckians.
- Immunized 552,042 persons
- Immunized kindergarten entrants adequately (53,981 children)
- Inspected 48,884 food establishments, 1,391 X-ray and other radiation-producing machines, 8,048 dairies, and performed 44,728 sanitation inspections
- Performed 3,000,067 laboratory tests
- Provided 602,562 copies of vital statistics records to the public

Local health departments may provide additional services depending on community need and the availability of funding. Examples of these additional services include home health services, physician-based ambulatory primary care services, and expanded school health services.

Health and Family Services

Public Health

General Health Support

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	14,391,500	11,720,600	12,903,800	22,900,500	17,489,000
State Salary and Compensation Allocation	189,000	25,800	51,600		
Other	1,940,200	-41,539			
Total General Fund	16,520,700	11,704,861	12,955,400	22,900,500	17,489,000
Restricted Funds					
Balance Forward	6,800	119,250	682,300	540,000	270,000
Current Receipts	41,227,186	25,758,586	49,941,200	33,826,900	33,826,900
Non-Revenue Receipts	-7,262,359	-3,669,223	-9,816,200	-11,100,300	-11,100,300
Fund Transfers	-5,400				
Total Restricted Funds	33,966,227	22,208,613	40,807,300	23,266,600	22,996,600
Federal Funds					
Balance Forward	717	13,108	13,500		
Current Receipts	358,238	492,373	503,600	513,000	364,200
Total Federal Funds	358,955	505,481	517,100	513,000	364,200
TOTAL SOURCE OF FUNDS	50,845,881	34,418,955	54,279,800	46,680,100	40,849,800
EXPENDITURES BY CLASS					
Personnel Cost	6,188,461	8,718,336	7,222,400	7,519,200	7,600,800
Operating Expenses	292,371	299,229	230,900	401,100	374,400
Grants Loans Benefits	43,804,891	24,705,603	40,286,500	38,277,300	32,449,600
Debt Service				212,500	425,000
TOTAL EXPENDITURES	50,285,723	33,723,168	47,739,800	46,410,100	40,849,800
EXPENDITURES BY FUND SOURCE					
General Fund	16,092,900	11,704,861	6,955,400	22,900,500	17,489,000
Restricted Funds	33,846,976	21,526,301	40,267,300	22,996,600	22,996,600
Federal Funds	345,847	492,006	517,100	513,000	364,200
TOTAL EXPENDITURES	50,285,723	33,723,168	47,739,800	46,410,100	40,849,800

The General Health Support Program includes two organizational units: the Commissioner and Administration and Financial Management.

The Commissioner is responsible for the leadership, management, oversight, and policy direction of the Department for Public Health. The Commissioner advises the heads of major agencies in state government on policies, plans, and programs relating to matters of public health. This includes actions necessary to respond to extraordinary events in order to safeguard the health of the citizens of the Commonwealth. The Commissioner serves as the State Health Officer for the Commonwealth. The Commissioner's role includes the coordination of public health emergency response capabilities with federal and other state agencies and involvement in the statewide management of anti-terrorist (nuclear, biologic, chemical) activities. The Commissioner provides leadership in transforming the role of public health in Kentucky to new models as more of the uninsured citizens have opportunities for healthcare coverage under the new insurance marketplace and expanded Medicaid coverage.

The Chief Nursing Officer for Public Health, located in the Commissioner's Office, provides nurse administration consultation and technical assistance to the Commissioner, executive staff, and state and local health departments including approximately 1,200 nurses and APRNs who practice in local health departments across the state. This guidance includes nursing scope of practice issues, the development and implementation of clinical protocols, nursing education and clinical competencies as well as public health nursing workforce development initiatives.

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

The Center for Performance Management, established in 2010 from funding provided by a five (5) year Centers for Disease Control and Prevention cooperative agreement, is located in the Commissioner's Office and is a resource to both the Department for Public Health and Kentucky's local health departments to assist with accreditation, performance management, quality improvement and

customer satisfaction initiatives. The goal of this program is for participants to make fundamental changes in their organizations and practices so that they can improve the delivery of public health services and create a culture of continuous quality improvement. The ten (10) Essential Public Health Services and Public Health Accreditation Board (PHAB) are the driving forces to achieve minimum standards and measures for public health.

Administration and Financial Management provides resource support to the Department for Public Health including approximately 380 department-level personnel. It provides budget and accounting support, payments, grant allocation, fee collection, procurement, and contracting support, as well as oversight of local health departments' fiscal planning and administrative management functions. The Department's biennial budget is developed by Administration and Financial Management. It works in concert with the other health services programs in the Department to plan, program, execute, manage, and report the financial activities of the Department and local health departments. Administration and Financial Management also plays a vital role in providing effective and efficient training that enhances workforce abilities of the department, local health departments, public health preparedness, and other public health system partners.

The program is also responsible for providing guidance on the day-to-day operation of the 61 local health jurisdictions across the state and has the responsibilities for personnel management of nearly 3,000 local health personnel; medical records and forms management, reporting of clinical and community-based services, operating the online local health network that tracks approximately six (6) million services to more than 750,000 patients, policy interpretation, and the Local Board of Health nomination process. Training on medical coding and billing practices, local health personnel procedures, and financial operations is also provided by program staff.

Policy

The General Fund for fiscal year 2014 includes \$3,294,100 for employer contribution rates to the Kentucky Employees Retirement system. The Budget of the Commonwealth includes additional General Fund of \$14,615,600 in each fiscal year for local health departments to fully fund the increase in employer contribution rates for the Kentucky Employees Retirement system.

The Budget of the Commonwealth includes savings as a result of the expansion of the Medicaid program under the Affordable Care Act. As a result of expanded coverage and expanded benefits General Fund savings of \$6,000,000 in fiscal year 2015 and \$11,700,000 in fiscal year 2016 are included.

The Budget of the Commonwealth includes General Fund of \$212,500 in fiscal year 2015 and \$425,000 in fiscal year 2016 for debt service for an equipment replacement project in the Department for Public Health's Radiation Monitoring Section. The continued functioning and efficiency of the laboratory is critical to the ability of the Commonwealth to respond to radiologic events and is central to Kentucky's ability to fulfill its statutory mandate to protect the public from radiological exposures.

Health and Family Services

Public Health

Women's Health

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	2,763,800	2,582,500	2,557,600	2,574,600	2,579,300
State Salary and Compensation Allocation	7,500				
Other	-48,900				
Total General Fund	2,722,400	2,582,500	2,557,600	2,574,600	2,579,300
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	200,000	128,200	128,200	80,000	80,000
Continuing Approp.-Tobacco Settlement		10	64,800		
Budget Reduction-General Fund Tobacco			-64,800		
Total Tobacco Settlement - Phase I	200,000	128,210	128,200	80,000	80,000
Restricted Funds					
Balance Forward	5,929	16,096	14,800		
Current Receipts	245,005	258,276	285,200	300,000	300,000
Total Restricted Funds	250,934	274,372	300,000	300,000	300,000
Federal Funds					
Balance Forward	10,117	53,419	-131,400		
Current Receipts	10,254,184	9,566,037	9,771,300	9,424,300	9,399,300
Total Federal Funds	10,264,301	9,619,456	9,639,900	9,424,300	9,399,300
TOTAL SOURCE OF FUNDS	13,437,635	12,604,538	12,625,700	12,378,900	12,358,600
EXPENDITURES BY CLASS					
Personnel Cost	1,100,435	1,252,807	1,411,900	1,491,000	1,512,800
Operating Expenses	185,416	214,146	202,100	202,100	202,100
Grants Loans Benefits	12,047,831	11,232,583	11,011,700	10,685,800	10,643,700
TOTAL EXPENDITURES	13,333,682	12,699,537	12,625,700	12,378,900	12,358,600
EXPENDITURES BY FUND SOURCE					
General Fund	2,647,100	2,582,500	2,557,600	2,574,600	2,579,300
Tobacco Settlement - Phase I	199,990	63,385	128,200	80,000	80,000
Restricted Funds	234,838	259,607	300,000	300,000	300,000
Federal Funds	10,210,882	9,750,901	9,639,900	9,424,300	9,399,300
TOTAL EXPENDITURES	13,292,810	12,656,392	12,625,700	12,378,900	12,358,600

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

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

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

The Folic Acid Counseling and Supplementation subprogram services are provided in every health department (61) and sub-delegate sites. Research has shown that when women consume adequate folic acid, the incidence of neural tube defects such as

spina bifida can be decreased by as much as 70%. Since the inception of this program, the number of neural tube defects in infants in Kentucky has declined. The Folic Acid program is funded by Tobacco Settlement funds.

The Title X Family Planning subprogram provides individuals with the information and means to exercise personal choice in determining the number and spacing of children. Title X family planning clinics play a critical role in ensuring access to voluntary, confidential family planning services for low-income or uninsured families. Services are provided to participants at no cost or at a reduced cost. Family Planning services are currently offered in local health departments and clinics targeting special populations (e.g. males, Hispanics, and adolescents). Title X supported clinics also provide a number of preventive health services such as: patient education and counseling; breast and pelvic examinations; cervical cancer screenings; STD and HIV screenings; preconception counseling; and pregnancy diagnosis.

The Abstinence Education Grant Program provides abstinence education to middle school students to encourage students to choose abstaining from sexual activity as the best choice to achieve optimal health and well-being. This program provides students with knowledge about the physical and emotional benefits of abstaining from sexual activity until adulthood and equips them with refusal skills and decision-making skills to accomplish this goal.

The Personal Responsibility Education Program (PREP) provides ready-for-adulthood education to teenagers ages 13-18 in middle and high school. Two programs are utilized to provide age-appropriate, abstinence-based, comprehensive sexuality education and other positive youth development subjects. Youth most at risk make poor health decisions and are statistically more likely to have decreased adulthood successes. One program is delivered in the classroom setting for 5-10 days and the other program is an after-school program delivered throughout the school year. Curriculum delivered in the classroom includes sexual health subjects and information on healthy relationships, self-esteem, goal setting and decision making skills. The afterschool curriculum additionally includes lessons on values and community and 20 hours of community-service learning each year.

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	7,821,700	7,218,800	7,173,200	7,269,200	7,295,400
State Salary and Compensation Allocation	108,200				
Other	-428,200	-377,892			
Total General Fund	7,501,700	6,840,908	7,173,200	7,269,200	7,295,400
Restricted Funds					
Balance Forward	32,469	77,427	76,600		
Current Receipts	15,100	33,595	1,114,300	50,000	50,000
Non-Revenue Receipts	117,426				
Total Restricted Funds	164,995	111,022	1,190,900	50,000	50,000
Federal Funds					
Balance Forward	138,675	-20,026	-106,100		
Current Receipts	3,072,385	3,195,915	4,857,000	4,409,500	4,396,500
Non-Revenue Receipts	-170,712				
ARRA Receipts	187,899	237,418			
Total Federal Funds	3,228,247	3,413,307	4,750,900	4,409,500	4,396,500
TOTAL SOURCE OF FUNDS	10,894,942	10,365,237	13,115,000	11,728,700	11,741,900
EXPENDITURES BY CLASS					
Personnel Cost	3,870,398	1,940,580	1,646,000	1,763,600	1,796,700
Operating Expenses	480,379	613,991	597,000	518,100	518,100
Grants Loans Benefits	5,965,515	7,840,143	10,872,000	9,447,000	9,427,100
Capital Outlay	5,149				
TOTAL EXPENDITURES	10,321,441	10,394,714	13,115,000	11,728,700	11,741,900
EXPENDITURES BY FUND SOURCE					
General Fund	6,985,600	6,840,908	7,173,200	7,269,200	7,295,400
Restricted Funds	87,568	34,407	1,190,900	50,000	50,000
Federal Funds	3,248,273	3,519,398	4,750,900	4,409,500	4,396,500
TOTAL EXPENDITURES	10,321,441	10,394,714	13,115,000	11,728,700	11,741,900

The Prevention and Quality Improvement Program is comprised of two subprograms: Chronic Disease Prevention and Health Care Access.

The mission of the Prevention and Quality Improvement (PQI) program is to deliver programs and services, including chronic disease management, clinical and community education/promotion, quality improvement, health access for low income Kentuckians, and health risk behavior data analysis in order to promote healthy behaviors by Kentuckians. The program's activities cover the spectrum of population-based and personal preventive health services, delivered through a wide range of health care providers and related groups.

The PQI program provides leadership and partners with key stakeholders in order to improve care and services to the public comprised of low incomes, diverse ethnicity and racial backgrounds, and isolated populations with limited access to care. Program staff support clinical and community based services and infrastructure building through policy development and implementation, surveillance activities, case management, and technical assistance.

The PQI program identifies best practices to reduce the risks of poor health and sets standards to focus more on positive outcomes. This is accomplished through community-based health education programs, clinical care programs for adults primarily of a preventive nature, awareness and education, and promotion of an adequate network of primary care providers throughout the Commonwealth especially in the underserved areas of the state.

The PQI program is responsible for the Kentucky Prescription Assistance Program (KPAP) and the Kentucky Colon Cancer Screening Program (KCCSP).

Chronic Disease Prevention and Control subprogram is responsible for decreasing the morbidity and mortality from chronic diseases, with emphasis on prevention and risk factors that can be reduced through healthy lifestyles. Prevention programs

include asthma, arthritis and osteoporosis, comprehensive cancer, colon cancer, chronic obstructive pulmonary disease, diabetes, heart disease and stroke, and worksite wellness. The sub program provides funding to local health departments for community-based services aimed at individuals and at bringing about policy and environmental changes that will improve the health status of Kentuckians. This branch also manages the Kentucky Colon Cancer Screening Program (KCCSP).

The Health Care Access subprogram provides a departmental focus on primary care and administers federal grants and programs relative to primary care. Through these programs, approximately 150 additional physicians are serving Kentucky's medically underserved population. The Program is responsible for determining areas of Kentucky that meet Health Professional Shortage Area and Medically Underserved Area criteria. This subprogram is also responsible for the Charitable Health Program, the National Health Service Corps Program, Kentucky Physician Care Program, J-1 VISA Program, and the Kentucky Prescription Assistance Program (KPAP).

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,750,200	4,503,300	4,413,600	4,530,100	4,562,100
State Salary and Compensation Allocation	99,900				
Other	568,600				
Total General Fund	5,418,700	4,503,300	4,413,600	4,530,100	4,562,100
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	800,000	250,000	250,000		
Continuing Approp.-Tobacco Settlement	1,762	1,291	10,100		
Budget Reduction-General Fund Tobacco			-10,100		
Other	-400,000				
Total Tobacco Settlement - Phase I	401,762	251,291	250,000		
Restricted Funds					
Balance Forward	8,967,400	8,462,496	15,617,900	15,649,100	13,013,500
Current Receipts	8,193,129	16,512,927	16,426,500	18,420,700	20,302,600
Non-Revenue Receipts	-300,746	-155,352	-395,300	-313,300	-313,300
Fund Transfers	-135,000				
Total Restricted Funds	16,724,783	24,820,071	31,649,100	33,756,500	33,002,800
Federal Funds					
Balance Forward		560,457	-3,267,200		
Current Receipts	31,391,577	29,864,349	39,164,400	32,927,800	32,702,300
ARRA Receipts	420,708				
Total Federal Funds	31,812,285	30,424,807	35,897,200	32,927,800	32,702,300
TOTAL SOURCE OF FUNDS	54,357,530	59,999,468	72,209,900	71,214,400	70,267,200
EXPENDITURES BY CLASS					
Personnel Cost	27,458,358	31,084,290	36,219,700	38,964,900	39,188,900
Operating Expenses	4,249,024	3,975,634	4,828,400	4,519,800	4,505,500
Grants Loans Benefits	13,334,646	12,480,667	15,512,700	14,716,200	14,379,800
Capital Outlay	146,358	98,022			
TOTAL EXPENDITURES	45,188,385	47,638,614	56,560,800	58,200,900	58,074,200
EXPENDITURES BY FUND SOURCE					
General Fund	5,273,800	4,503,300	4,413,600	4,530,100	4,562,100
Tobacco Settlement - Phase I	400,471	241,188	250,000		
Restricted Funds	8,262,287	9,202,134	16,000,000	20,743,000	20,809,800
Federal Funds	31,251,827	33,691,991	35,897,200	32,927,800	32,702,300
TOTAL EXPENDITURES	45,188,385	47,638,614	56,560,800	58,200,900	58,074,200

The mission of Epidemiology and Health Planning is to provide quality epidemiological and vital records services, public health planning and preparedness services, and reportable disease prevention and control services in order to promote, protect, and plan for the health and safety of Kentuckians. The program has responsibility for much of the three D's in public health: "Health Data, Acute Disease Prevention and Control, and Disaster Preparedness."

To accomplish these responsibilities, activities are conducted in four areas:

- Infectious Disease includes disease surveillance, prevention, and control activities related to vaccine-preventable diseases, sexually transmitted diseases, tuberculosis, adult viral hepatitis, healthcare associated infections, and other reportable diseases,
- HIV/AIDS includes prevention activities, client services, and surveillance for HIV/AIDS,
- Vital Statistics collects and preserves mandatory records of vital events including births, deaths, marriages, and divorces, and
- Public Health Preparedness includes the development, implementation, and exercising of statewide emergency preparedness plans for both terrorist (nuclear, biologic, chemical) threats as well as naturally occurring disease outbreaks.

The Immunization Program provides financial support and vaccines to local health departments and other providers for the provision of over one million immunizations each year to about 550,000 persons. Immunization rates are tracked in schools, day care, health department clinics, and among the general child population.

The Sexually Transmitted Disease (STD) Program is designed to reduce the occurrence and prevent the transmission and debilitating complications of sexually transmitted diseases. The STD Program provides educational materials, staff training, program planning and evaluation services, technical consultation, and selected antibiotics to all health departments and other selected health care providers.

The Tuberculosis (TB) Control program aims to reduce the number of cases and deaths due to TB by preventing non-infected individuals from becoming infected, keeping those infected without disease from progressing to disease, and by attempting to maintain infected individuals with disease as non-infectious.

The Adult Viral Hepatitis Prevention Program is a federally funded program that focuses on the prevention of viral hepatitis in adults caused by hepatitis A, hepatitis B, and hepatitis C viruses.

The Healthcare Associated Infection (HAI) Program establishes an infrastructure within the Department for Public Health to develop state-wide activities focused on the prevention of HAIs within healthcare facilities.

The Reportable Disease Program is responsible for case confirmation, oversight of disease investigations, and surveillance for reportable diseases such as meningitis, hepatitis, diarrheal diseases, foodborne illnesses, and vector-borne diseases.

The HIV/AIDS program seeks to identify and track cases of HIV and AIDS, prevent the disease by raising awareness and promoting risk reduction behaviors, and connect HIV-positive clients to care. The HIV Prevention Program focuses on testing, awareness of one's status, and strategic intervention activities to reduce HIV transmission for at-risk populations. The HIV/AIDS Services program assists HIV-positive clients with case management, in addition to providing life-saving medications and insurance continuation for qualified clients, as a payor of last resort.

Vital Statistics is responsible for the registration, certification, and issuance of vital records (birth, death, marriage, and divorce certificates) in Kentucky. The program's primary responsibility is the maintenance and security of these vital records as well as responding to specific requests for vital statistics data.

The Public Health Preparedness Program has the responsibility of developing, coordinating, and overseeing the public health response to potential disaster events. It prepares the Commonwealth for disease outbreaks and other public health threats by integrating local public health assets, upgrading the State Laboratory to the capacity required by the Centers for Disease Control and Prevention, and providing hospitals and healthcare facilities across the state with funding to ensure preparedness for events attributable to disasters.

Health and Family Services

Public Health

Maternal and Child Health

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	24,451,000	22,544,400	22,343,100	23,684,200	31,222,900
State Salary and Compensation Allocation	93,700				
Other	-2,073,700				
Total General Fund	22,471,000	22,544,400	22,343,100	23,684,200	31,222,900
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	13,505,100	12,460,000	12,330,000	13,986,300	13,303,800
Continuing Approp.-Tobacco Settlement	1,442,946	3,707,107	3,447,400		
Budget Reduction-General Fund Tobacco	-59,468		-4,447,400		
Other	400,000	471,003			
Total Tobacco Settlement - Phase I	15,288,578	16,638,110	11,330,000	13,986,300	13,303,800
Restricted Funds					
Balance Forward	1,099,000	1,812,751	9,661,700	3,145,900	1,586,600
Current Receipts	41,275,746	51,207,874	42,094,800	41,607,900	41,590,600
Non-Revenue Receipts	1,724,512	-1,393,125	784,300	702,300	702,300
Fund Transfers	-395,500				
Total Restricted Funds	43,703,758	51,627,500	52,540,800	45,456,100	43,879,500
Federal Funds					
Balance Forward	3,016,573	1,412,965	3,994,300		
Current Receipts	137,068,303	145,774,190	143,006,200	150,418,800	137,426,700
ARRA Receipts	3,394,043	4,564			
Total Federal Funds	143,478,919	147,191,720	147,000,500	150,418,800	137,426,700
TOTAL SOURCE OF FUNDS	224,942,256	238,001,729	233,214,400	233,545,400	225,832,900
EXPENDITURES BY CLASS					
Personnel Cost	14,454,622	16,958,463	8,023,600	7,537,300	7,648,900
Operating Expenses	921,897	1,018,168	919,100	868,300	868,300
Grants Loans Benefits	201,428,958	202,878,579	221,125,800	223,553,200	217,315,700
Capital Outlay	15,784				
TOTAL EXPENDITURES	216,821,261	220,855,210	230,068,500	231,958,800	225,832,900
EXPENDITURES BY FUND SOURCE					
General Fund	21,323,700	22,544,400	22,343,100	23,684,200	31,222,900
Tobacco Settlement - Phase I	11,581,471	13,190,704	11,330,000	13,986,300	13,303,800
Restricted Funds	41,891,007	41,965,806	49,394,900	43,869,500	43,879,500
Federal Funds	142,065,954	143,197,444	147,000,500	150,418,800	137,426,700
TOTAL EXPENDITURES	216,862,133	220,898,354	230,068,500	231,958,800	225,832,900

The Maternal and Child Health Program promotes and safeguards the health of Kentuckians, with an emphasis on at-risk mothers, infants and children. The program goal is to help those at-risk achieve the highest level of health and wellness possible through public health surveillance, education, nutrition, perinatal care, early childhood promotion and intervention, well child care, oral health, injury prevention, coordinated school health, health promotion and healthy communities, and selected primary and preventive care activities.

The Early Childhood Development subprogram is required, by statute, to provide early childhood initiatives such as home visitation (Health Access Nurturing Development Services or HANDS), childcare health consultation, and early childhood mental health services for children. The Early Childhood Development subprogram also identifies children in Kentucky who are at-risk for serious medical conditions and developmental delays through the Newborn Metabolic Screening and Case Management program and Kentucky Birth Surveillance Registry, both which are also in statute.

The First Steps (Kentucky Early Intervention System) subprogram provides case management and coordination of services for infants and toddlers between birth and three years of age with developmental disabilities or developmental delays. These early interventions include services such as physical therapy, occupational therapy, speech therapy, hearing and vision services, and

other services as needed to meet the child's developmental needs. First Steps services are provided in the home or other community settings, unless it is not feasible to do so, and are subject to a sliding fee scale unless the family has documented an inability to pay. Families and other interested parties access the First Steps program locally through 15 Points of Entry covering the 15 Area Development Districts. Children served by First steps transition to the local education agency or other community supports at age three.

The Child and Family Health Improvement subprogram provides oversight to services and activities including: prenatal care; child and adolescent preventive health; childhood lead poisoning prevention; child fatality review and injury prevention; oral health; and coordinated school health.

The Nutrition subprogram administers: the Special Supplemental Nutrition Program for Women, Infants and Children (WIC); Clinical Nutrition Services, Breastfeeding Peer Counselor Program; and the Farmer's Market Nutrition Program. The WIC program is funded wholly by the US Department of Agriculture and provides food packages and nutrition education to low-income pregnant and post partum women, infants and children at nutritional risk, and sets standards for nutrition services. Nutritionists in local health departments provide medical nutrition therapy and follow-up nutrition care for mothers and children with special nutrition needs.

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

Policy

The Budget of the Commonwealth includes additional General Fund of \$6,600,000 in fiscal year 2016 to support the Health Access Nurturing Development Services program (HANDS). These funds replace federal funds of \$6,600,000 and will support the HANDS program for non-first time parents.

The Budget of the Commonwealth provides additional General Fund of \$1,200,000 in fiscal year 2015 and \$2,100,000 in fiscal year 2016 to establish five new oral health hygiene teams that will provide preventive dental services to underserved Kentuckians. This funding will allow over 14,000 children to receive oral assessments, cleanings, oral health education, fluoride varnishes and dental sealants.

Health and Family Services

Public Health

Laboratory Services

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,767,500	3,974,600	3,974,600	4,156,000	4,205,900
State Salary and Compensation Allocation	89,700				
Other	1,600	419,431			
Total General Fund	3,858,800	4,394,031	3,974,600	4,156,000	4,205,900
Restricted Funds					
Balance Forward	77,199	5,061	45,800	10,000	
Current Receipts	2,887,173	2,617,850	3,064,200	3,143,700	3,168,400
Non-Revenue Receipts	-550,000				
Fund Transfers	-40,500				
Total Restricted Funds	2,373,873	2,622,911	3,110,000	3,153,700	3,168,400
Federal Funds					
Balance Forward			2,600		
Current Receipts		75,939	245,900	247,500	244,800
Total Federal Funds		75,939	248,500	247,500	244,800
TOTAL SOURCE OF FUNDS	6,232,673	7,092,881	7,333,100	7,557,200	7,619,100
EXPENDITURES BY CLASS					
Personnel Cost	2,830,459	3,149,772	3,389,800	3,630,000	3,696,000
Operating Expenses	3,132,232	3,823,053	3,777,400	3,771,300	3,767,200
Grants Loans Benefits	100,621	71,638	155,900	155,900	155,900
TOTAL EXPENDITURES	6,063,312	7,044,463	7,323,100	7,557,200	7,619,100
EXPENDITURES BY FUND SOURCE					
General Fund	3,694,500	4,394,031	3,974,600	4,156,000	4,205,900
Restricted Funds	2,368,812	2,577,135	3,100,000	3,153,700	3,168,400
Federal Funds		73,297	248,500	247,500	244,800
TOTAL EXPENDITURES	6,063,312	7,044,463	7,323,100	7,557,200	7,619,100

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

The state and nation's health is protected through disease surveillance activities that use sophisticated equipment and result in early detection of outbreaks caused by emerging infectious diseases. Additionally, foodborne illnesses are detected in support of the Food Safety Modernization Act (FSMA), which was signed into law on January 4, 2011. The information provided by Laboratory Services is essential for guiding epidemiologic investigations that determine the measures needed to prevent and control the spread of disease. The program works closely with the Division of Epidemiology and Health Planning to provide emergency response capability if such disease outbreaks or other public health emergencies occur.

The program tests mailed or shipped packages and substances with suspected links to chemical or biological terrorism in a highly secure, CDC inspected and approved facility by well-trained staff using state of the art equipment.

Examinations of clinical and environmental specimens are provided to support other state and local health department programs and diagnostic testing not readily available elsewhere for hospitals and practicing physicians. Additionally, environmental samples are tested for water fluoride levels, and milk, food and water are examined for evidence of contamination. Pesticide analyses and occupational safety and health chemistry are also performed.

The state general fund is the primary funding source. Federal funds are received from grants and a cooperative agreement with Occupational Safety and Health Administration and agency fees are collected for newborn metabolic screening.

The state public health laboratory is certified by the College of American Pathologists as a high-complexity laboratory, obligating it to meet the most stringent of requirements.

Policy

The Budget of the Commonwealth authorizes the purchase of two tandem mass spectrometers in the Department for Public Health's Newborn Screening Lab. The total amount of the project is \$1,040,000 and the equipment will be purchased with fees from the Newborn Screening Program.

Health and Family Services

Public Health

Public Health Protection and Safety

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	3,366,800	3,541,100	3,518,700	3,705,400	3,756,700
State Salary and Compensation Allocation	103,200				
Other	40,400				
Total General Fund	3,510,400	3,541,100	3,518,700	3,705,400	3,756,700
Restricted Funds					
Balance Forward	14,038	92,113	165,400	38,400	33,000
Current Receipts	5,686,045	6,018,665	5,873,000	5,898,200	5,950,300
Non-Revenue Receipts	32,351				
Fund Transfers	-83,800				
Total Restricted Funds	5,648,634	6,110,778	6,038,400	5,936,600	5,983,300
Federal Funds					
Balance Forward	151,740	199,300	290,300		
Current Receipts	1,130,377	984,468	1,685,900	1,975,800	1,959,600
Total Federal Funds	1,282,117	1,183,768	1,976,200	1,975,800	1,959,600
TOTAL SOURCE OF FUNDS	10,441,151	10,835,646	11,533,300	11,617,800	11,699,600
EXPENDITURES BY CLASS					
Personnel Cost	5,243,360	5,518,792	5,378,800	5,786,600	5,898,400
Operating Expenses	1,095,169	1,294,815	1,306,000	1,307,500	1,307,500
Grants Loans Benefits	3,626,950	3,566,387	4,810,100	4,490,700	4,466,100
Capital Outlay	7,160				
TOTAL EXPENDITURES	9,972,638	10,379,994	11,494,900	11,584,800	11,672,000
EXPENDITURES BY FUND SOURCE					
General Fund	3,333,300	3,541,100	3,518,700	3,705,400	3,756,700
Restricted Funds	5,556,521	5,945,401	6,000,000	5,903,600	5,955,700
Federal Funds	1,082,817	893,492	1,976,200	1,975,800	1,959,600
TOTAL EXPENDITURES	9,972,638	10,379,994	11,494,900	11,584,800	11,672,000

Public Health Protection and Safety provides a variety of environmental services, from monitoring exposure to radiation to ensuring sanitation of food, milk, and public facilities. This program provides technical consultation, guidance and training to the sixty-one (61) local health jurisdictions; some 500 local health department environmental registered sanitarians; and provides regulatory oversight to thousands of Kentucky's regulated businesses. The program's mission statement is: promoting a healthier, safer public through prevention, education, communication, and regulation.

The Radiation subprogram inspects and issues over 720 specific licenses to users of radioactive materials, and registers and inspects over 200 users of radiation sources. The subprogram monitors the transportation of radioactive waste, within and through the Commonwealth, and is mandated and equipped to respond to radiological emergencies 24 hours a day. The subprogram registers and inspects more than 4,000 facilities with 10,600 X-Ray tubes, and conducts reviews and inspects approximately 164 mammography facilities and shielding plans for facilities. The subprogram also operates a radiation health laboratory which collects and analyzes approximately 5,000 environmental samples for radiologic contamination annually and conducts over 7,000 analyses on the samples. This subprogram also provides monitoring for radiologic sites such as the Maxey Flats Disposal Site and the Paducah Gaseous Diffusion Plant. Approximately 17,000 quality control analyses are also conducted annually.

The Milk Safety subprogram operates under KRS 217C, to prevent adulteration, misbranding, and false advertising of milk and milk products and protect the public from disease transmission through milk products. This mandate is achieved through inspections of dairy farms, dairy plants, micro-processors, distributors, milk haulers, and all other identities which improve the quality of milk that is produced and sold to the public. This subprogram also monitors the development of product standards of identity and legal labeling for all dairy products as mandated by the U.S. Food and Drug Administration and the U.S. Department of Agriculture. Kentucky adopted the 2011 edition of the Pasteurize Milk Ordinance, a federally mandated ordinance which ensures certain quality standards and which allows milk produced and processed in Kentucky to be produced, processed, transported and sold to all other forty-nine states.

The Food Safety subprogram provides regulatory oversight to Kentucky's multi-billion dollar food industry. The subprogram

provides training and technical consultation to local health department employees who inspect food service establishments, retail food stores, vending machine companies, tattoo studios, body piercing facilities, boarding homes, tanning facilities, and bed and breakfast establishments in order to prevent the spread of communicable diseases and injuries. The subprogram also directly regulates food manufacturing and storage programs and the farmer's market for program compliance with state regulation. The subprogram responds to and investigates food recalls and works closely with the federal Food and Drug Administration on outbreak investigation involving regulated foods. The Food Safety subprogram is also actively involved during natural and man-made disasters to protect the food supply.

The Environmental Management subprogram is responsible for the oversight and regulatory requirements involving public facilities, including hotels/motels, public restrooms, schools, state confinement facilities, public swimming and bathing facilities, mobile home/recreational vehicle parks/communities, and youth camps through annual operating permits and routine inspections as required by law. The subprogram provides technical assistance and training to the sixty-one (61) local health departments which provide direct inspection of the regulated entities. The subprogram is also responsible for: conducting initial certification and ongoing specialized trainings to local health department environmental staff; providing continuing education for septic system installers; providing consumer education on such issues as mold and bedbugs; operating a radon education program; providing support for the rabies control program and consulting on issues regarding private water sources.

This subprogram also ensures that public health nuisances (illegal garbage dumps, accumulation of trash and garbage, rodent infestations, mosquito infestations, and untreated sewage) are investigated and abated by local health department inspectors. Through its education, investigation, permitting, and inspection activities, the Environmental Management Branch has a direct effect on protecting the lives of the public as well as, the operation of most private business entities.

The Public Safety subprogram is responsible for the regulation and certification of lead abatement professionals and clearance testing of mitigated properties. This subprogram also oversees the public swimming pool construction program and the methamphetamine contaminated properties program. Public Safety provides epidemiological support for disease cluster investigations and supports statistical and standardized reporting of environmental data.

Health and Family Services

Health Policy

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	491,500	433,300	440,200	448,000	455,400
State Salary and Compensation Allocation	27,700	600	1,200		
Total General Fund	519,200	433,900	441,400	448,000	455,400
Restricted Funds					
Balance Forward	450,787	555,582	737,600	491,700	245,900
Current Receipts	707,734	559,773	553,700	589,000	597,400
Non-Revenue Receipts	-200,000	-25,000	-25,000	-25,000	-25,000
Fund Transfers	-94,500				
Total Restricted Funds	864,021	1,090,356	1,266,300	1,055,700	818,300
Federal Funds					
Current Receipts	5,264,730	2,535,042			
Non-Revenue Receipts	26,365	-27,487			
Total Federal Funds	5,291,095	2,507,555			
TOTAL SOURCE OF FUNDS	6,674,316	4,031,810	1,707,700	1,503,700	1,273,700
EXPENDITURES BY CLASS					
Personnel Cost	5,553,257	2,626,759	747,000	794,900	810,800
Operating Expenses	313,947	87,445	47,300	47,300	47,300
Grants Loans Benefits	171,729	579,997	421,700	415,600	415,600
TOTAL EXPENDITURES	6,038,934	3,294,201	1,216,000	1,257,800	1,273,700
EXPENDITURES BY FUND SOURCE					
General Fund	439,400	433,900	441,400	448,000	455,400
Restricted Funds	308,439	352,746	774,600	809,800	818,300
Federal Funds	5,291,095	2,507,555			
TOTAL EXPENDITURES	6,038,934	3,294,201	1,216,000	1,257,800	1,273,700
EXPENDITURES BY UNIT					
Office of Health Policy	6,038,934	3,294,201	1,216,000	1,257,800	1,273,700
TOTAL EXPENDITURES	6,038,934	3,294,201	1,216,000	1,257,800	1,273,700

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

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

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

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

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

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	424,000	427,700	439,100	1,466,400	1,479,300
State Salary and Compensation Allocation	45,000	900	1,800		
Total General Fund	469,000	428,600	440,900	1,466,400	1,479,300
Restricted Funds					
Balance Forward	61,654	36,217	25,300		
Non-Revenue Receipts			68,300	41,300	
Fund Transfers	-4,300				
Total Restricted Funds	57,354	36,217	93,600	41,300	
Federal Funds					
Balance Forward	115,361	264,028	270,400		
Current Receipts	4,683,862	4,025,917	2,798,700	3,069,100	3,069,100
Total Federal Funds	4,799,222	4,289,944	3,069,100	3,069,100	3,069,100
TOTAL SOURCE OF FUNDS	5,325,576	4,754,761	3,603,600	4,576,800	4,548,400
EXPENDITURES BY CLASS					
Personnel Cost	699,627	676,542	207,700	253,600	268,500
Operating Expenses	128,729	113,161	240,900	1,193,100	1,189,600
Grants Loans Benefits	4,145,976	3,669,440	3,155,000	3,130,100	3,090,300
TOTAL EXPENDITURES	4,974,332	4,459,143	3,603,600	4,576,800	4,548,400
EXPENDITURES BY FUND SOURCE					
General Fund	418,000	428,600	440,900	1,466,400	1,479,300
Restricted Funds	21,137	10,979	93,600	41,300	
Federal Funds	4,535,195	4,019,564	3,069,100	3,069,100	3,069,100
TOTAL EXPENDITURES	4,974,332	4,459,143	3,603,600	4,576,800	4,548,400
EXPENDITURES BY UNIT					
Family Resource and Youth Services Center	422,111	350,144	415,500	1,424,400	1,427,300
Kentucky Com. Community Volunteerism and Serv.	4,552,220	4,108,999	3,188,100	3,152,400	3,121,100
TOTAL EXPENDITURES	4,974,332	4,459,143	3,603,600	4,576,800	4,548,400

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

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	188,000	192,000	203,400	1,213,200	1,216,100
State Salary and Compensation Allocation	22,500	500	900		
Total General Fund	210,500	192,500	204,300	1,213,200	1,216,100
Federal Funds					
Balance Forward		53,557	62,000		
Current Receipts	283,169	166,052	149,200	211,200	211,200
Total Federal Funds	283,169	219,609	211,200	211,200	211,200
TOTAL SOURCE OF FUNDS	493,669	412,109	415,500	1,424,400	1,427,300
EXPENDITURES BY CLASS					
Personnel Cost	233,033	247,097		31,300	34,200
Operating Expenses	53,078	71,650	100,000	1,102,200	1,102,200
Grants Loans Benefits	136,000	31,397	315,500	290,900	290,900
TOTAL EXPENDITURES	422,111	350,144	415,500	1,424,400	1,427,300
EXPENDITURES BY FUND SOURCE					
General Fund	192,500	192,500	204,300	1,213,200	1,216,100
Federal Funds	229,611	157,644	211,200	211,200	211,200
TOTAL EXPENDITURES	422,111	350,144	415,500	1,424,400	1,427,300

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

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

The Budget of the Commonwealth includes \$1,000,000 General Fund in each fiscal year for operational costs for Family Resource and Youth Services Centers to replace a portion of the reductions realized since 2010.

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	236,000	235,700	235,700	253,200	263,200
State Salary and Compensation Allocation	22,500	400	900		
Total General Fund	258,500	236,100	236,600	253,200	263,200
Restricted Funds					
Balance Forward	61,654	36,217	25,300		
Non-Revenue Receipts			68,300	41,300	
Fund Transfers	-4,300				
Total Restricted Funds	57,354	36,217	93,600	41,300	
Federal Funds					
Balance Forward	115,361	210,470	208,400		
Current Receipts	4,400,693	3,859,865	2,649,500	2,857,900	2,857,900
Total Federal Funds	4,516,053	4,070,335	2,857,900	2,857,900	2,857,900
TOTAL SOURCE OF FUNDS	4,831,908	4,342,652	3,188,100	3,152,400	3,121,100
EXPENDITURES BY CLASS					
Personnel Cost	466,594	429,445	207,700	222,300	234,300
Operating Expenses	75,651	41,511	140,900	90,900	87,400
Grants Loans Benefits	4,009,975	3,638,043	2,839,500	2,839,200	2,799,400
TOTAL EXPENDITURES	4,552,220	4,108,999	3,188,100	3,152,400	3,121,100
EXPENDITURES BY FUND SOURCE					
General Fund	225,500	236,100	236,600	253,200	263,200
Restricted Funds	21,137	10,979	93,600	41,300	
Federal Funds	4,305,583	3,861,920	2,857,900	2,857,900	2,857,900
TOTAL EXPENDITURES	4,552,220	4,108,999	3,188,100	3,152,400	3,121,100

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

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

**Health and Family Services
Income Support**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,362,600	11,941,100	8,644,100	8,225,700	8,225,700
Total General Fund	1,362,600	11,941,100	8,644,100	8,225,700	8,225,700
Restricted Funds					
Current Receipts	26,341,506	11,095,547	15,629,800	15,859,600	16,009,800
Non-Revenue Receipts	113,480	120,592	121,000	121,000	121,000
Total Restricted Funds	26,454,986	11,216,139	15,750,800	15,980,600	16,130,800
Federal Funds					
Balance Forward	4,288,413	7,048,859	6,751,100		
Current Receipts	71,719,020	71,342,510	79,079,400	78,417,200	80,108,900
Non-Revenue Receipts	355,055				
Total Federal Funds	76,362,487	78,391,369	85,830,500	78,417,200	80,108,900
TOTAL SOURCE OF FUNDS	104,180,073	101,548,608	110,225,400	102,623,500	104,465,400
EXPENDITURES BY CLASS					
Personnel Cost	33,611,427	33,535,978	34,139,200	36,509,800	37,150,600
Operating Expenses	4,976,722	5,291,911	5,126,000	5,486,400	6,687,500
Grants Loans Benefits	58,486,847	55,826,667	70,905,300	60,627,300	60,627,300
Capital Outlay	8,718	142,892	54,900		
TOTAL EXPENDITURES	97,083,715	94,797,449	110,225,400	102,623,500	104,465,400
EXPENDITURES BY FUND SOURCE					
General Fund	1,315,100	11,941,100	8,644,100	8,225,700	8,225,700
Restricted Funds	26,454,986	11,216,139	15,750,800	15,980,600	16,130,800
Federal Funds	69,313,629	71,640,210	85,830,500	78,417,200	80,108,900
TOTAL EXPENDITURES	97,083,715	94,797,449	110,225,400	102,623,500	104,465,400
EXPENDITURES BY UNIT					
Disability Determinations	42,440,328	42,546,001	54,307,000	46,447,700	47,847,900
Child Support	54,643,387	52,251,447	55,918,400	56,175,800	56,617,500
TOTAL EXPENDITURES	97,083,715	94,797,449	110,225,400	102,623,500	104,465,400

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

These programs help to ensure that children are financially supported by parents who are legally obligated to pay child support and to determine medical eligibility for residents of the Commonwealth who apply for Social Security and Supplemental Security Income disability benefits from the federal government. The Department's mission is to facilitate financial and medical support services that enhances family wellness.

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
Restricted Funds					
Non-Revenue Receipts	113,480	120,592	121,000	121,000	121,000
Total Restricted Funds	113,480	120,592	121,000	121,000	121,000
Federal Funds					
Balance Forward		465,711	511,100		
Current Receipts	42,437,504	42,470,818	53,674,900	46,326,700	47,726,900
Non-Revenue Receipts	355,055				
Total Federal Funds	42,792,559	42,936,529	54,186,000	46,326,700	47,726,900
TOTAL SOURCE OF FUNDS	42,906,039	43,057,120	54,307,000	46,447,700	47,847,900
EXPENDITURES BY CLASS					
Personnel Cost	25,396,460	25,343,426	25,770,900	27,550,200	28,064,500
Operating Expenses	2,781,791	3,302,943	2,989,400	3,248,700	4,134,600
Grants Loans Benefits	14,253,359	13,756,741	25,491,800	15,648,800	15,648,800
Capital Outlay	8,718	142,892	54,900		
TOTAL EXPENDITURES	42,440,328	42,546,001	54,307,000	46,447,700	47,847,900
EXPENDITURES BY FUND SOURCE					
Restricted Funds	113,480	120,592	121,000	121,000	121,000
Federal Funds	42,326,848	42,425,410	54,186,000	46,326,700	47,726,900
TOTAL EXPENDITURES	42,440,328	42,546,001	54,307,000	46,447,700	47,847,900

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

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

Health and Family Services

Income Support

Child Support

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,362,600	11,941,100	8,644,100	8,225,700	8,225,700
Total General Fund	1,362,600	11,941,100	8,644,100	8,225,700	8,225,700
Restricted Funds					
Current Receipts	26,341,506	11,095,547	15,629,800	15,859,600	16,009,800
Total Restricted Funds	26,341,506	11,095,547	15,629,800	15,859,600	16,009,800
Federal Funds					
Balance Forward	4,288,413	6,583,148	6,240,000		
Current Receipts	29,281,516	28,871,693	25,404,500	32,090,500	32,382,000
Total Federal Funds	33,569,929	35,454,840	31,644,500	32,090,500	32,382,000
TOTAL SOURCE OF FUNDS	61,274,034	58,491,488	55,918,400	56,175,800	56,617,500
EXPENDITURES BY CLASS					
Personnel Cost	8,214,967	8,192,552	8,368,300	8,959,600	9,086,100
Operating Expenses	2,194,931	1,988,968	2,136,600	2,237,700	2,552,900
Grants Loans Benefits	44,233,489	42,069,927	45,413,500	44,978,500	44,978,500
TOTAL EXPENDITURES	54,643,387	52,251,447	55,918,400	56,175,800	56,617,500
EXPENDITURES BY FUND SOURCE					
General Fund	1,315,100	11,941,100	8,644,100	8,225,700	8,225,700
Restricted Funds	26,341,506	11,095,547	15,629,800	15,859,600	16,009,800
Federal Funds	26,986,781	29,214,800	31,644,500	32,090,500	32,382,000
TOTAL EXPENDITURES	54,643,387	52,251,447	55,918,400	56,175,800	56,617,500

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

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

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

The Child Support Enforcement Program receives incentive payments from the federal government based on program performance in five program areas; Paternity Establish Performance for Title IV-D and Statewide, Support Order Performance, Current Payment Performance, Arrearage Payment Performance and Cost-Effectiveness Performance. The Deficit Reduction Act (DRA) of 2005 disallowed use of federal performance incentives as state matching funds for Federal Financial Participation (FFP).

**Health and Family Services
Community Based Services**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	312,749,600	329,384,300	330,465,500	391,634,800	414,581,400
State Salary and Compensation Allocation	3,971,100	190,600	381,200		
Total General Fund	316,720,700	329,574,900	330,846,700	391,634,800	414,581,400
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	9,175,000	8,715,000	8,715,000	8,715,000	8,715,000
Continuing Approp.-Tobacco Settlement	2,911	27,943	100,000		
Budget Reduction-General Fund Tobacco			-100,000		
Other		100,000			
Total Tobacco Settlement - Phase I	9,177,911	8,842,943	8,715,000	8,715,000	8,715,000
Restricted Funds					
Balance Forward	16,057,684	35,050,024	8,820,200	4,922,400	2,162,600
Current Receipts	132,424,065	146,138,765	159,438,500	166,122,600	167,576,900
Non-Revenue Receipts	23,060,664	10,424,162	-21,664,700	-18,624,400	-17,053,800
Fund Transfers	-3,140,300				
Total Restricted Funds	168,402,113	191,612,950	146,594,000	152,420,600	152,685,700
Federal Funds					
Balance Forward	18,990,928	14,610,106	1,565,200		
Current Receipts	533,349,338	466,804,981	479,706,200	492,199,000	502,117,700
Non-Revenue Receipts	-227,553	-96			
ARRA Receipts	306,724	-41,321			
Total Federal Funds	552,419,437	481,373,670	481,271,400	492,199,000	502,117,700
TOTAL SOURCE OF FUNDS	1,046,720,160	1,011,404,463	967,427,100	1,044,969,400	1,078,099,800
EXPENDITURES BY CLASS					
Personnel Cost	257,588,214	271,945,910	283,670,700	308,100,700	317,784,200
Operating Expenses	41,228,122	42,386,284	46,262,900	45,445,000	47,171,800
Grants Loans Benefits	694,043,217	686,586,778	632,071,100	689,261,100	713,143,800
Capital Outlay	2,235				
TOTAL EXPENDITURES	992,861,788	1,000,918,972	962,004,700	1,042,806,800	1,078,099,800
EXPENDITURES BY FUND SOURCE					
General Fund	312,550,400	329,574,900	330,346,700	391,634,800	414,581,400
Tobacco Settlement - Phase I	9,149,968	8,742,943	8,715,000	8,715,000	8,715,000
Restricted Funds	133,352,089	182,792,657	141,671,600	150,258,000	152,685,700
Federal Funds	537,809,331	479,808,473	481,271,400	492,199,000	502,117,700
TOTAL EXPENDITURES	992,861,788	1,000,918,972	962,004,700	1,042,806,800	1,078,099,800
EXPENDITURES BY UNIT					
Family Support	355,192,326	358,447,623	368,017,200	381,420,800	388,520,900
Energy	48,255,468	39,740,944	31,694,700	29,992,700	29,995,500
Child Care	147,118,448	140,071,386	90,849,800	133,740,900	159,352,600
Family and Community Services	442,295,545	462,659,020	471,443,000	497,652,400	500,230,800
TOTAL EXPENDITURES	992,861,788	1,000,918,972	962,004,700	1,042,806,800	1,078,099,800

The Department for Community Based Services (DCBS) is responsible for administering the following programs: Family Support (including Temporary Assistance to Needy Families; Supplementation Nutrition Assistance Program; Medicaid and health insurance affordability program eligibility; and State Supplementation for aged, blind or disabled individuals); Energy Assistance; Child Care; and Family and Community Based Services (including Family Based Services, Adult Services and Alternatives for Children).

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

**Health and Family Services
Community Based Services**

Family Support

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	122,844,400	130,306,600	129,350,900	135,814,400	137,326,600
State Salary and Compensation Allocation	1,019,000				
Total General Fund	123,863,400	130,306,600	129,350,900	135,814,400	137,326,600
Restricted Funds					
Balance Forward	692,567	1,406,901	1,420,100	651,800	30,700
Current Receipts	1,506,315	1,842,169	1,667,600	2,516,200	3,968,000
Non-Revenue Receipts	20,709,284	19,137,629	21,606,800	23,214,600	24,756,300
Fund Transfers	-724,300				
Total Restricted Funds	22,183,867	22,386,699	24,694,500	26,382,600	28,755,000
Federal Funds					
Balance Forward	14,620,497	11,804,764	150,200		
Current Receipts	209,333,190	195,519,954	214,473,400	219,254,500	222,439,300
Non-Revenue Receipts	-227,463	-96			
Total Federal Funds	223,726,224	207,324,622	214,623,600	219,254,500	222,439,300
TOTAL SOURCE OF FUNDS	369,773,491	360,017,920	368,669,000	381,451,500	388,520,900
EXPENDITURES BY CLASS					
Personnel Cost	121,987,913	128,474,064	134,845,900	147,804,800	152,545,600
Operating Expenses	18,358,698	19,756,646	22,934,800	22,251,400	24,610,700
Grants Loans Benefits	214,845,715	210,216,912	210,236,500	211,364,600	211,364,600
TOTAL EXPENDITURES	355,192,326	358,447,623	368,017,200	381,420,800	388,520,900
EXPENDITURES BY FUND SOURCE					
General Fund	122,493,900	130,306,600	129,350,900	135,814,400	137,326,600
Restricted Funds	20,776,966	20,966,562	24,042,700	26,351,900	28,755,000
Federal Funds	211,921,460	207,174,461	214,623,600	219,254,500	222,439,300
TOTAL EXPENDITURES	355,192,326	358,447,623	368,017,200	381,420,800	388,520,900
EXPENDITURES BY UNIT					
Supplemental Nutrition Assistance Program	75,113,604	78,233,632	88,044,200	94,660,000	97,277,600
Medical Assistance	37,287,525	38,847,311	45,019,300	49,128,100	52,895,400
State Supplementation	16,876,851	15,722,778	15,865,400	16,115,900	16,481,400
TANF	225,914,347	225,643,902	219,088,300	221,516,800	221,866,500
TOTAL EXPENDITURES	355,192,326	358,447,623	368,017,200	381,420,800	388,520,900

Family Support consists of the following programs: Temporary Assistance to Needy Families (TANF); Supplemental Nutrition Assistance Program (SNAP), formerly known as Food Stamps; eligibility determination for Medicaid and for health insurance premium assistance through the Kentucky Health Benefit Exchange; and State Supplementation Program for persons who are aged, blind, or have a disability (State Supplementation). The programs administered by the Division of Family Support are designed to promote self-sufficiency, job training assessment, and the delivery of basic essential services for families and children who need assistance. Programs are accessible to all residents of Kentucky counties. Each local office has the responsibility to determine eligibility, provide facts and information of available benefits as well as the regulatory limitations of available benefits, and maintain case record information.

The National Voter Registration Act of 1993, also known as the Motor-Voter Act, requires agencies that deliver services to persons with disabilities or provide benefits under the Temporary Assistance for Needy Families/Kentucky Transitional Assistance Program, Special Supplemental Nutrition Programs for Women, Infants and Children (WIC), Medicaid, or SNAP, as well as Armed Forces Recruiting Stations and driver licensing stations to make available voter registration applications to their clients. Since Family Support administers two of these programs, it distributes voter registration forms, provides assistance in completing these forms, and ensures completed forms reach the proper state election office for processing in order to comply with this mandate.

Temporary Assistance for Needy Families (TANF)

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) amended and combined Title IV-A (Aid for Families with Dependent Children or AFDC) and Title IV-F (Job Opportunities and Basic Skills Training Program or JOBS) of the Social Security Act to provide block grants to states for TANF. These federal funds support the program's administrative and benefit expenditures that include personnel, operating, and indirect costs; contracts with partnering agencies; cash assistance subsidies; supportive services; child care; and transportation. A Maintenance of Effort requirement mandates that states spend at least 80 percent of fiscal year 1994 expenditures on the program each year. For Kentucky, this amount is \$71.9 million per year.

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

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

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

The Family Alternatives Diversion Program (FAD) provides an alternative for families, who, while otherwise eligible, choose not to receive K-TAP cash assistance. A maximum of \$1,300 is available to assist the family with immediate needs such as food, shelter, transportation, etc. These benefits may be authorized for a three-month period. FAD may be approved once during a 24-month period and no more than twice in a lifetime.

The Kinship Care Program provides financial assistance and support services to non-parental relatives caring for children who cannot remain in the home of their parents due to abuse, neglect, or the death of both parents. Effective April 1, 2013, the Department for Community Based Services (DCBS) issued a moratorium impacting a child's initial eligibility for the Kinship Care Program; however, the moratorium did not apply to previously existing beneficiaries. A one-time relative placement support benefit and K-TAP are available to address a child's immediate and ongoing needs, respectively, upon placement by the Department with a qualified relative caregiver as an alternative to foster care.

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

Medicaid Eligibility and Health Insurance Affordability

DCBS determines eligibility for the Medicaid program under a contract with the Department for Medicaid Services. The Medicaid program is authorized under Title XIX of the U.S. Social Security Act and KRS 205.520 and has expanded through state option made available through the Patient Protection and Affordable Care Act (P.L. 111-148), as amended by Health Care and Education Reconciliation Act (P.L. 111-152).

The Department provides eligibility determination services for health insurance premium assistance program via the state-based American Health Benefit Exchange (Kentucky Health Benefit Exchange) established in accordance with P.L. 111-148, as amended, and 42 U.S.C. 18031

State Supplementation

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

Supplemental Nutrition Assistance Program (SNAP)

The Supplemental Nutrition Assistance Program (SNAP), formerly known as Food Stamps, helps low-income persons purchase food for a nutritional diet. SNAP has its origins in the Food Stamp Act of 1964 (P.L. 88-525). It is designed to promote the general welfare and safeguard the health and well-being of the nation's population by raising nutritional levels among low-income households. "Household" is defined as any individual, family, or group of people living with each other who buy and prepare food together. To qualify, each household must meet eligibility standards.

The SNAP Employment and Training Program (E & T) is designed to assist able-bodied SNAP recipients obtain employment that leads to self-sufficiency. In Kentucky, E & T serves only non-exempt work registrants between the ages of 18 and 49, otherwise

known as Able-Bodied Adults without Dependents. Recipients of this service must participate and comply with E & T requirements in order to maintain their SNAP eligibility.

Policy

The Budget of the Commonwealth includes General Fund of \$1,000,000 in each fiscal year for relative placement support benefits to meet the initial home set-up needs of children being placed in the custody and/or care of non-parental relatives.

**Health and Family Services
Community Based Services**

Energy

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	30,013	1,705,861	1,705,900		
Current Receipts	1,675,849				
Total Restricted Funds	1,705,861	1,705,861	1,705,900		
Federal Funds					
Balance Forward	896,705	902,584			
Current Receipts	48,261,347	38,838,360	29,988,800	29,992,700	29,995,500
Total Federal Funds	49,158,052	39,740,944	29,988,800	29,992,700	29,995,500
TOTAL SOURCE OF FUNDS	50,863,914	41,446,805	31,694,700	29,992,700	29,995,500
EXPENDITURES BY CLASS					
Personnel Cost	38,240	39,231	41,400	44,200	44,600
Operating Expenses	8,980	10,513	9,400	11,000	11,000
Grants Loans Benefits	48,208,248	39,691,200	31,643,900	29,937,500	29,939,900
TOTAL EXPENDITURES	48,255,468	39,740,944	31,694,700	29,992,700	29,995,500
EXPENDITURES BY FUND SOURCE					
Restricted Funds			1,705,900		
Federal Funds	48,255,468	39,740,944	29,988,800	29,992,700	29,995,500
TOTAL EXPENDITURES	48,255,468	39,740,944	31,694,700	29,992,700	29,995,500

The Low Income Home Energy Assistance program is a federally funded program that helps low-income households meet their home heating and/or cooling needs through direct fuel bill subsidies and weatherization services.

The Home Energy Assistance program, authorized by KRS 205.400, provides support with home heating/cooling costs for low-income households. Services include accepting applications, determining eligibility, implementing an outreach component, and coordinating this program with other energy assistance initiatives. Eligibility criteria include income that does not exceed 130 percent of the federal poverty level, resources that total less than \$2,000 (or \$3,000 if at least one person in the household is either age 60 or older or disabled, \$4,000 if there is a catastrophic illness in the household), and the responsibility for home heating expenses. This program is divided into two components. The subsidy component assists recipients with home heating costs for which they are responsible either by direct payment or as an undesignated portion of their rent. The crisis component assists eligible households experiencing a home energy emergency involving imminent loss of heating energy.

**Health and Family Services
Community Based Services**

Child Care

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	9,265,300	9,279,700	9,292,400	48,128,600	67,621,600
Other		20,000,000			
Total General Fund	9,265,300	29,279,700	9,292,400	48,128,600	67,621,600
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	9,000,000	8,540,000	8,540,000	8,540,000	8,540,000
Continuing Approp.-Tobacco Settlement			100,000		
Budget Reduction-General Fund Tobacco			-100,000		
Other	-25,000	100,000			
Total Tobacco Settlement - Phase I	8,975,000	8,640,000	8,540,000	8,540,000	8,540,000
Restricted Funds					
Balance Forward	4,328	15,575	26,100	24,300	23,200
Current Receipts	51,870	49,669	48,200	48,900	48,900
Total Restricted Funds	56,198	65,244	74,300	73,200	72,100
Federal Funds					
Balance Forward	3,250,136	1,902,759			
Current Receipts	127,490,237	100,309,832	72,967,400	77,022,300	83,118,900
Non-Revenue Receipts	-90				
Total Federal Funds	130,740,284	102,212,591	72,967,400	77,022,300	83,118,900
TOTAL SOURCE OF FUNDS	149,036,782	140,197,534	90,874,100	133,764,100	159,352,600
EXPENDITURES BY CLASS					
Personnel Cost	9,044,120	10,357,707	10,384,400	13,308,300	14,892,600
Operating Expenses	549,743	682,960	617,600	982,900	1,129,900
Grants Loans Benefits	137,522,350	129,030,719	79,847,800	119,449,700	143,330,100
Capital Outlay	2,235				
TOTAL EXPENDITURES	147,118,448	140,071,386	90,849,800	133,740,900	159,352,600
EXPENDITURES BY FUND SOURCE					
General Fund	9,265,300	29,279,700	9,292,400	48,128,600	67,621,600
Tobacco Settlement - Phase I	8,975,000	8,540,000	8,540,000	8,540,000	8,540,000
Restricted Funds	40,623	39,095	50,000	50,000	72,100
Federal Funds	128,837,525	102,212,591	72,967,400	77,022,300	83,118,900
TOTAL EXPENDITURES	147,118,448	140,071,386	90,849,800	133,740,900	159,352,600

The Child Care Program administers the child care assistance subsidy program, the STARS quality rating system, as well as a professional development framework for child care providers. The primary funding services for the program include the Child Care Development fund, state general fund and tobacco funds.

The Child Care Development Fund (CCDF) was created by Congress in August 1996 as part of the federal welfare reform legislation. Child care services delivered through CCDF are designed to promote, expand, and improve the quality of care for children in Kentucky and ensure that families most in need are aware of and have access to available, quality child care which is developmentally appropriate, affordable, and safe. The Cabinet for Health and Family Services' approach to service delivery combines the efforts of Cabinet staff and other service providers to address a family's needs in a comprehensive fashion thereby maximizing the likelihood that a family will achieve positive outcomes. Child Care serves Kentucky's most vulnerable children prioritizing children receiving child protective or preventive services, Temporary Assistance for Needy Families (TANF) recipients and persons transitioning off TANF, children with special needs, and teen parents. Children of low income working families are also eligible for child care assistance.

CCDF Regulation 45 C.F.R. Section 98.51 mandates that no less than four percent (4%) of the aggregate funds expended by the lead agency for the fiscal year be spent for quality activities which include child care health and safety requirements, STARS for KIDS NOW and early care and education professional development. Moreover, CCDF requires that additional funding be set aside for quality initiatives to address the following topics: infant and toddler care, school age care and resource and referral services.

Child Care invests in support services required to allow parents to be self-sufficient without sacrificing the well-being of their children. The CCDF was last reauthorized in 2005 and the goals of access and quality compete for limited childcare resources.

The Child Care Assistance Program is one of the support services directed at: (1) eliminating barriers to work and education for parents; (2) strengthening and maintaining client families; (3) providing early educational opportunities for at-risk children; (4) preventing or remedying abuse, neglect or exploitation of children; (5) preventing family dissolution; and (6) preventing out of home placements; These services are provided by subsidized child care through the CCDF for full and part-day care through the use of licensed providers, certified family child care homes and registered providers. Childcare services are intended to supplement, but not supplant, the parents' responsibility for the child's protection, development, and supervision. To that end, children with special needs and child protective services cases are the top priority for the Division of Child Care. In addition, childcare funding is also used to support low-income working parents and TANF client's efforts to find and keep jobs and transition off welfare. Licensed centers and homes, certified family childcare homes, and registered providers including relative and non-relative providers meeting enrollment requirements and health and safety guidelines, are reimbursed for services at approved rates for eligible, enrolled families.

Due to a projected budget shortfall in fiscal year 2014 the following changes were implemented in the Child Care Assistance Program:

- Effective April 1, 2013 – DCBS froze intake for new low-income clients; and
- Effective July 1, 2013 – DCBS reduced the CCAP income eligibility threshold from 150% of the 2011 Federal Poverty Level (FPL) at initial application and 165% FPL at redetermination to 100% FPL for redetermination.

These changes assured that priority child populations, including children receiving protective or preventative services to avoid removal from the home; children whose parents require child care to meet work participation requirements for the Kentucky Transitional Assistance Program (K-TAP); children with special needs requiring specialized care; and teen parents would continue to receive assistance. These programmatic changes have been the most difficult decisions that DCBS has had to make in recent history. The decisions were not made without much research and deliberation; however, the agency's context left no other options. Other cost containment options that were considered for the CCAP did not contain costs to the extent necessary and did not assure that the program would avoid complete shutdown.

The STARS for KIDS NOW Program is part of Kentucky's Early Childhood Initiative and is a voluntary quality rating system that places major emphasis on raising the quality level of early care and education in child care settings. STARS for KIDS NOW monetary incentives and rewards are granted to childcare providers based on environmental scoring using identified characteristics associated with positive outcomes for children and families. Through the provision of technical assistance, providers work to achieve quality indicators in their Environmental Rating Scale to achieve a STAR Level of 1 through 4. Programs receiving STARS Levels 1 through 4 rating surpass the minimum licensing or certification requirements per regulations. Programs are assessed in the following areas: staff/child ratios, group size, curriculum, family involvement, training and education of staff, regulatory compliance, and personnel practices.

The Professional Development System is also part of Kentucky's Early Childhood Initiative. The Division has put in place the "Kentucky Childhood Professional Development Framework" which addresses the needs for education, training and credentialing of early care professionals in Kentucky and represents a culmination of months of planning and input from multiple stakeholders across the state. The Framework identifies individual core competencies, credentials, scholarships, grants, awards and training criteria to early care and education professionals. Additionally, targeted quality set-asides under CCDF are being utilized to promote and improve the quality of infant/toddler training opportunities, enhance professional development activities, improve education in child care programs, improve staff and child interactions, increase parental involvement, and facilitate regulatory compliance to all child care programs.

As mandated by state legislation in 1992, childcare resource, and referral agencies (CCR&R's) provide services across the Commonwealth of Kentucky. The Cabinet contracts with the University of Kentucky, Human Development Institute through a sub-contract for coordination and management of Child Care Resource and Referral (CCR&R) Network ensuring services in the fifteen (15) Area Development Districts (ADD) covering all 120 counties in Kentucky to coordinate statewide core services as outlined in KRS 199.8992.

The CCR&R Network is comprised of fourteen (14) Regional Training Coordinators, fourteen (14) Regional Technical Assistance Coordinators, and two (2) Regional Technical Assistance Specialists to provide technical assistance, resources and coordination of professional development education to increase the quality of early care and education services across the commonwealth.

The Department, through the Child Care program, contracts with the CHFS Office of the Inspector General (OIG) to inspect, monitor, and license center-based providers, and inspect, monitor, and certify family childcare home providers who care for up to six (6) unrelated children. The OIG is also contracted to investigate complaints against licensed and certified providers as well as to conduct fraud investigations. State statute stipulates that an individual caseload of 1:50 be maintained for continuation of quality services; however, the current average individual case load is 1:100.

Collaborative efforts continue between the Child Care program and key stakeholders in order to ensure that outcomes will focus on continuing quality improvements in early learning environments. These efforts include partnerships with Head Start, the Department of Education, the Department for Public Health Division of Maternal and Child Health, Kentucky Out-of-School Alliance, Governor's Office of Early Childhood, and other government and quasi-government agencies that share the common goal of increasing professionalism in early care and education, promoting quality care, and supporting early learning guidelines.

Policy

The Budget of the Commonwealth includes General Fund in the amount of \$38,682,500 in fiscal year 2015 and \$58,132,000 in fiscal year 2016 to restore the Child Care Assistance Program (CCAP) by reopening intake to new low income children and families and restoring the eligibility threshold to fiscal year 2012 levels of 150% of federal poverty level.

The Budget of the Commonwealth includes \$4,054,900 in fiscal year 2015 and \$10,151,500 in fiscal year 2016 for the Race to the Top-Kentucky All*STARS federal grant to continue the Commonwealth's effort to improve the quality of early learning for Kentucky's youngest citizens.

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	180,639,900	189,798,000	191,822,200	207,691,800	209,633,200
State Salary and Compensation Allocation	2,952,100	190,600	381,200		
Other		-20,000,000			
Total General Fund	183,592,000	169,988,600	192,203,400	207,691,800	209,633,200
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	175,000	175,000	175,000	175,000	175,000
Continuing Approp.-Tobacco Settlement	2,911	27,943			
Other	25,000				
Total Tobacco Settlement - Phase I	202,911	202,943	175,000	175,000	175,000
Restricted Funds					
Balance Forward	15,330,776	31,921,687	5,668,100	4,246,300	2,108,700
Current Receipts	129,190,032	144,246,927	157,722,700	163,557,500	163,560,000
Non-Revenue Receipts	2,351,379	-8,713,467	-43,271,500	-41,839,000	-41,810,100
Fund Transfers	-2,416,000				
Total Restricted Funds	144,456,187	167,455,147	120,119,300	125,964,800	123,858,600
Federal Funds					
Balance Forward	223,590		1,415,000		
Current Receipts	148,264,563	132,136,835	162,276,600	165,929,500	166,564,000
ARRA Receipts	306,724	-41,321			
Total Federal Funds	148,794,877	132,095,514	163,691,600	165,929,500	166,564,000
TOTAL SOURCE OF FUNDS	477,045,974	469,742,204	476,189,300	499,761,100	500,230,800
EXPENDITURES BY CLASS					
Personnel Cost	126,517,941	133,074,908	138,399,000	146,943,400	150,301,400
Operating Expenses	22,310,701	21,936,165	22,701,100	22,199,700	21,420,200
Grants Loans Benefits	293,466,903	307,647,946	310,342,900	328,509,300	328,509,200
TOTAL EXPENDITURES	442,295,545	462,659,020	471,443,000	497,652,400	500,230,800
EXPENDITURES BY FUND SOURCE					
General Fund	180,791,200	169,988,600	191,703,400	207,691,800	209,633,200
Tobacco Settlement - Phase I	174,968	202,943	175,000	175,000	175,000
Restricted Funds	112,534,500	161,787,000	115,873,000	123,856,100	123,858,600
Federal Funds	148,794,877	130,680,478	163,691,600	165,929,500	166,564,000
TOTAL EXPENDITURES	442,295,545	462,659,020	471,443,000	497,652,400	500,230,800
EXPENDITURES BY UNIT					
Family Based Services	104,489,788	110,930,093	115,380,200	120,618,400	122,315,200
Adult Services	33,874,775	34,738,682	35,418,000	37,184,200	37,476,600
Alternatives For Children	303,930,982	316,990,246	320,644,800	339,849,800	340,439,000
TOTAL EXPENDITURES	442,295,545	462,659,020	471,443,000	497,652,400	500,230,800

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

The subprograms contained in Family and Community Services are Family Based Services, Adult Services, and Alternatives for Children. The legal authority for the program is in KRS Chapters 199, 200, 209 (Adult Protection), and 600-645, and in Titles IV, XIX and XX of the Social Security Act.

Family Based Services

Family-based services include child protection, reunification following out-of-home placement, home safety services, preventive services for families, community-based juvenile services, family preservation services, mental health services through contracts

with local comprehensive care centers, self-help services provided through local child abuse councils, and preventive assistance.

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

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

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

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

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

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

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

Adult Services

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

- Adult protection,
- Domestic violence protection,
- Adult home safety services (which is the direct provision of home safety services to adults at risk or in need of protection),
- Alternate care (also called patient movement and placement) which involves assisting individuals with appropriate community and institutional placements,
- Preventive services for adults which entails assessment, planning, and guidance,
- Services provided by domestic violence shelters and crisis centers,
- Services provided by rape crisis centers, and
- Certification of batterer intervention program providers.

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

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

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

DCBS is involved in placement and movement of individuals into, between, and out of facilities. Placement and Movement denotes assistance provided to Medicaid-eligible individuals. Alternate Care denotes assistance to non-Medicaid eligible individuals. Approximately 56,000 Kentuckians need alternate care or placement and movement services each year. The majority of these individuals have family or friends to assist them in finding alternate living arrangements. The Department assists those individuals who are not able to locate appropriate placements. Alternate Care Services help ensure that persons are not inappropriately placed in a level of care exceeding their need and thus promotes cost effectiveness. These services also help ensure that persons assisted receive the care they require.

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

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

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

Batterer intervention program providers are mental health professionals meeting certification standards specified by DCBS who provide services to domestic violence batterers.

Alternatives for Children

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

Family Foster Care takes place in the home of an agency-approved family. The development of alternative resources such as the Families and Children Together Services (FACTS), Family Preservation Program, Kinship Care or non-parental relative care, and Preventative Assistance has reduced the trend of more children placed in out-of-home care. Due to a projected budget shortfall in fiscal year 2014, a moratorium was implemented on the Kinship Care Program effective April 1, 2013. Relative caregivers and children in the program as of March 31, 2013 were not impacted.

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

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

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

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

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

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

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

Policy

The Budget of the Commonwealth includes General Fund in the amount of \$250,000 in each fiscal year to supplement operating funds of domestic violence shelters and \$250,000 in each fiscal year to supplement operation funds of rape crisis centers.

The Budget of the Commonwealth includes General Fund in the amount of \$532,500 in each fiscal year for domestic violence shelters, \$104,700 in each fiscal year for rape crisis centers and \$199,700 in each fiscal year for child advocacy centers to fully fund

the increase in employer contribution rates for the Kentucky Employees Retirement system.

The Budget of the Commonwealth includes savings as a result of the expansion of the Medicaid program under the Affordable Care Act. As a result of expanded coverage General Fund savings of \$1,100,000 in fiscal year 2015 and \$1,100,000 in fiscal year 2016 are included.

The Budget of the Commonwealth includes General Fund in the amount of \$3,000,000 in each fiscal year to increase reimbursement rates to private child caring agencies for residential services provided to children leveled IV and leveled V, beginning July 1, 2014.

The Budget of the Commonwealth includes General Fund in the amount of \$5,000,000 in each fiscal year to increase reimbursement rates to private child caring agencies for therapeutic foster care services provided to children in the level of care system, beginning July 1, 2014.

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	41,803,700	43,658,200	43,755,700	44,702,900	45,252,100
State Salary and Compensation Allocation	158,500	10,100	20,200		
Total General Fund	41,962,200	43,668,300	43,775,900	44,702,900	45,252,100
Restricted Funds					
Balance Forward	577,333	1,199,895	687,200		
Current Receipts	1,188,649	1,350,085	902,100	1,307,200	1,307,200
Non-Revenue Receipts	1,923,326	1,171,237	1,655,000	1,562,100	1,182,100
Fund Transfers	-81,700				
Total Restricted Funds	3,607,609	3,721,216	3,244,300	2,869,300	2,489,300
Federal Funds					
Balance Forward		128,659			
Current Receipts	22,495,974	21,214,880	24,829,300	24,829,300	24,829,300
Non-Revenue Receipts	-62,524	992,240			
ARRA Receipts	366,676	39,413			
Total Federal Funds	22,800,127	22,375,192	24,829,300	24,829,300	24,829,300
TOTAL SOURCE OF FUNDS	68,369,935	69,764,708	71,849,500	72,401,500	72,570,700
EXPENDITURES BY CLASS					
Personnel Cost	6,711,126	7,289,686	7,796,100	8,336,600	8,515,600
Operating Expenses	673,657	849,459	943,000	949,000	939,200
Grants Loans Benefits	58,555,099	60,938,376	63,110,400	63,115,900	63,115,900
TOTAL EXPENDITURES	65,939,882	69,077,520	71,849,500	72,401,500	72,570,700
EXPENDITURES BY FUND SOURCE					
General Fund	40,860,700	43,668,300	43,775,900	44,702,900	45,252,100
Restricted Funds	2,407,714	3,034,029	3,244,300	2,869,300	2,489,300
Federal Funds	22,671,468	22,375,192	24,829,300	24,829,300	24,829,300
TOTAL EXPENDITURES	65,939,882	69,077,520	71,849,500	72,401,500	72,570,700
EXPENDITURES BY UNIT					
Aging and Independent Living	60,563,073	62,841,113	64,746,000	64,961,100	65,016,600
Guardianship	5,376,809	6,236,407	7,103,500	7,440,400	7,554,100
TOTAL EXPENDITURES	65,939,882	69,077,520	71,849,500	72,401,500	72,570,700

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

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	37,711,500	37,752,000	37,455,700	38,051,800	38,487,300
State Salary and Compensation Allocation			6,000		
Other	-470,300	375,000			
Total General Fund	37,241,200	38,127,000	37,461,700	38,051,800	38,487,300
Restricted Funds					
Balance Forward	577,251	1,121,526	326,900		
Current Receipts	584,954	659,667	759,700	804,500	804,500
Non-Revenue Receipts	1,636,726	884,637	1,368,400	1,275,500	895,500
Fund Transfers	-45,300				
Total Restricted Funds	2,753,631	2,665,830	2,455,000	2,080,000	1,700,000
Federal Funds					
Balance Forward		128,659			
Current Receipts	22,495,974	21,214,880	24,829,300	24,829,300	24,829,300
Non-Revenue Receipts	-62,524	992,240			
ARRA Receipts	366,676	39,413			
Total Federal Funds	22,800,127	22,375,192	24,829,300	24,829,300	24,829,300
TOTAL SOURCE OF FUNDS	62,794,957	63,168,022	64,746,000	64,961,100	65,016,600
EXPENDITURES BY CLASS					
Personnel Cost	1,745,883	1,674,189	1,906,700	2,105,600	2,170,900
Operating Expenses	262,091	228,548	223,700	229,700	219,900
Grants Loans Benefits	58,555,099	60,938,376	62,615,600	62,625,800	62,625,800
TOTAL EXPENDITURES	60,563,073	62,841,113	64,746,000	64,961,100	65,016,600
EXPENDITURES BY FUND SOURCE					
General Fund	36,259,500	38,127,000	37,461,700	38,051,800	38,487,300
Restricted Funds	1,632,105	2,338,922	2,455,000	2,080,000	1,700,000
Federal Funds	22,671,468	22,375,192	24,829,300	24,829,300	24,829,300
TOTAL EXPENDITURES	60,563,073	62,841,113	64,746,000	64,961,100	65,016,600

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

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

The services administered to achieve these goals include:

- Nutritional Services provided through agreements with the AAA's include the Nutritional Services Incentive Program: For persons ages 60 and over, provides congregate meals at senior centers and home-delivered meals to the homebound elderly in each Kentucky county

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

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	4,092,200	5,906,200	6,300,000	6,651,100	6,764,800
State Salary and Compensation Allocation	158,500	10,100	14,200		
Other	470,300	-375,000			
Total General Fund	4,721,000	5,541,300	6,314,200	6,651,100	6,764,800
Restricted Funds					
Balance Forward	83	78,369	360,300		
Current Receipts	603,695	690,418	142,400	502,700	502,700
Non-Revenue Receipts	286,600	286,600	286,600	286,600	286,600
Fund Transfers	-36,400				
Total Restricted Funds	853,978	1,055,386	789,300	789,300	789,300
TOTAL SOURCE OF FUNDS	5,574,978	6,596,686	7,103,500	7,440,400	7,554,100
EXPENDITURES BY CLASS					
Personnel Cost	4,965,244	5,615,496	5,889,400	6,231,000	6,344,700
Operating Expenses	411,566	620,911	719,300	719,300	719,300
Grants Loans Benefits			494,800	490,100	490,100
TOTAL EXPENDITURES	5,376,809	6,236,407	7,103,500	7,440,400	7,554,100
EXPENDITURES BY FUND SOURCE					
General Fund	4,601,200	5,541,300	6,314,200	6,651,100	6,764,800
Restricted Funds	775,609	695,107	789,300	789,300	789,300
TOTAL EXPENDITURES	5,376,809	6,236,407	7,103,500	7,440,400	7,554,100

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

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

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

**Health and Family Services
Health Benefit Exchange**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	16,581,400	14,867,200	14,657,300		
Budget Reduction-General Fund Tobacco	-149,617		-14,657,300		
Other		1,547,022			
Total Tobacco Settlement - Phase I	16,431,783	16,414,222			
Restricted Funds					
Balance Forward	240,432	130,889	13,100		
Non-Revenue Receipts	3,250,600	3,001,627	3,649,800	14,021,200	23,404,900
Fund Transfers	-14,500				
Total Restricted Funds	3,476,532	3,132,516	3,662,900	14,021,200	23,404,900
Federal Funds					
Balance Forward			61,600		
Current Receipts	1,581,283	9,403,080	40,911,100	19,916,200	3,483,400
Total Federal Funds	1,581,283	9,403,080	40,972,700	19,916,200	3,483,400
TOTAL SOURCE OF FUNDS	21,489,598	28,949,819	44,635,600	33,937,400	26,888,300
EXPENDITURES BY CLASS					
Personnel Cost	20,297,558	22,323,944	36,994,100	30,898,800	23,949,700
Operating Expenses	20,617	617,361	6,842,800	2,938,600	2,938,600
Grants Loans Benefits	1,040,533	841,436	798,700	100,000	
Construction		5,092,355			
TOTAL EXPENDITURES	21,358,709	28,875,097	44,635,600	33,937,400	26,888,300
EXPENDITURES BY FUND SOURCE					
Tobacco Settlement - Phase I	16,431,783	16,414,222			
Restricted Funds	3,345,643	3,119,458	3,662,900	14,021,200	23,404,900
Federal Funds	1,581,283	9,341,416	40,972,700	19,916,200	3,483,400
TOTAL EXPENDITURES	21,358,709	28,875,097	44,635,600	33,937,400	26,888,300
EXPENDITURES BY UNIT					
Health Benefit Exchange	21,358,709	28,875,097	44,635,600	33,937,400	26,888,300
TOTAL EXPENDITURES	21,358,709	28,875,097	44,635,600	33,937,400	26,888,300

The Office of the Kentucky Health Benefit Exchange (OKHBE) and the Kentucky Health Benefit Exchange (KHBE) were established by Executive Order 2013-418. OKHBE is charged with developing and implementing the KHBE. The Affordable Care Act (Patient Protection and Affordable Care Act, P.L. 111-148, as amended by the Health Care and Education Reconciliation Act, P.L. 111-152), requires the establishment of an American Health Benefit Exchange in each state. The KHBE, known as kynect, serves as a marketplace to facilitate the purchase and sale of qualified health plans in the individual market; assists qualified small employers to enroll their employees in qualified health plans offered in the small group market; provides one-stop shopping by helping eligible individuals enroll in qualified health plans offered through the Exchange or coverage through other federal or state health care programs including Medicaid and CHIP; and enables eligible individuals to receive premium tax credits and cost sharing reductions and eligible small businesses to receive tax credits. Open enrollment for KHBE began October 1, 2013 and ends March 31, 2014 with coverage beginning as soon as January 1, 2014.

The Exchange has four functions: Health Care Policy Administration, Financial and Operations Administration, Education and Outreach, and Kentucky Access. The Kentucky Health Care Improvement Authority is also attached to the Office of the Kentucky Health Benefit Exchange.

Health Care Policy Administration includes certification of qualified health plans, overseeing legislative and regulatory efforts related to the Exchange, and appeals. Financial and Operations Administration is responsible for overseeing the budget and contracts and administering employer premium payments for the small employer program. Education and Outreach supports consumer assistance efforts related to the Exchange. Kentucky Access administers the state high risk pool which provides medical coverage to individuals who have difficulty in obtaining health insurance in the individual insurance market due to high cost conditions. The last day of coverage for Kentucky Access was December 31, 2013. Kentucky Access funds will continue to pay for claims incurred prior to January 1, 2014.

The Kentucky Health Care Improvement Authority is responsible for oversight of the expenditures of the tobacco settlement payments that are provided for public health initiatives. The Authority monitors four programs: Kentucky Access, Kentucky Lung Cancer Research Program, Tobacco Use Prevention and Cessation Program, Kentucky Agency for Substance Abuse Policy.

Justice and Public Safety

Justice and Public Safety

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	629,988,000	649,764,300	651,738,400	679,564,200	692,339,200
State Salary and Compensation Allocation	17,247,700	913,700	1,836,900		
Special Appropriation	-1,200,000				
Current Year Appropriation			11,625,400		
Mandated Allotments	20,538,500	25,000,000	18,163,800		
Total General Fund	666,574,200	675,678,000	683,364,500	679,564,200	692,339,200
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	1,923,400	1,724,500	1,700,200	1,700,200	1,241,100
Continuing Approp.-Tobacco Settlement			47,100		
Budget Reduction-General Fund Tobacco	-17,355		-851,900		
Total Tobacco Settlement - Phase I	1,906,045	1,724,500	895,400	1,700,200	1,241,100
Restricted Funds					
Balance Forward	21,158,915	33,997,406	30,157,500	10,485,900	5,621,200
Current Receipts	43,775,243	42,498,337	40,010,900	47,635,000	47,863,700
Non-Revenue Receipts	78,077,662	85,866,334	68,615,500	79,730,500	81,472,600
Fund Transfers	-3,757,980	-17,041,100	-17,488,800	-16,530,000	-11,000,000
Total Restricted Funds	139,253,840	145,320,978	121,295,100	121,321,400	123,957,500
Federal Funds					
Balance Forward	6,628,264	2,343,972	953,100	558,600	279,300
Current Receipts	33,773,018	39,943,763	46,493,800	38,705,700	36,545,600
Non-Revenue Receipts	3,638,435	-788,580	-6,098,400		
ARRA Receipts	1,959,330	893,695			
Total Federal Funds	45,999,046	42,392,850	41,348,500	39,264,300	36,824,900
Road Fund					
Regular Appropriation	83,251,500	89,475,900	91,898,200	95,745,500	96,845,800
Total Road Fund	83,251,500	89,475,900	91,898,200	95,745,500	96,845,800
TOTAL SOURCE OF FUNDS	936,984,632	954,592,228	938,801,700	937,595,600	951,208,500
EXPENDITURES BY CLASS					
Personnel Cost	502,607,507	533,094,725	546,877,500	559,533,900	569,965,000
Operating Expenses	107,224,192	115,671,319	115,469,500	115,260,300	115,235,000
Grants Loans Benefits	259,176,947	263,307,948	258,184,600	250,450,200	250,737,300
Debt Service	5,188,322	2,376,324	2,135,900	2,510,400	3,003,000
Capital Outlay	5,182,960	6,382,247	5,089,400	3,940,000	3,550,000
Construction	23,024	13,946	300	300	300
TOTAL EXPENDITURES	879,402,952	920,846,510	927,757,200	931,695,100	942,490,600
EXPENDITURES BY FUND SOURCE					
General Fund	646,522,599	673,089,889	683,364,500	679,564,200	692,339,200
Tobacco Settlement - Phase I	1,906,045	1,677,390	895,400	1,700,200	1,241,100
Restricted Funds	105,256,434	115,163,548	110,809,200	115,700,200	115,239,600
Federal Funds	43,655,074	41,439,783	40,789,900	38,985,000	36,824,900
Road Fund	82,062,800	89,475,900	91,898,200	95,745,500	96,845,800
TOTAL EXPENDITURES	879,402,952	920,846,510	927,757,200	931,695,100	942,490,600
EXPENDITURES BY UNIT					
Justice Administration	28,586,328	26,851,251	28,350,500	27,825,000	27,401,600
Criminal Justice Training	47,431,666	48,799,186	49,497,200	52,240,000	52,040,000
Juvenile Justice	97,750,935	102,367,558	104,295,200	103,703,800	105,189,800
State Police	181,599,312	200,115,391	196,991,200	204,327,200	206,962,600
Corrections	480,429,295	495,994,743	499,299,400	492,786,800	499,067,400
Public Advocacy	43,605,416	46,718,380	49,323,700	50,812,300	51,829,200
TOTAL EXPENDITURES	879,402,952	920,846,510	927,757,200	931,695,100	942,490,600

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

The Cabinet is comprised of six departments:

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

**Justice and Public Safety
Justice Administration**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	10,022,300	10,128,600	10,273,900	11,095,700	11,210,300
State Salary and Compensation Allocation	444,400	9,300	18,600		
Total General Fund	10,466,700	10,137,900	10,292,500	11,095,700	11,210,300
Tobacco Settlement - Phase I					
Tobacco Settlement - Phase I	1,923,400	1,724,500	1,700,200	1,700,200	1,241,100
Continuing Approp.-Tobacco Settlement			47,100		
Budget Reduction-General Fund Tobacco	-17,355		-851,900		
Total Tobacco Settlement - Phase I	1,906,045	1,724,500	895,400	1,700,200	1,241,100
Restricted Funds					
Balance Forward	2,631,089	1,690,237	1,666,400	1,201,900	853,200
Current Receipts	630,349	1,047,966	1,258,300	1,238,200	1,239,900
Non-Revenue Receipts	4,013,000	3,972,500	4,071,900	2,306,600	2,312,100
Fund Transfers	-109,900				
Total Restricted Funds	7,164,538	6,710,703	6,996,600	4,746,700	4,405,200
Federal Funds					
Balance Forward	5,618,996	1,387,492	144,800		
Current Receipts	5,655,610	10,299,101	11,223,100	11,135,600	11,135,600
Non-Revenue Receipts	1,431,867	-708,755			
ARRA Receipts	109,502	-841,537			
Total Federal Funds	12,815,975	10,136,301	11,367,900	11,135,600	11,135,600
TOTAL SOURCE OF FUNDS	32,353,258	28,709,404	29,552,400	28,678,200	27,992,200
EXPENDITURES BY CLASS					
Personnel Cost	12,397,595	12,761,521	13,248,900	12,213,500	12,324,900
Operating Expenses	1,676,794	1,310,605	1,316,300	1,289,900	1,289,900
Grants Loans Benefits	14,448,346	12,731,537	13,734,400	14,295,100	13,760,300
Capital Outlay	63,593	46,148	50,900	26,500	26,500
Construction		1,440			
TOTAL EXPENDITURES	28,586,328	26,851,251	28,350,500	27,825,000	27,401,600
EXPENDITURES BY FUND SOURCE					
General Fund	9,777,500	10,137,900	10,292,500	11,095,700	11,210,300
Tobacco Settlement - Phase I	1,906,045	1,677,390	895,400	1,700,200	1,241,100
Restricted Funds	5,474,301	5,044,436	5,794,700	3,893,500	3,814,600
Federal Funds	11,428,483	9,991,524	11,367,900	11,135,600	11,135,600
TOTAL EXPENDITURES	28,586,328	26,851,251	28,350,500	27,825,000	27,401,600
EXPENDITURES BY UNIT					
Secretary	4,188,301	3,931,254	3,970,000	4,575,900	4,616,700
Office of Drug Control Policy	5,923,245	5,750,001	4,957,200	3,990,700	3,538,100
Medical Examiner Program	4,094,769	4,147,218	4,515,800	4,439,400	4,438,400
Parole Board	832,284	883,135	912,300	979,800	995,600
Grants	11,702,894	10,354,690	11,960,000	11,780,500	11,748,600
Criminal Justice Council	205,677	193,661	283,100	306,600	312,100
Motorcycle Training Program	889,158	841,293	1,002,100	1,002,100	1,002,100
Access to Justice	750,000	750,000	750,000	750,000	750,000
TOTAL EXPENDITURES	28,586,328	26,851,251	28,350,500	27,825,000	27,401,600

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

The Office of the Secretary is responsible for the administration of the Cabinet, provision of legal services, development of legislation, regulation, policy and coordination of activities within and among the Cabinet's departments and agencies.

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

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

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

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

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

The External Child Fatality/Near Fatality Review Panel, established in KRS 620.055, is attached to the Justice and Public Safety Cabinet for staff and administrative purposes.

Policy

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

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

The Budget of the Commonwealth includes \$420,000 in each year of the biennium from the General Fund for the new External Child Fatality/Near Fatality Review Panel.

The Budget of the Commonwealth provides \$250,000 each year of the biennium from the General Fund to support the Kentucky Legal Education Opportunity Program and \$25,000 in fiscal year 2015 to support a Court Appointed Special Advocates in Hardin County.

**Justice and Public Safety
Criminal Justice Training**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
Restricted Funds					
Balance Forward	4,078,000	13,493,682	9,045,600	4,715,900	3,561,500
Current Receipts	722,023	1,770,235	700,000	700,000	700,000
Non-Revenue Receipts	57,152,451	59,458,194	61,788,500	63,727,600	65,559,200
Fund Transfers	-1,105,800	-17,041,100	-17,488,800	-13,530,000	-11,000,000
Total Restricted Funds	60,846,674	57,681,010	54,045,300	55,613,500	58,820,700
Federal Funds					
Balance Forward	18,377	4,608			
Current Receipts	64,904	122,370	167,800	188,000	140,000
Non-Revenue Receipts		36,817			
Total Federal Funds	83,281	163,795	167,800	188,000	140,000
TOTAL SOURCE OF FUNDS	60,929,955	57,844,805	54,213,100	55,801,500	58,960,700
EXPENDITURES BY CLASS					
Personnel Cost	16,923,289	17,669,674	18,618,100	19,702,500	19,911,500
Operating Expenses	2,444,077	2,616,491	2,946,200	2,951,900	2,928,400
Grants Loans Benefits	25,748,281	26,143,406	25,727,000	26,908,700	26,919,600
Debt Service	2,211,322	2,167,824	2,135,900	2,136,900	2,140,500
Capital Outlay	98,411	197,996	70,000	540,000	140,000
Construction	6,286	3,793			
TOTAL EXPENDITURES	47,431,666	48,799,186	49,497,200	52,240,000	52,040,000
EXPENDITURES BY FUND SOURCE					
Restricted Funds	47,352,993	48,635,391	49,329,400	52,052,000	51,900,000
Federal Funds	78,673	163,795	167,800	188,000	140,000
TOTAL EXPENDITURES	47,431,666	48,799,186	49,497,200	52,240,000	52,040,000
EXPENDITURES BY UNIT					
Kentucky Law Enforcement Program Fund	46,383,446	47,423,352	48,168,600	50,847,900	50,687,100
Peace Officer Professional Standards	524,700	591,965	680,900	704,400	709,800
Special Training Programs	523,520	783,869	647,700	687,700	643,100
TOTAL EXPENDITURES	47,431,666	48,799,186	49,497,200	52,240,000	52,040,000

The Department of Criminal Justice Training (DOCJT) is responsible for the training of law enforcement professionals as provided under Kentucky Revised Statutes, Chapters 15, 15A, 16, 70, 72, 95, and KRS 403.785(2), along with 500 KAR 8:010. Basic and specialized training courses are offered to police officers, dispatchers, sheriffs, deputies, coroners, certified court-security officers, school resource officers, and certain other agencies upon request. Course curriculum includes training in basic law enforcement, telecommunications, coroner training, AIDS, post-traumatic stress disorder (PTSD), pediatric- abuse head trauma, child sexual abuse, juvenile crime, domestic violence, bias-related crimes, penal code and constitutional law, tactical training in rapid response, crisis intervention, response to persons with special needs, professional development, executive and staff training, leadership development, internet crime, and breath testing. Training is conducted at the Training Center on the Eastern Kentucky University campus and at regional sites.

The DOCJT operates two training programs: the Kentucky Law Enforcement Foundation Program Fund (KLEFPF), and the Special Training programs, in addition to the Peace Officers Professional Standards (POPS) program. The KLEFPF agency resources are derived from property and casualty insurance premium surcharge proceeds, which accrue pursuant to KRS 136.392, and are allocated by KRS 42.190 between the KLEFPF and the Kentucky Firefighters Foundation Program Fund. The Department provides entry-level and in-service training for approximately 22,000 seats each year, totaling approximately 617,000 hours of training.

Policy

The Budget of the Commonwealth includes Restricted Funds of \$5,629,000 in fiscal year 2015 and \$5,637,600 in fiscal year 2016 for a \$3,100 training incentive stipend for state troopers, arson investigators, hazardous devices investigators, legislative security specialists, and Vehicle Enforcement officers within the Kentucky State Police. Each eligible must meet the requirements of Peace Officer Professional Standards Act training. The stipend payments are provided from the Kentucky Law Enforcement Foundation Program Fund (KLEFPF).

The Budget of the Commonwealth provides funding for approximately 7,300 training incentive stipend recipients each year.

The Budget of the Commonwealth includes \$50,847,900 in fiscal year 2015 and \$50,687,100 in fiscal year 2016 for the Kentucky Law Enforcement Foundation Program Fund.

**Justice and Public Safety
Juvenile Justice**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	76,467,900	79,405,400	80,848,700	81,507,800	83,322,700
State Salary and Compensation Allocation	3,328,100	177,900	355,800		
Total General Fund	79,796,000	79,583,300	81,204,500	81,507,800	83,322,700
Restricted Funds					
Balance Forward	5,535,476	8,580,144	6,334,100	3,328,900	
Current Receipts	1,765,153	1,337,695	1,385,600	1,385,600	1,385,600
Non-Revenue Receipts	10,159,482	8,616,121	6,275,700	8,775,700	8,775,700
Fund Transfers	-425,100			-3,000,000	
Total Restricted Funds	17,035,010	18,533,961	13,995,400	10,490,200	10,161,300
Federal Funds					
Balance Forward	928,578	951,873	808,300	558,600	279,300
Current Receipts	12,342,665	10,397,359	12,174,500	11,426,500	11,426,500
Non-Revenue Receipts	-12,509	-17,821			
ARRA Receipts	73,308	61,250			
Total Federal Funds	13,332,041	11,392,660	12,982,800	11,985,100	11,705,800
TOTAL SOURCE OF FUNDS	110,163,052	109,509,920	108,182,700	103,983,100	105,189,800
EXPENDITURES BY CLASS					
Personnel Cost	74,678,088	76,677,761	77,762,100	83,138,200	85,086,200
Operating Expenses	9,506,755	9,477,960	9,913,800	9,666,800	9,498,000
Grants Loans Benefits	13,325,946	14,919,840	16,527,300	10,798,800	10,495,600
Capital Outlay	240,145	1,291,998	92,000	100,000	110,000
TOTAL EXPENDITURES	97,750,935	102,367,558	104,295,200	103,703,800	105,189,800
EXPENDITURES BY FUND SOURCE					
General Fund	76,915,900	79,583,300	81,204,500	81,507,800	83,322,700
Restricted Funds	8,454,866	12,199,890	10,666,500	10,490,200	10,161,300
Federal Funds	12,380,169	10,584,368	12,424,200	11,705,800	11,705,800
TOTAL EXPENDITURES	97,750,935	102,367,558	104,295,200	103,703,800	105,189,800
EXPENDITURES BY UNIT					
Program Management	1,063,900	1,251,200	1,295,700	1,391,100	1,413,200
Program Operations	89,779,335	94,191,658	95,830,600	95,114,600	96,450,500
Support Services	6,907,700	6,924,700	7,168,900	7,198,100	7,326,100
TOTAL EXPENDITURES	97,750,935	102,367,558	104,295,200	103,703,800	105,189,800

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

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

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

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

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

Group Home Beds = 80

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

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

Residential Beds = 444

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

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

Detention Beds = 356

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

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

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

Community Services provide services to juvenile offenders. Workers in the community offices develop service objectives and

comprehensive service plans for juvenile offenders and their families. These workers supervise over 3,000 juvenile offenders and recommend any necessary out-of-home placements.

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

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

Policy

The Budget of the Commonwealth shifts base funding in the amount of \$550,000 from the General Fund each fiscal year of the biennium from the Department of Juvenile Justice to the Department of Military Affairs for the Youth Challenge Program.

**Justice and Public Safety
State Police**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	65,505,300	65,296,000	66,990,600	74,315,600	75,788,600
State Salary and Compensation Allocation	5,477,500	104,900	210,000		
Current Year Appropriation			7,225,400		
Total General Fund	70,982,800	65,400,900	74,426,000	74,315,600	75,788,600
Restricted Funds					
Balance Forward	5,825,452	6,917,688	5,271,800	1,206,500	1,206,500
Current Receipts	13,193,239	13,860,496	22,391,900	22,704,100	22,766,300
Non-Revenue Receipts	6,740,958	13,175,383	-7,352,200		
Fund Transfers	-946,900				
Total Restricted Funds	24,812,750	33,953,568	20,311,500	23,910,600	23,972,800
Federal Funds					
Balance Forward	62,313				
Current Receipts	11,567,363	15,111,520	17,660,400	11,562,000	11,562,000
Non-Revenue Receipts	2,272,354	-228,715	-6,098,400		
ARRA Receipts	1,776,521	1,673,983			
Total Federal Funds	15,678,551	16,556,788	11,562,000	11,562,000	11,562,000
Road Fund					
Regular Appropriation	83,251,500	89,475,900	91,898,200	95,745,500	96,845,800
Total Road Fund	83,251,500	89,475,900	91,898,200	95,745,500	96,845,800
TOTAL SOURCE OF FUNDS	194,725,601	205,387,155	198,197,700	205,533,700	208,169,200
EXPENDITURES BY CLASS					
Personnel Cost	140,627,170	152,809,869	154,628,700	161,376,500	163,747,000
Operating Expenses	36,091,778	42,179,004	38,661,400	38,991,600	38,998,500
Grants Loans Benefits	1,123,818	773,383	700,800	700,800	700,800
Debt Service		88,000		258,000	516,000
Capital Outlay	3,739,984	4,259,135	3,000,000	3,000,000	3,000,000
Construction	16,563	6,001	300	300	300
TOTAL EXPENDITURES	181,599,312	200,115,391	196,991,200	204,327,200	206,962,600
EXPENDITURES BY FUND SOURCE					
General Fund	65,962,900	65,400,900	74,426,000	74,315,600	75,788,600
Restricted Funds	17,895,062	28,681,803	19,105,000	22,704,100	22,766,200
Federal Funds	15,678,551	16,556,788	11,562,000	11,562,000	11,562,000
Road Fund	82,062,800	89,475,900	91,898,200	95,745,500	96,845,800
TOTAL EXPENDITURES	181,599,312	200,115,391	196,991,200	204,327,200	206,962,600
EXPENDITURES BY UNIT					
Administration	20,901,966	25,367,186	27,819,800	29,164,600	29,624,900
Technical Services	32,443,537	38,914,387	37,490,000	37,580,600	37,925,900
Operations	108,359,098	118,628,090	115,465,900	121,338,000	122,977,600
Commercial Vehicle Enforcement	19,894,712	17,205,728	16,215,500	16,244,000	16,434,200
TOTAL EXPENDITURES	181,599,312	200,115,391	196,991,200	204,327,200	206,962,600

The Kentucky State Police is the statewide law enforcement agency of the Commonwealth. The State Police was established in 1948. State Troopers are assigned to 16 regional posts and Commercial Vehicle Enforcement officers are assigned to 6 regions. The Department is responsible for the enforcement of criminal and traffic laws, along with white-collar crime, organized crime, electronic crime, racketeering, and drug-related crime. The State Police also provide protection for the Governor, Lieutenant Governor, their families, and property. The Kentucky State Police is comprised of four divisions: Administrative, Operations, Technical Services, and Commercial Vehicle Enforcement.

The Administrative Division, which includes the Office of the Commissioner, provides professional support services for the Department. These services include organizational policy, personnel, properties management and supplies, payroll, employee

assistance, fiscal, internal investigations, and inspections. Media relations, training, analysis, research, strategic planning, and information coordination are other functions performed in this division. The State Police Drivers Testing Stations, Facilities Security, and Legislative Detail are also part of this division and provide external support to citizens and other public officials of Kentucky.

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

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

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

Kentucky State Police was transferred ownership of 362 acres and facilities from the Department of Corrections on July 1, 2011 to be used as the Kentucky State Police Training Academy. In 2013, a \$2 million bond funded project was authorized to demolish the administration building and construct a new building with office, conference room and replacement classroom.

Policy

The Budget of the Commonwealth includes Restricted Funds of \$5,629,000 in fiscal year 2015 and \$5,637,600 in fiscal year 2016 for a \$3,100 training incentive stipend for state troopers, arson investigators, hazardous devices investigators, legislative security specialists, and Vehicle Enforcement officers within the Kentucky State Police. The stipend payments are provided from the Kentucky Law Enforcement Foundation Program Fund (KLEFPF).

The Budget of the Commonwealth provides General Fund debt service in the amount of \$258,000 in fiscal year 2015 and \$516,000 in fiscal year 2016 to support new bonds for capital projects.

The Budget of the Commonwealth includes General Fund resources in the amount of \$7,225,400 in fiscal year 2014 and \$5,000,000 (\$4,575,500 from the General Fund and \$424,500 from the Road Fund) each year of the biennium to cover the cumulative shortfall from prior fiscal years stemming from cost increases in the areas of motor fuels, health insurance, equipment replacement and retirement payouts.

The Budget of the Commonwealth provides additional Road Fund in the amount of \$884,400 each fiscal year for additional Trooper R Officers.

**Justice and Public Safety
Corrections**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	440,797,000	454,960,300	452,946,600	466,330,800	474,544,700
State Salary and Compensation Allocation	6,017,700	551,400	1,102,800		
Special Appropriation	-1,200,000				
Mandated Allotments	20,538,500	25,000,000	18,163,800		
Total General Fund	466,153,200	480,511,700	472,213,200	466,330,800	474,544,700
Restricted Funds					
Balance Forward	3,081,780	3,235,441	7,782,400	32,700	
Current Receipts	23,823,053	20,973,525	13,169,200	20,550,100	20,761,600
Non-Revenue Receipts	-53,064	-567,943	2,800,000	2,800,000	2,800,000
Fund Transfers	-1,106,680				
Total Restricted Funds	25,745,090	23,641,023	23,751,600	23,382,800	23,561,600
Federal Funds					
Current Receipts	2,080,079	1,748,650	3,367,300	3,073,200	961,100
Non-Revenue Receipts	-259,833	463,971			
Total Federal Funds	1,820,246	2,212,621	3,367,300	3,073,200	961,100
TOTAL SOURCE OF FUNDS	493,718,536	506,365,344	499,332,100	492,786,800	499,067,400
EXPENDITURES BY CLASS					
Personnel Cost	219,884,298	232,360,485	240,069,200	238,950,800	243,748,600
Operating Expenses	52,057,644	54,247,409	55,888,600	55,730,200	55,867,800
Grants Loans Benefits	204,497,131	208,713,917	201,465,100	197,716,800	198,831,000
Debt Service	2,977,000	120,500		115,500	346,500
Capital Outlay	1,013,045	552,241	1,876,500	273,500	273,500
Construction	176	190			
TOTAL EXPENDITURES	480,429,295	495,994,743	499,299,400	492,786,800	499,067,400
EXPENDITURES BY FUND SOURCE					
General Fund	456,099,400	477,923,589	472,213,200	466,330,800	474,544,700
Restricted Funds	22,509,649	15,858,533	23,718,900	23,382,800	23,561,600
Federal Funds	1,820,246	2,212,621	3,367,300	3,073,200	961,100
TOTAL EXPENDITURES	480,429,295	495,994,743	499,299,400	492,786,800	499,067,400
EXPENDITURES BY UNIT					
Corrections Management	12,258,938	9,614,513	10,099,000	10,064,100	10,009,800
Adult Correctional Institutions	282,562,641	286,967,035	278,554,800	263,914,100	265,819,600
Community Services and Local Facilities	171,501,316	182,449,295	191,608,600	200,645,500	204,872,900
Local Jail Support	14,106,400	16,963,900	19,037,000	18,163,100	18,365,100
TOTAL EXPENDITURES	480,429,295	495,994,743	499,299,400	492,786,800	499,067,400

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

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

supervision release; and to allow for good time credit that reduces the sentence while on parole.

Policy

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

2014 - 2016 Felon and Community Beds Forecast

	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>
Felons*	20,623	20,867	21,112
Other**	<u>2,060</u>	<u>2,110</u>	<u>2,110</u>
Total	22,683	22,461	22,625

* The incarcerated felon forecast is a consensus estimating process involving a nationally-known Corrections consulting firm, the Department of Corrections, and the Office of the State Budget Director

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

The Budget of the Commonwealth includes additional General Fund in the amount of \$18,163,800 in fiscal year 2014 as a result of 1,662 more inmates than forecasted in the fiscal year 2014 budget.

**Justice and Public Safety
Corrections
Corrections Management**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	12,235,300	9,493,900	9,537,200	9,459,200	9,634,800
State Salary and Compensation Allocation	522,700	20,000	40,000		
Total General Fund	12,758,000	9,513,900	9,577,200	9,459,200	9,634,800
Restricted Funds					
Balance Forward	208,340	200,676	332,700	32,700	
Current Receipts	100,783	141,191		267,300	300,000
Fund Transfers	-4,700				
Total Restricted Funds	304,422	341,867	332,700	300,000	300,000
Federal Funds					
Current Receipts	352,985	138,598	221,800	304,900	75,000
Non-Revenue Receipts	-37,993	-47,123			
Total Federal Funds	314,992	91,475	221,800	304,900	75,000
TOTAL SOURCE OF FUNDS	13,377,414	9,947,242	10,131,700	10,064,100	10,009,800
EXPENDITURES BY CLASS					
Personnel Cost	7,962,331	8,606,869	8,842,100	8,788,900	8,733,800
Operating Expenses	1,276,067	1,007,645	1,256,900	1,275,200	1,276,000
Debt Service	2,977,000				
Capital Outlay	43,540				
TOTAL EXPENDITURES	12,258,938	9,614,513	10,099,000	10,064,100	10,009,800
EXPENDITURES BY FUND SOURCE					
General Fund	11,840,200	9,513,900	9,577,200	9,459,200	9,634,800
Restricted Funds	103,746	9,138	300,000	300,000	300,000
Federal Funds	314,992	91,475	221,800	304,900	75,000
TOTAL EXPENDITURES	12,258,938	9,614,513	10,099,000	10,064,100	10,009,800
EXPENDITURES BY UNIT					
Commissioner	5,377,628	6,031,943	6,199,300	6,056,200	5,936,900
Corrections Training	1,592,894	1,640,792	1,739,000	1,723,500	1,747,300
Administrative Services	1,724,660	1,356,414	1,581,300	1,662,400	1,690,100
Division of Personnel	586,756	585,364	579,400	622,000	635,500
TOTAL EXPENDITURES	9,281,938	9,614,513	10,099,000	10,064,100	10,009,800

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

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

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

The Division of Administrative Services, referenced in KRS 12.020, is comprised of two branches that provide support services to the entire Department in accounting and purchasing, property inventory, and budgeting. The Division of Administrative Services also includes the Contract Management Branch, which is charged with the responsibility for administering the contracts for the Commonwealth's privately operated correctional facilities. This branch oversees contracts with 25 halfway houses located

across the state which provide housing for approximately 2,094 community custody inmates and parolees, which includes community placements with the Recovery Kentucky substance abuse programs.

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	273,313,700	270,450,800	273,298,400	244,855,800	247,866,500
State Salary and Compensation Allocation	4,343,900	438,100	876,200		
Other	-4,283,700		-15,014,200		
Total General Fund	273,373,900	270,888,900	259,160,400	244,855,800	247,866,500
Restricted Funds					
Balance Forward	1,453,823	2,386,934	5,633,500		
Current Receipts	17,657,351	19,488,871	11,955,400	17,252,800	17,431,600
Non-Revenue Receipts	-53,073	-567,934			
Fund Transfers	-1,101,980				
Total Restricted Funds	17,956,121	21,307,871	17,588,900	17,252,800	17,431,600
Federal Funds					
Current Receipts	950,433	803,613	1,805,500	1,805,500	521,500
Non-Revenue Receipts	-113,779	277,151			
Total Federal Funds	836,654	1,080,763	1,805,500	1,805,500	521,500
TOTAL SOURCE OF FUNDS	292,166,675	293,277,535	278,554,800	263,914,100	265,819,600
EXPENDITURES BY CLASS					
Personnel Cost	175,361,251	183,198,372	182,979,000	178,922,500	181,712,600
Operating Expenses	45,201,104	47,369,992	48,376,700	48,041,100	48,204,500
Grants Loans Benefits	61,305,405	55,725,740	45,322,600	36,561,500	35,282,500
Debt Service		120,500		115,500	346,500
Capital Outlay	694,706	552,241	1,876,500	273,500	273,500
Construction	176	190			
TOTAL EXPENDITURES	282,562,641	286,967,035	278,554,800	263,914,100	265,819,600
EXPENDITURES BY FUND SOURCE					
General Fund	266,156,800	270,211,949	259,160,400	244,855,800	247,866,500
Restricted Funds	15,569,187	15,674,323	17,588,900	17,252,800	17,431,600
Federal Funds	836,654	1,080,763	1,805,500	1,805,500	521,500
TOTAL EXPENDITURES	282,562,641	286,967,035	278,554,800	263,914,100	265,819,600
EXPENDITURES BY UNIT					
Institutions Operations	2,221,375	2,573,008	5,400,600	3,745,100	3,661,300
Medical Services	54,025,865	55,778,356	52,764,600	47,061,500	46,899,900
Education	5,776,145	6,061,739	5,783,700	6,399,400	6,059,400
Correctional Industries	11,195,787	11,592,301	12,354,800	12,466,800	12,645,600
Correctional Facilities	176,305,049	186,041,966	187,225,600	185,257,100	188,061,100
Mental Health	10,725,675	11,458,510	11,514,300	8,984,200	8,492,300
Private Prisons	22,312,746	13,461,155	3,511,200		
TOTAL EXPENDITURES	282,562,641	286,967,035	278,554,800	263,914,100	265,819,600

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

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

The Division of Mental Health is responsible for providing mental health treatment services to Kentucky's incarcerated, paroled, and probated populations. The Division is comprised of three units: sex offender treatment programs, the Sex Offender Risk Assessment Unit, and psychiatric and psychological out-patient services.

The Division of Substance Abuse is responsible for providing and overseeing alcohol and other substance abuse treatment programs in the state correctional facilities.

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

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

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

Correctional Institutions

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

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

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

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

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

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

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

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

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

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

Northpoint Training Center (NTC) is a medium security institution with an operational capacity of 1,226 inmates located near

Danville in Boyle County. The institution operates a prison farm, along with counseling, academic, and vocational programs.

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

Policy

The Budget of the Commonwealth includes an estimated savings of \$1,400,000 in fiscal year 2014, \$7,000,000 in fiscal year 2015, and \$7,200,000 in fiscal year 2016 as a result of implementing the Affordable Health Care Act which allows state inmates below 138% of the poverty level Medicaid coverage for hospital costs when outside the correctional facility 24 hours or more.

The Budget of the Commonwealth incorporates the savings due to closing the Marion Adjustment Complex in September 2013: \$2,868,600 in each year of the biennium. The shift of over 500 minimum-security inmates from the private prison to county jails represent about \$6,500,000 in payments to county fiscal courts for housing those inmates.

The Budget of the Commonwealth relocates \$7,600,000 in each fiscal year from Adult Institutions to the community Substance Abuse Program.

The Budget of the Commonwealth provides General Fund debt service in the amount of \$115,500 in fiscal year 2015 and \$346,500 in fiscal year 2016 to support new bonds for capital projects.

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

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	140,926,500	158,051,700	151,074,000	193,852,700	198,678,300
State Salary and Compensation Allocation	1,151,100	93,300	186,600		
Special Appropriation	-1,200,000				
Mandated Allotments	20,538,500	25,000,000	18,163,800		
Other	4,283,700		15,014,200		
Total General Fund	165,699,800	183,145,000	184,438,600	193,852,700	198,678,300
Restricted Funds					
Balance Forward	1,419,617	647,832	1,816,200		
Current Receipts	6,064,920	1,343,462	1,213,800	3,030,000	3,030,000
Non-Revenue Receipts	9	-9	2,800,000	2,800,000	2,800,000
Total Restricted Funds	7,484,547	1,991,285	5,830,000	5,830,000	5,830,000
Federal Funds					
Current Receipts	776,662	806,440	1,340,000	962,800	364,600
Non-Revenue Receipts	-108,061	233,943			
Total Federal Funds	668,601	1,040,383	1,340,000	962,800	364,600
TOTAL SOURCE OF FUNDS	173,852,947	186,176,668	191,608,600	200,645,500	204,872,900
EXPENDITURES BY CLASS					
Personnel Cost	36,465,448	40,510,843	48,203,100	51,194,400	53,257,200
Operating Expenses	5,194,041	5,432,475	5,818,300	5,977,200	5,950,600
Grants Loans Benefits	129,567,026	136,505,977	137,587,200	143,473,900	145,665,100
Capital Outlay	274,800				
TOTAL EXPENDITURES	171,501,316	182,449,295	191,608,600	200,645,500	204,872,900
EXPENDITURES BY FUND SOURCE					
General Fund	163,996,000	181,233,840	184,438,600	193,852,700	198,678,300
Restricted Funds	6,836,715	175,071	5,830,000	5,830,000	5,830,000
Federal Funds	668,601	1,040,383	1,340,000	962,800	364,600
TOTAL EXPENDITURES	171,501,316	182,449,295	191,608,600	200,645,500	204,872,900
EXPENDITURES BY UNIT					
Probation and Parole Program	39,286,558	43,422,643	50,973,700	51,871,900	54,081,100
Local Facilities Operations	951,193	1,053,216	1,265,300	1,301,700	1,319,900
Local Facilities - Jail Program	103,907,804	107,449,803	101,038,000	107,126,100	109,598,300
Community Corrections Commission	987,894	980,361	1,058,800	1,058,800	1,058,800
Halfway Houses	24,328,002	26,751,083	27,000,000	27,000,000	27,000,000
Electronic Monitoring	2,039,864	2,792,189	2,672,800	2,466,500	1,923,300
Substance Abuse Programs			7,600,000	9,820,500	9,891,500
TOTAL EXPENDITURES	171,501,316	182,449,295	191,608,600	200,645,500	204,872,900

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

The Division of Probation and Parole, pursuant to KRS 439.370 and 439.480, through the probation and parole officers in the 20 districts, provides supervision of approximately 45,519 probationers and parolees in the community, investigations of offenders for the courts and parole board, rehabilitative services to offenders, and assistance in employment and home placement.

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

This division is also responsible for payment of local jail per diems, medical per diems, excess medical costs, and inmate labor

for the state inmates housed in the Commonwealth's 74 full service jails and 4 regional jails.

The Community Corrections area is comprised of the Halfway House program, Kentucky Corrections Commissioner, and Electronic Monitoring program. Pursuant to KRS Chapter 439, the Halfway House program provides rehabilitation in community residential correctional centers throughout the Commonwealth where inmates are transitioned prior to their release. Pursuant to KRS Chapter 196, the Kentucky Corrections Commission grants funds for the purpose of assisting judges, throughout the Commonwealth, develop alternatives to incarceration. In accordance with KRS 532.260, the Department of Corrections has initiated the Home Incarceration program (HIP). The current average daily population of HIP participants is 172.

Policy

The Department of Corrections estimates a 6 percent growth in the number of probationers and parolees compared to fiscal year 2013. Much of this increase is due to accelerated parole hearings and mandatory reentry supervision release.

Fiscal Year	Probation and Parole Population
2013 Actual	45,248
2014 Estimated	45,519
2015 Estimated	46,878
2016 Estimated	48,304

Sufficient resources are provided for 42 additional Probation and Parole Officers over the biennium to accommodate the projected increase in caseload.

KRS196.286 directs that the estimated amount of savings shall be solely for expanding and enhancing treatment programs that employ evidence-based or promising practices designed to include the likelihood of future criminal behavior. Consistent with the statute, the estimated savings attributable to the fiscal year 2015 and 2016 are budgeted to expand treatment programs.

The Budget of the Commonwealth directs estimated savings in the amount of \$6,763,400 in each fiscal year to the Substance Abuse Treatment Program.

Justice and Public Safety

Corrections

Local Jail Support

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	14,321,500	16,963,900	19,037,000	18,163,100	18,365,100
Total General Fund	14,321,500	16,963,900	19,037,000	18,163,100	18,365,100
TOTAL SOURCE OF FUNDS	14,321,500	16,963,900	19,037,000	18,163,100	18,365,100
EXPENDITURES BY CLASS					
Personnel Cost	95,267	44,402	45,000	45,000	45,000
Operating Expenses	386,433	437,298	436,700	436,700	436,700
Grants Loans Benefits	13,624,700	16,482,200	18,555,300	17,681,400	17,883,400
TOTAL EXPENDITURES	14,106,400	16,963,900	19,037,000	18,163,100	18,365,100
EXPENDITURES BY FUND SOURCE					
General Fund	14,106,400	16,963,900	19,037,000	18,163,100	18,365,100
TOTAL EXPENDITURES	14,106,400	16,963,900	19,037,000	18,163,100	18,365,100
EXPENDITURES BY UNIT					
Local Jail Allotment	12,612,800	12,026,600	12,026,600	11,074,700	11,074,700
Restricted Medical	931,100	931,100	931,100	931,100	931,100
Jailers' Allowance	481,700	481,700	481,700	481,700	481,700
Catastrophic Medical	80,800	960,000	960,000	960,000	960,000
Local Corrections Assistance Fund		2,564,500	4,637,600	4,715,600	4,917,600
TOTAL EXPENDITURES	14,106,400	16,963,900	19,037,000	18,163,100	18,365,100

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

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

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

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

The Local Corrections Assistance Fund, pursuant to KRS 196.288 provides funding to counties based upon 25% of the estimated savings resulting from changes in HB463.

Policy

Pursuant to KRS 196.288, savings in the amount of \$5,594,800 in fiscal year 2015 and \$5,796,800 in fiscal year 2016 are allocated to the Local Corrections Assistance Fund. Of those amounts, \$879,200 each fiscal year is re-aligned to the Catastrophic Medical program as coordinated between the Department of Corrections and the Kentucky County Jailers Association. As a result, the net amount displayed for this program is \$4,715,600 in fiscal year 2015 and \$4,917,600 in fiscal year 2016.

**Justice and Public Safety
Public Advocacy**

	Actual FY 2012	Actual FY2013	Revised FY2014	Enacted FY 2015	Enacted FY 2016
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	37,195,500	39,974,000	40,678,600	46,314,300	47,472,900
State Salary and Compensation Allocation	1,980,000	70,200	149,700		
Current Year Appropriation			4,400,000		
Total General Fund	39,175,500	40,044,200	45,228,300	46,314,300	47,472,900
Restricted Funds					
Balance Forward	7,119	80,214	57,200		
Current Receipts	3,641,425	3,508,420	1,105,900	1,057,000	1,010,300
Non-Revenue Receipts	64,834	1,212,079	1,031,600	2,120,600	2,025,600
Fund Transfers	-63,600				
Total Restricted Funds	3,649,778	4,800,713	2,194,700	3,177,600	3,035,900
Federal Funds					
Current Receipts	2,062,397	2,264,762	1,900,700	1,320,400	1,320,400
Non-Revenue Receipts	206,556	-334,077			
Total Federal Funds	2,268,953	1,930,685	1,900,700	1,320,400	1,320,400
TOTAL SOURCE OF FUNDS	45,094,231	46,775,598	49,323,700	50,812,300	51,829,200
EXPENDITURES BY CLASS					
Personnel Cost	38,097,067	40,815,415	42,550,500	44,152,400	45,146,800
Operating Expenses	5,447,143	5,839,849	6,743,200	6,629,900	6,652,400
Grants Loans Benefits	33,425	25,865	30,000	30,000	30,000
Capital Outlay	27,781	34,728			
Construction		2,522			
TOTAL EXPENDITURES	43,605,416	46,718,380	49,323,700	50,812,300	51,829,200
EXPENDITURES BY FUND SOURCE					
General Fund	37,766,899	40,044,200	45,228,300	46,314,300	47,472,900
Restricted Funds	3,569,564	4,743,495	2,194,700	3,177,600	3,035,900
Federal Funds	2,268,953	1,930,685	1,900,700	1,320,400	1,320,400
TOTAL EXPENDITURES	43,605,416	46,718,380	49,323,700	50,812,300	51,829,200
EXPENDITURES BY UNIT					
Office of the Public Advocate	1,310,626	1,342,259	1,448,600	1,416,300	1,435,200
Defense Services	38,900,086	41,566,474	44,179,600	46,010,400	46,982,000
Law Operations	1,305,411	1,490,731	1,484,600	1,562,000	1,585,900
Protection and Advocacy	2,089,294	2,318,916	2,210,900	1,823,600	1,826,100
TOTAL EXPENDITURES	43,605,416	46,718,380	49,323,700	50,812,300	51,829,200

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

The Public Advocacy Commission is a 12 person governing board consisting of the Dean or designee from each of the three Kentucky law schools, three members appointed by the Governor from recommendations of the Kentucky Bar Association, one member from recommendations by the Protection and Advocacy Advisory Boards, three members at-large. Two members are appointed by the Kentucky Supreme Court. The Commission insures the Department's ability to provide independent professional representation of individual clients according to the American Bar Association *Ten Principles of a Public Defense Delivery System* (2002).

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

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

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

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

Kentucky Protection & Advocacy (P&A), a division within the Department of Public Advocacy attached to the Department for administrative purposes only, was established pursuant to Public Law 99-319 (42 USC 10805 *et seq.*), Public Law 106-402 (42 USC § 15042 *et seq.*), and KRS 31.010 (2). P&A seeks legal, administrative, and other appropriate remedies to protect and promote the rights of Kentuckians with disabilities. The majority of funds in this division's budget are federal funds that have strict non-supplanting requirements.

Policy

The Budget of the Commonwealth includes General Fund resources in the amount of \$4,400,000 in fiscal year 2014 and \$2,160,000 in each year of the biennium to cover the cumulative shortfall from prior fiscal years created by declines in revenue and rising caseloads.

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